

**BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Petition of)	
)	Docket No. UE-21 _____
Avista Corporation, d/b/a Avista Utilities)	
)	PETITION OF AVISTA
For an Order Approving an Independent Evaluator for)	CORPORATION
the Purchase of Resources per WAC 480-107-023)	
_____)	

I. INTRODUCTION

1 In accordance with WAC 480-100-023(2), Avista Corporation, doing business as Avista Utilities ("Avista" or "Company"), at 1411 East Mission Avenue, Spokane, Washington, hereby petitions the Commission for an order approving the Company's recommended Independent Evaluator ("IE"), Sapere Consulting ("Sapere")¹, for the purposes of assistance in design and evaluation the Company's all-source Request for Proposals ("RFP") to be issued per WAC 480-107-009(2).

2 On April 1, 2021, the Company filed with this Commission its 2021 Electric Integrated Resource Plan ("IRP")² in compliance with Order 02 in Docket UE-180738 and WAC 480-100, Part VIII – Planning. The Company's 2021 IRP demonstrated a resource need in 2025. As such, WAC 480-107-009(2) requires an electric utility to *"issue an all-source RFP if the IRP demonstrates that the utility has a resource need within four years"*. WAC 480-107-017(1)

¹ <https://sapereconsulting.com/our-practices/energy-solutions/>

² Docket UE-200301.

states “a utility must file the RFPs and accompanying documentation with the commission no later than one hundred twenty days after the utility files its final IRP.” Due to a variety factors, Avista filed a Petition on June 29, 2021 for an order from the Commission approving an extension of the filing of the RFP and accompanying documentation to November 1, 2021.³ The Company intends for Sapere to assist in the design of the RFP along with independently evaluating the RFP bids received.

3 Avista is a utility that provides service to approximately 395,000 electric customers and 258,000 natural gas customers in a 26,000 square-mile area in eastern Washington and northern Idaho. Avista Utilities also serves approximately 105,000 natural gas customers in Oregon. The largest community served by Avista is Spokane, Washington, which is the location of its corporate headquarters. Please direct all correspondence related to this Petition as follows:

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4 Rules and statutes that may be brought at issue in this Petition include WAC 480-107.

5 A table of contents for this Petition follows:

³ UE-210486

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Included with this petition are the following supporting Attachments A - B:

- Attachment A – Independent Evaluator Scope of Work
- Attachment B – Sapere’s proposal and resumes

II. BACKGROUND

4 The Clean Energy Transformation Act (“CETA”) passed by the Washington legislature in 2019 led to significant need for change regarding utilities resource planning and publishing of IRPs. Prior to CETA, electric utilities were required to file IRPs every two years and issue RFPs when an IRP showed a capacity need within three years. Now, through updated rules adopted by the Commission in WAC 480-100 Part VIII - Planning and WAC 480-107, Purchase of Resources, electric utilities must file an IRP every four years beginning January 1, 2021⁴, with IRP updates every two years beginning on January 1, 2023. WAC 480-107-009(2) now requires a utility to issue an all source RFP when a final IRP demonstrates a resource need within four years. The definition of resource need was expanded from only including capacity to now including generation, conservation, distributed generation, demand response, efficiency, and storage. WAC 480-107-023(1) requires that a utility engage the services of an IE if “*the utility itself or its subsidiary or affiliate participates in the Utility’s RFP bidding process*”, “*the utility intends to retain an option to procure resources that will result in the utility owning or having a purchase option in the resource over its expected useful life*”, or “*the utility is considering repowering its existing resources to meet its resource need.*”

⁴ Order 02 in Docket UE-180738 required the January 1, 2021 IRP to be filed by April 2, 2021.

5 As noted earlier, on April 1, 2021 Avista filed its 2021 Electric IRP. The IRP showed a need for renewable generation in 2025, within four years of filing the IRP. Avista filed an update to its 2021 Electric IRP at the end of April to incorporate additional contracted resources. The update showed a continued clean energy need in 2025 based on Avista’s IRP modeling and resource planning approach to layer in resources as the company works towards its 2030 CETA goals. Avista is currently in the process of preparing the all-source RFP as required and will utilize an IE per WAC 480-107-023. The IE will participate in the design of the RFP including continued RFP preparations and the regulatory process until the RFP is released, and then, participate in the evaluation once proposals are received.

