

July 6, 2020

To: Puget Sound Energy

From: Fred Heutte, Senior Policy Associate
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on behalf of NW Energy Coalition

Re: Draft 2020 All-Source RFP for Peak Capacity Resources

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The NW Energy Coalition (NVEC) appreciates the opportunity to provide the following comments on the Puget Sound Energy (PSE) draft 2020 All-Source RFP for Peak Capacity Resources.

1. Table 1 in the draft RFP summarizes cumulative capacity need by year, and Table 2 indicates PSE's preferred glide path for resource additions. As the summary table below shows, the preferred glide path would acquire capacity resources considerably in excess of need for 2024 and 2025, even if the proposed sale of Colstrip 4 is approved. We request that PSE explain the reasoning behind the selection of the preferred glide path values.

	2024	2025	2026
a. Capacity need	(13)	106	753
b. Impact of pending Colstrip 4 sale	95	95	
c. Remaining capacity need (a+b)	82	201	753
d. Resource additions (preferred glide path)	200	200	353
e. Cumulative resource additions	200	400	753
<i>f. Resource additions beyond capacity need (e-a)</i>	<i>213</i>	<i>294</i>	
<i>g. Resource additions beyond remaining capacity need (e-c)</i>	<i>118</i>	<i>199</i>	

2. The draft RFP (p. 6) discusses the estimation of generic ELCC values by resource type and location. How will PSE evaluate wind+battery, solar+battery or other hybrid resources?
3. As the text notes, "Because ELCC values are highly dependent on the load characteristics and mix of resources owned by a utility, they are unique to each utility." Will PSE evaluate the ELCC value of resources only in terms of individual bids submitted, or will there also be an evaluation of the contribution of various potential combinations or portfolios of bids to meet the glide path requirements?
4. The draft RFP states (p. 8), "With the possible exception of any potentially available Colstrip transmission, PSE currently has no other available transmission rights (i.e., from any point

east of the Cascades or elsewhere) to pair with proposed resources.” Can bidders propose to use PSE’s transmission rights from Colstrip if the Colstrip 4 sale is approved?

5. In addition, the PSE presentation for 2021 IRP Webinar #3: Transmission Constraints on June 30, 2020, indicated that other additional transmission may become available in the next several years. For example, 100 MW of BPA transmission rights for PSE’s TransAlta PPA would be available after 2025. Would any such additional transmission rights there or elsewhere be available for bidders in this RFP?
6. The draft RFP states that projects outside PSE’s load center must demonstrate that the project has secure long-term firm delivery to PSE’s system at BPAT.PSEI. Could PSE provide flexibility for a project currently being considered in the BPA 2021 Cluster Study as part of its TSR Study and Expansion Process (TSEP)?
7. The draft RFP (p. 10) states that PSE is currently preparing a study of potentially favorable locations for battery storage west of the Cascades. It would be helpful for PSE to describe the basic elements of this study and how locational ratings are determined.
8. Will bidders be able to propose projects that aggregate demand response from electric water heaters, including those mandated to have CTA-2045 interface availability as of January 1, 2022?
9. While the RFP details the criteria to be used for bid evaluation, it is important to specify how the criteria will be weighted qualitatively and quantitatively.
10. While we recognize that RFP guidance from the UTC is currently under review, the RFP should at least prospectively state an approximate date for contract execution.

Thank you for considering our comments.

/s/

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