

**BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Petition of
PUGET SOUND ENERGY,

 Petitioner,

for an Order Approving PSE’s
Recommendation for an
Independent Evaluator for an
Anticipated 2023 Request for
Proposals for Non-Wires
Alternatives in Kitsap County,
Washington

Docket UE-23 _____

Petition of Puget Sound Energy for
an Order Approving PSE’s
Recommendation for an
Independent Evaluator for an
Anticipated 2023 Request for
Proposals for Non-Wires
Alternatives in Kitsap County,
Washington

1 *I.* In accordance with Washington Administrative Code (WAC) 480-07-370(3)
2 and 480-107-023(2), Puget Sound Energy (“PSE”) petitions the Washington Utilities and
3 Transportation Commission (the “Commission”) to issue an order approving PSE’s
4 recommendation for an independent evaluator to assess and report on PSE’s anticipated
5 request for proposals for non-wires alternatives in Kitsap County, Washington, as required by
6 the Commission’s Purchase of Resources rules.¹

I. BACKGROUND

A. The Anticipated 2023 Kitsap Non-Wires Alternatives Request for Proposals

2 2. PSE is currently in the initial stages of planning for and developing a 2023
3 Kitsap Non-Wires Alternatives Request for Proposals (the “2023 Kitsap Non-Wires

¹ See Chapter 480-107 WAC.

1 Alternatives RFP”). The 2023 Kitsap Non-Wires Alternatives RFP will be a voluntary and
2 targeted request for proposals under the Commission’s Purchase of Resources rules.²

3 3. PSE anticipates providing an information filing of the 2023 Kitsap Non-Wires
4 Alternatives to the Commission in the third quarter of 2023 and issuing the RFP shortly
5 thereafter. The goal of the 2023 Kitsap Non-Wires Alternatives RFP is to solicit proposals for
6 potentially viable non-wires alternatives that will help PSE identify and develop solutions to
7 address growing electric transmission system capacity needs in Kitsap County, Washington.
8 Specifically, PSE has identified several needs based on load forecasting and electric system
9 planning processes that include the following:

- 10 (i) a need to provide additional capacity to serve and improve
11 transmission reliability for the 134,000 existing PSE
12 customers and projected future load growth in Kitsap County
13 and Vashon Island;
- 14 (ii) a need for bulk capacity to address the risk of voltage collapse
15 (i.e., low or rapidly falling voltage level resulting in loss of
16 service) in Kitsap County under certain conditions; and
- 17 (iii) a need to address aging infrastructure related to the submarine
18 cables that tie Kitsap County to King County via Vashon
19 Island.³

20 4. Although PSE has not yet finalized the 2023 Kitsap Non-Wires Alternatives
21 RFP documents, PSE engaged with interested parties in late March of 2023 to discuss the
22 anticipated scope of the 2023 Kitsap Non-Wires Alternatives RFP and the selection of an
23 independent evaluator. PSE anticipates soliciting and considering a variety of non-wires

² WAC 480-107-009(3) defines the term “Voluntary RFP,” as “[w]henver a utility chooses to issue an RFP to meet resource needs outside of the timing of its required RFP, it may issue an all-source RFP or a targeted RFP. Voluntary RFPs are not subject to commission approval.”)

³ PSE installed the submarine cables that tie Kitsap County to King County via Vashon Island in the 1960s, and these cables are approaching the end of their projected useful life.

1 alternative proposals for distributed energy resources (DERs), including but not limited to,
2 power purchase agreements and other transactions that may result in PSE owning or having a
3 purchase option in the DER resource over its expected useful life (e.g., battery storage
4 systems, demand response, and distributed generation). Accordingly, WAC 480-107-023(1)
5 requires PSE to engage the services of an independent evaluator and obtain Commission
6 approval of a recommended independent evaluator.

7 5. With the assistance of an independent evaluator, PSE anticipates being able to
8 obtain accurate information regarding potential non-wires alternative proposals and to
9 identify a solution that will meet PSE's electrical system and customer needs. PSE will make
10 more detailed information about the scope of the 2023 Kitsap Non-Wires Alternatives RFP
11 available after the Commission has approved an independent evaluator for PSE and the
12 approved independent evaluator has had an opportunity to collaborate to develop the
13 2023 Kitsap Non-Wires Alternatives RFP.