6 The Company conducted an informal solicitation for an IE as further described below, which it selected Sapere, and hereby recommends approval of Sapere for use as an IE from the Commission as required per WAC 480-107-023(2), which states “*After consulting with commission staff and stakeholders, the utility may issue a solicitation for an independent evaluator and must recommend an independent evaluator for approval by the commission.*”

III. INDEPENDENT EVALUATOR SELECTION

7 As noted above, Avista is preparing an all-source RFP, to be issued in late 2021, if approved by the Commission. Because the Company intends on self-bid options for repowering existing resources and may elect the option to procure a resource in the future, it will utilize an IE for the duration of the RFP process.

8 Knowing that the Company would need to utilize an IE, it contemplated using the same IE it engaged with for its 2018 RFP for resources, Black & Veatch. As part of its due diligence, the Company decided Black & Veatch would not be an option due to potential conflicts with other services that the IE may provide Avista in the future. As a result, the Company performed

an informal solicitation for IE services, which was aided by recent regional activity around IE solicitations performed by Puget Sound Energy and Portland General Electric.

9 The Company consulted with Commission Staff on its plans for an informal solicitation for an IE in May and June. Commission Staff was receptive to the Company's plans and encouraged the Company to consult with other stakeholders regarding its intent to use an IE. Avista then provided notice to all of its IRP Technical Advisory Committee members on June 20, 2021 regarding its plans for the all-source RFP and intent to use an IE, which it received no comments or concerns about.

10 Avista followed WAC 480-107-023 to develop its proposed scope of work for the IE, which can be found in Attachment A. Prior to the Company's informal solicitation for IE services, it conducted comparative research of similar recent solicitation processes and developed a short list of qualified firms providing IE services that it sought proposals from. It held bidder interviews in late May and early June to discuss the Company's needs with the prospective IEs. Then on June 10, 2021 the Company sought proposals from the four companies that provided IE services, in which it received proposals back from three of the companies.

11 Between June 22 and June 25, 2021, Avista's RFP team held meetings to review, discuss and score the three proposals. The proposals from all three companies were well prepared and demonstrated a high level of expertise and professionalism. When reviewing the bids Avista took into consideration perceived and quantifiable strengths of each IE using the following criteria, which also includes the weighting of each criteria used to select the winning IE:

- Washington CETA and Purchase of Resource rules knowledge and expertise (10%)
- Resource Adequacy/Effective Load Carrying Capacity expertise (10%)
- Price for assistance with RFP design (15%)
- Price for RFP evaluation (35%)
- All-source RFP experience (10%)
- Northwest market experience (20%)

12 The review concluded with Avista selecting Sapere to provide IE services for Avista's all source RFP. Sapere's proposal with resumes is included as Attachment B. A kickoff meeting with Sapere was held on June 30, 2021 to confirm the scope of Sapere's services, discuss deliverables, and review contract logistics between Avista and Sapere. Sapere is ready to begin its IE responsibilities upon approval by the Commission.

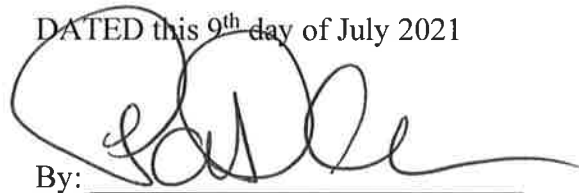
IV. CONCLUSION

13 Based on the factors above, Avista believes Sapere will serve as a qualified IE for assisting in the development of the all-source RFP and evaluation of bids. Sapere has proven experience in evaluating RFPs, understands CETA, and is familiar with the rules in Washington pertaining to utility's Purchase of Resources.

V. REQUEST FOR RELIEF

6 WHEREFORE, Avista respectfully requests that the Commission issue an order approving the Company's recommended Independent Evaluator, Sapere Consulting, for the purposes of assistance in design and evaluation the Company's all-source Request for Proposals to be issued per WAC 480-107-009(2).

DATED this 9th day of July 2021



By: _____
Patrick D. Ehrbar
Director of Regulatory Affairs

