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May 8, 2025

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

RE: UE-250155 – Avista Utilities 2025 All-Source Request for Proposals and Reply Comments

Dear Mr. Killip:

On March 1, 2025, Avista Corporation, dba Avista Utilities (Avista or the Company), filed its Draft 2025 All-Source Request for Proposals (Draft 2025 RFP). Subsequently, comments regarding the Draft 2025 RFP were filed by the Staff of the Washington Utilities & Transportation Commission (Staff), Northwest & Intermountain Power Producers Coalition (NIPPC), the Public Counsel unit of the Washington State Attorney General's Office (Public Counsel), and by Renewable Northwest. In recognition of these comments and feedback received, attached for filing with the Commission is an updated version of the 2025 All-Source RFP. The following exhibits are included with this filing:

Exhibit A: Confidentiality Agreement Exhibit B: Initial Proposal Outline (B-1) and Initial Proposal Template (B-2) (Updated) Exhibit C: Detailed Proposal Requirements (Updated) Exhibit D: Evaluation Methodology (Updated) Exhibit E: Sample Evaluation Matrix Exhibit F: Customer Information Release Exhibit G: RFP PPA Template Example Exhibit H: Demand Response Avista appreciates the collaborative nature and interaction among parties that provided comments. In response to these comments, Avista has made several modifications throughout the RFP or Exhibits to clarify and respond to comments.¹ Provided as Attachment A is the Company's Public Comment Matrix which summarizes the comments filed in Docket No. UE-250155 along with Avista's responses to each comment. Note that the Comment Matrix includes references to any modifications made to the 2025 All Source RFP and/or associated Exhibits. Not all comments and replies resulted in edits to the document; some were addressed solely within the matrix or within this letter. While the comment matrix is intended to provide a summary of Avista's reply comments, the following topics are addressed within this letter due to the detailed nature of its response.

Evaluation Methodology: Comments were received regarding clarification on Avista's scoring methodology and the rationale for individual components and associated weighting. NIPPC's comments (NIPPC-1) recommended a "price" / "non-price" ratio of approximately 80/20 such that the "the price score is generally focused on the overall revenue requirement for ratepayers that the bid would have if it were to prevail". Recognizing that the "financial analysis" category is directly associated with the overall cost of the project, other categories indirectly impact the total price of the project including price risk, electric risk factors and environmental factors also contribute towards the overall cost. Avista understands the subjective nature of placing each element into a price and non-price category and depending on the party reviewing these factors, may result in a different ratio. However, Avista feels that the 40% scoring from Financial Analysis alone does not represent the totality of the "price" based scoring. Rather, Avista feels that a 65% "Price" and 35% "Non-Price" ratio is more representative of how each scoring category might categorize the applicable project costs.

The Company's overall intent is to achieve the lowest possible cost for Avista customers, promote projects with a strong social and community impact, and have the assurance that the project is backed by a capable, organized, and resourceful development partner. With that,

¹ Note that grammatical or structural changes have not specifically been called out in the Comment Matrix.

Avista finds that the evaluation methodology as submitted is weighted effectively to accomplish its desired RFP outcomes.

Avista Self-Build: NIPPC commented that Avista should be required to make utility-owned assets used by the self-build benchmark be available to all bidders. The Company holds that it is at the discretion of the self-build team to determine whether significant infrastructure or assets would be made available to outside parties as part of any joint project, however, this should not be a required element to this RFP. It is important to note that any Avista self-build resource is developed by an independent team responsible for determining the necessary assets and resources required for their proposals. The evaluation team will remain distinct and independent from the self-build team. This structure is designed to ensure an unbiased evaluation while empowering internal bidders to take full ownership of their proposed development.

Targeted Outreach for Under-represented bidders: Avista intends on utilizing the Global News Wire network in order to achieve a broadly distributed RFP and ensure that the most possible responses are received for this All-Source RFP. In addition, Avista will utilize other channels such the American Indian Chamber APEX Accelerator, and an RFP announcement in the American Indian Chamber APEX newsletter, share the RFP announcement through other American Indian Chamber APEX offices and coordinate with the Small Business Administration to utilize specific NAICS codes to reach appropriate and interested counterparties.

I. CONCLUSION

If you have any questions regarding the 2025 All-Source RFP, please contact Chris Drake at 509-495-8624 or via email at <u>chris.drake@avistacorp.com</u> or Ryan Finesilver at 509-495-4873 or ryan.finesilver@avistacorp.com.

Sincerely,

Is/Shawn Bonfield

Shawn Bonfield Sr. Manager of Regulatory Policy & Strategy 2025 All-Source RFP Requirements Checklist per WAC 480-107

WAC CHAPTER 480-107 REQUIREMENTS CHECKLIST

WAC	Requirement	Location in Draft 2025 All Source RFP
480-107-025(1)	The RFP must define the resource need, including specific attributes or characteristics the utility is soliciting, such as the amount and duration of power, time and locational attributes, operational attributes, the type of technology or fuel source necessary to meet a compliance requirement, and any additional information necessary for potential bidders to make a complete bid, including a copy or link to the complete assessment of avoided costs identified in WAC 480-100- 615(12).	RFP Section I – Introduction and Company Overview (link to avoided cost) RFP Section III – Request for Proposal, and RFP Appendix A – Operational Requirements
480-107-025(2)	The RFP must request information identifying energy and non-energy benefits or burdens to highly impacted communities and vulnerable populations, short-term and long-term public health impacts, environmental impacts, resiliency and energy security impacts, or other information that may be relevant to identifying the costs and benefits of each bid, such as a bidder's past performance utilizing diverse businesses and a bidder's intent to comply with the labor standards in RCW 82.08.962 and 82.12.962. After the Commission has approved the utility's first clean energy implementation plan (CEIP), the requested information must contain, at minimum, information related to indicators approved in the utility's most recent CEIP including customer benefit indicators, as well as descriptions of all indicators.	Exhibit B1 (III) (j) – Preliminary Information Exhibit D – Evaluation Methodology Exhibit C – Detailed Proposal Requirements
480-107-025(3)	The RFP must document that the size and operational attributes of the resource need requested are consistent with the range of estimated new resource needs identified in the utility's IRP.	RFP Section III – Request for Proposal