14 **B. Evaluation of Independent Evaluator Candidates for the 2023 Kitsap Non-Wires**
15 **Alternatives RFP**

16 6. In late 2020 and early 2021, prior to filing and issuing the 2021 All-Source
17 Request for Proposals, PSE conducted a solicitation for independent evaluator services,
18 consistent with the direction provided by Commission Staff and interested parties, as well as
19 the trajectory of the then-draft rules under development in the Commission's Purchase of
20 Electricity rulemaking in Docket UE-190837. Before issuing that solicitation for independent
21 evaluator services, PSE consulted with Commission Staff and interested parties and
22 conducted comprehensive comparative research of solicitations for independent evaluator
23 services conducted by utilities in other jurisdictions. Based on this research and feedback from

1 Commission Staff and interested parties, PSE ultimately designed and administered a
 2 solicitation for independent evaluator services that took into consideration the criteria outlined
 3 in the following, non-exclusive categories:⁴

CRITERIA	WEIGHT
Ability of the IE candidate to perform the work	50%
Quality of expertise, breadth and depth of experience of the bidder and its individual staff member(s) assigned to the project to perform the proposed scope of work	
Experience with clean energy portfolio integration	
Experience and knowledge of bilateral markets and the CAISO Energy Imbalance Market	
Experience reviewing RFPs for renewable energy and capacity resources, including experience with battery and other storage options. Preference for experience evaluating market bids in the WECC region and Pacific Northwest in particular	
Experience reviewing demand side resources, including in comparative analysis with an RFP	
Experience with utility applications of electric production cost modeling, in particular relating to renewable generating resources bids as part of an RFP. Familiarity with forecasting, analysis and market simulation software (including Aurora and Plexos).	
Experience with interconnection and transmission service processes, Open Access Transmission Tariff (OATT), Bonneville Power Administration (BPA) transmission interconnection and transmission services processes, and familiarity with the transmission networks in the WECC region and Pacific Northwest in particular.	
Responses to IE Questionnaire (Appendix B) ⁵	

⁴ More information about PSE’s 2021 solicitation for independent evaluator services is available on PSE’s resource acquisition website (www.pse.com/rfp) and in PSE’s September 2022 petition for approval of a recommended independent evaluator filed in Docket UE-210971.

⁵ Please see page 17 of Exhibit A to this Petition for Appendix B to the Independent Evaluator for Puget Sound Energy’s 2021 All-Source and Demand Response Solicitation, issued on November 24, 2020.

CRITERIA	WEIGHT
Costs and Contracting	50%
The total cost of the proposal, including the elements of the cost and the overall appropriateness of the cost in relation to the work as proposed.	
Feedback and Confirmation Provided for Master Services Agreement (Appendix E) ⁶	
Bidder contribution to the equity goals of RCW 19.40.040(8)	

1 7. In response to that solicitation for independent evaluator services for the
2 2021 All-Source RFP, PSE received responses from 12 firms. The 12 candidate firms
3 submitted cost proposals in a variety of forms, including (i) fixed fee proposals, (ii) time and
4 materials (tiered and un-tiered) proposals, (iii) time and materials with not-to-exceed limit
5 proposals, and (iv) partially-fixed proposals based on number of bids received.

6 8. In the first quarter of 2023, members of a cross-departmental team working on
7 the anticipated 2023 Kitsap Non-Wires Alternatives RFP re-evaluated the independent
8 evaluator candidate submissions from the solicitation for the 2021 All-Source RFP. The goal
9 of the reevaluation was to leverage the independent evaluator proposal framework and review
10 the 12 candidate firms for the 2023 Kitsap Non-Wires Alternatives RFP. Accordingly, PSE
11 examined the components and assumptions of the 12 independent evaluator candidate bid
12 submittals for reasonableness and consistency across proposals. Members of the cross-
13 departmental team for the PSE’s Kitsap Non-Wires Alternatives RFP shortlisted three
14 independent evaluator candidates based on whether the bid and the firm had demonstrated
15 prior experience providing independent evaluator services in the specific areas of evaluating

⁶ Please see pages 26-41 of Exhibit A to this Petition for Appendix E to the Independent Evaluator for Puget Sound Energy’s 2021 All-Source and Demand Response Solicitation, issued on November 24, 2020.

1 competitive solicitations for DERs and non-wires alternative technologies. In addition,
2 selection of these three candidate firms considered Conflicts of Interest Declarations and
3 Disclosures and experience with solicitations in the Pacific Northwest and Washington State.

