



# NW Energy Coalition

May 17, 2021

Mark Johnson  
Executive Director/Secretary  
Washington Utilities and Transportation Commission  
621 Woodland Square Loop SE  
Lacey, WA 98503

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*Re: Docket UE-210220: Puget Sound Energy Draft 2021 All-Sources Request for Proposals*

Mr. Johnson:

The NW Energy Coalition (“NWECC” or “Coalition”) appreciates the opportunity to comment on the Draft Request for Proposals (“RFP”) submitted by Puget Sound Energy (“PSE”) on April 1, 2021.

The Coalition is an alliance of more than 100 organizations united around energy efficiency, renewable energy, fish and wildlife preservation and restoration in the Columbia basin, low-income and consumer protections, and informed public involvement in building a clean and affordable energy future. The Coalition supports and reinforces the comments of Renewable Northwest in this docket, as well as the comments NWECC submitted on PSE’s Final Integrated Resource Plan (“IRP”) on May 6<sup>th</sup>, 2021.

The RFP repeats the shortcomings of the IRP related to PSE’s capacity strategy. Given the critical nature of these shortcomings, and the short timeline in which to address them, we join Renewable Northwest in their request for additional information regarding the analytical basis for PSE’s capacity need, and seeking changes to the capacity contribution methodology used in PSE’s IRP to better reflect stakeholder input and industry best practices before the RFP is finalized.

We further agree that PSE needs to share more information about how it plans to ensure that the results of this RFP are coordinated with and optimized with the results of its targeted DER RFP. We plan to provide substantive comments on that RFP, and will be looking for a concerted effort to incorporate the results of a coordinated RFP process into the Clean Energy Action Plan as it is developed.

We also join Renewable Northwest in opposing PSE’s proposed cost adder for power purchase agreements (“PPAs”). The RFP references RCW 80.28.410, which allows PSE to earn a rate of return on certain power purchase agreements. PSE advocated for including this provision in the Clean Energy Transformation Act in order to allow utilities to be “indifferent” as to whether they build or buy resources to comply with the Act. The purpose of this provision was to

neutralize the self-build incentive, allowing projects owned and operated by third parties to compete on an even playing field with utility-owned resources. It would therefore be entirely inconsistent with the intent and purpose of the statute, as well as the principles of fair and competitive procurement, to attach a cost adder to PPAs that disfavor third-party owned projects vis-a-vis utility-owned projects – particularly before the Commission has acted to approve the use of the incentive for any particular project.

Finally, we want to acknowledge the importance of the role of the independent evaluator in this process. We have seen value in the engagement of independent evaluators in ensuring that procurement processes are fair and transparent, as well as provide important insight on best practices. We urge the Commission to review the independent evaluator’s report, and seek their advice throughout this process.

Respectfully,

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