480-107-025(4)	The RFP must explain the specific ranking procedures and assumptions that the utility will use in accordance with WAC 480-107-035.	RFP – Section VII RFP Process & Evaluation Criteria Exhibit D – Evaluation Methodology
490 107 025(4)	The DED must include a second a such stice	Exhibit E – Sample
480-107-025(4)	The RFP must include a sample evaluation rubric that quantifies, where possible, the weight the utility will give each criterion during the bid ranking procedure and provides a detailed explanation of the aspects of each criterion that would result in the bid receiving higher priority.	Exhibit D – Evaluation Methodology
		Exhibit E – Sample Evaluation Matrix
480-107-025(5)	The RFP must specify a detailed timeline for each stage of the RFP process including solicitation, ranking, and selection, as well as the utility's schedule of planned informational activities and contact information for the RFP.	RFP Section VII – RFP Process and Evaluation Criteria (Table)
480-107-025(6)	The RFP must generally identify any utility- owned assets, including merchant-side assets	RFP Section IV – Avista Self-Build
	that the utility has available, for the purpose of receiving bids that assist the utility in meeting its resource need at the lowest reasonable cost. The utility must make reasonable efforts to provide bidders with the necessary technical details they request and to allow bidders to design their bids for use in conjunction with utility- owned assets.	RFP Section V – Transmission Requirements
480-107-025(7)	The RFP must identify any minimum bidder requirements, including financial security requirements and the rationale for such requirements, such as proof of a bidder's industry experience and capabilities.	RFP Section IV – Evaluation Process
		Exhibit B1 – initial Proposal Outline, Section II and III
		Exhibit D – Evaluation Methodology

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480-107-025(8)	The RFP must include standard form contracts to be used in acquisition of resources.	Exhibit G – RFP PPA Template (standard contract)
480-107-025 (9)	All RFPs must discuss the impact of any applicable multistate regulation on RFP development including the requirements imposed by other states for the RFP process.	RFP Section III - Request for Proposal
480-107-025 (10)	The RFP must clearly state the scope of the solicitation and the types of bids that the utility will accept consistent with WAC 480-107-024.	RFP Section III - Request for Proposal ("all resource types")
480-107-035 (2)	At a minimum, a utility's RFP ranking criteria must recognize resource cost, market- volatility risks, demand-side resource uncertainties and benefits, re- source dispatchability, resource effect on system operation, credit and financial risks to the utility, the risks imposed on ratepayers, public policies regarding resource preference, and Washington state or federal government requirements.	RFP Section VII - RFP Process and Evaluation Criteria
		Exhibit B1 – Initial Proposal Template
		Exhibit D – Evaluation Methodology
		Exhibit E – Sample Evaluation Matrix
480-107-035 (3)	In choosing to remove a bid during any stage of its evaluation process, the utility may not base its decision solely on the project's ability to only meet a portion of the resource need.	RFP Section III – Avista Request for Proposal
480-107-035 (4)	The utility may not discriminate based on a bidder's ownership structure in the ranking process.	RFP Section VII - RFP Process and Evaluation Criteria
		Exhibit B1 – Initial Proposal Template
		Exhibit D – Evaluation Methodology



480-107-035 (5)	The utility and any independent evaluator selected by the utility will each score and rank the qualifying bids using the RFP's ranking criteria and methodology. If bids include unexpected content, the utility may modify the ranking criteria but must notify all bidders of the change, describe the change, and provide an opportunity for bidders to modify their bids.	RFP Section IV Avista Self-Build Documentation to be provided in final report.
480-107-035 (6)	Within thirty days after the close of the bidding period, the utility must post on its public website a summary of each bid the utility has received. Where use of confidential data prohibits the utility from identifying specifics of a bid, a generic but complete description is sufficient.	RFP Section VII – RFP Process and Evaluation Criteria (table 2)
480-107-035 (7)	The utility may reject any bids that do not comply with the minimum requirements of the RFP or identify the costs of complying with environmental, public health, or other laws, rules, and regulations in effect at the time of the bid.	RFP Section VII – RFP Process and Evaluation Criteria Exhibit D – Evaluation Methodology (General Qualifications)
480-107-035 (8)	Within thirty days after executing an agreement for acquisition of a resource, the utility must file the executed agreement and supporting documents with the commission.	Avista will comply with this requirement.
480-107-035 (9)	The commission may review any acquisitions resulting from the RFP process in the utility's general rate case or other cost recovery proceeding.	NA – Commission Requirement



480-107-035 (10)	The commission will review, as appropriate, a utility's finding that no proposal adequately serves ratepayers' interests, together with evidence filed in support of any acquisition made outside of the RFP process, in the utility's general rate case or other cost recovery proceeding.	NA – Commission Requirements
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