4 9. Following outreach to interested parties to discuss the anticipated 2023 Kitsap
5 Non-Wires Alternatives RFP in late March 2023, members of the cross-departmental team
6 held interviews with the three shortlisted independent evaluator candidate firms between
7 March 14, 2023 and March 27, 2023. During the interviews, PSE team members provided
8 presentations to the candidate firms regarding the requirements, anticipated schedule, and
9 projected scope of work for an independent evaluator in the 2023 Kitsap Non-Wires
10 Alternatives RFP. PSE also provided an opportunity for questions and discussions, and
11 afterwards sent a request for a final written proposal to each of the three candidate firms.

12 10. PSE received two written proposals from the three short-listed candidates. PSE
13 compared and scored the two final proposals on PSE's standard RFP evaluation matrix with
14 the following factors and associated weights:

- 15 (a) Project approach (25%);
- 16 (b) Value to cost ratio (20%);
- 17 (c) Ability to support non-wires RFP independent evaluator efforts (30%);
- 18 (d) Consultant industry reputation & experience (15%); and
- 19 (e) Quality Assurance commitment (10%).

20 11. Based on scoring from the RFP evaluation matrix, interviews, and evaluation
21 process described earlier, PSE has identified PA Consulting Group, Inc. (PA Consulting) as
22 the candidate firm with the top bid proposal. PA Consulting has experience and knowledge
23 of the electric industry in the Pacific Northwest and Western United States, having served as

1 an independent evaluator for all-source and other solicitations for PacifiCorp, San Diego
2 Gas & Electric, and Pacific Gas & Electric. In addition, PA Consulting has demonstrated
3 substantial experience in the area of assessing and evaluating potential non-wires alternatives
4 proposals in the context of electric utility distribution system planning. Therefore, PSE
5 recommends that the Commission approve PA Consulting as the independent evaluator for
6 the anticipated 2023 Kitsap Non-Wires Alternatives RFP.

7 II. PETITION FOR APPROVAL

8 12. WAC 480-107-023(2) provides that a utility must recommend an independent
9 evaluator for approval by the Commission. Further, in General Order R-602, issued in
10 Docket UE-190837, the Commission stated that it

11 . . . expects that a utility will file a petition seeking approval, and that
12 the Commission will consider the petition at an open meeting. The
13 Commission expects that its review and approval will take at least 30
14 days.⁷

15 13. Throughout 2021 and 2022, PSE has engaged the services of another
16 independent evaluator for a suite of solicitations for clean energy and capacity needs
17 stemming from PSE's integrated resource planning process. PSE's experience with Bates &
18 White, the existing independent evaluator for the 2021 All-Source RFP, the 2022 Distributed
19 Energy Resources RFP, and the ongoing 2023 Distributed Solar and Storage RFP has been
20 extremely positive. However, given the growing portfolio of ongoing PSE solicitations, as
21 well as the unique geographic nature and focus on electric transmission system planning for

⁷ See General Order R-602, *Order Amending, Adopting, and Repealing Rules Permanently*, Docket UE-190837 (Dec. 28, 2020) at ¶ 34.

1 the anticipated 2023 Kitsap Non-Wires Alternatives RFP, PSE decided to hire a dedicated
2 independent evaluator for this solicitation.

3 14. Based on PA Consulting’s extensive and comprehensive record of prior
4 impartial independent evaluator services in California, Oregon, and across the United States,
5 as well as their experience with non-wires alternative evaluations for other utilities in the
6 Western United States, PSE respectfully requests that the Commission grant this petition so
7 that PSE may utilize the services of PA Consulting as the independent evaluator for the
8 2023 Kitsap Non-Wires Alternatives RFP.

9 **III. CONCLUSION**

10 15. Based on the foregoing, PSE respectfully requests that the Commission
11 approve PSE’s recommendation that PA Consulting serve as the independent evaluator for
12 the 2023 Kitsap Non-Wires Alternatives RFP, pursuant to WAC 480-107-023(2). As noted
13 herein, PSE currently anticipates that it will submit the anticipated 2023 Kitsap Non-Wires
14 Alternatives to the Commission as an informational filing in the third quarter of 2023 and
15 issue the RFP shortly thereafter. Accordingly, PSE respectfully requests that the Commission
16 consider this request as part of its open meeting agenda on May 25, 2023.

17 **PUGET SOUND ENERGY**

18 */s/ Jon Piliaris*

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