



ATTORNEY GENERAL OF WASHINGTON

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October 10, 2022

SENT VIA WUTC WEB PORTAL

Amanda Maxwell
Executive Director and Secretary
Washington Utilities and Transportation Commission
621 Woodland Square Loop SE
Lacey, WA 98503

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 COMMISSION

Re: Petition for approval of recommended independent evaluator of the company's requests for proposals to acquire energy resources, in accordance with WAC 480-107-023(2), Docket UE-220725

Dear Director Maxwell:

The Public Counsel Unit of the Washington State Attorney General's Office (Public Counsel) respectfully submits these comments in advance of the October 13, 2022, Open Meeting. These comments respond to Puget Sound Energy's (PSE or the Company) petition for approval of recommended independent evaluator of the Company's requests for proposals to acquire energy resources, in accordance with WAC 480-107-023(2).

Public Counsel's Recommendation

Public Counsel recommends that the Washington Utilities and Transportation Commission (Commission) approve PSE's request, subject to the condition that, prior to issuing a request for proposal (RFP) in the allotted time period, PSE must consult with stakeholders, including Commission Staff and Public Counsel, to determine if there are concerns with the use of Bates & White. As part of this consultation, PSE will describe Bates & White's qualifications in the given area of the potential RFP. If stakeholders identify concerns that the Company does not resolve, stakeholders may petition the Commission in this Docket for approval of an independent evaluator.

On May 4, 2020, PSE filed with the Commission two requests for proposals (RFPs). In Docket UE-200414, PSE filed a RFP regarding all generation sources. In Docket UE-200413, the Company filed a RFP specifically regarding demand response programs. Consistent with Order 04 in those Dockets, as well as the direction of the draft rules then under development in the

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Purchase of Electricity rulemaking, PSE withdrew the RFPs and consulted with stakeholders and Commission Staff in November 2020 prior to issuing a solicitation for an independent evaluator (IE) to support the development and review of the respective RFPs.

In its solicitation, PSE created a framework to evaluate bidders.¹ PSE received bids from 12 firms. After evaluating the firms, PSE interviewed those ranked in the top five. Ultimately, PSE selected the Washington, D.C. firm Bates & White to lead the evaluation of its all-source and demand response RFPs. The Commission approved PSE's recommendation of Bates & White in Docket UE-210037.

PSE has indicated its intent to issue a targeted voluntary RFP from distributed solar resources and distributed solar resources paired with energy storage (Solar RFP), in accordance with its Clean Energy Implementation Plan (CEIP).² The demand response RFP did not illicit solar proposals, and the Company believes a targeted RFP will encourage bids not entered in the demand response RFP.³ PSE also indicates it may file and issue other targeted voluntary RFPs to meet CEIP targets. On September 26, 2022, PSE filed a petition recommending the approval of its continued use of Bates & White as the IE in the anticipated Solar RFP and any other targeted voluntary RFPs that PSE may issue on or before September 30, 2023.

WAC 480-107-023(2) states that, 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. PSE is requesting blanket approval for its chosen IE for whatever RFPs it may choose to issue in the next year.

Public Counsel appreciates the potential efficiencies of the continued use of Bates & White. For instance, much of the criteria provided by PSE to evaluate IE services is unlikely to change. There are key criteria, however, that may change depending on the RFP issued. These include "quality of expertise, breadth and depth of the experience of the bidder and its individual staff member(s) assigned to the project to perform the proposed scope of work" and "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." For example, if PSE offered a full solicitation, there may be bids from firms more adept at evaluator solar-specific proposals, or that may offer a lesser cost. Absent a full solicitation, PSE would usually petition for the Commission's approval of an IE with each new resource RFP. These petitions would outline the firm's qualifications and understanding of the specific scope of work. Stakeholders will not know these details if the Commission approves this petition.

¹ Puget Sound Energy's Petition for Approval of its Recommended Independent Evaluator at 8 (filed on Sept. 23, 2022) (hereinafter "Petition").

² The Commission has not yet approved PSE's CEIP in Docket UE-210795.

³ Petition at 12.

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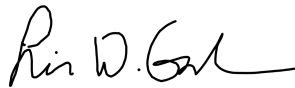
At this time, Public Counsel has not identified concerns regarding the continued use of Bates & White. However, we recommend the Commission condition its approval of PSE's recommendation on assurances that Bates & White will be qualified for whichever RFPs PSE issues with their assistance, and that stakeholders may challenge the Company's use of Bates & White, if needed. Specifically, we recommend the following condition:

- PSE must consult with stakeholders, including Commission Staff and Public Counsel, prior to issuing an RFP in the allotted period to determine if there are concerns with the use of Bates & White. As part of this consultation, PSE will describe Bates & White's qualifications in the given area of the potential RFP. If stakeholders identify concerns that the Company does not resolve, stakeholders may petition the Commission in this Docket for a separate approval of an IE.

Public Counsel believes this condition will provide some assurance, in absence of a full solicitation for independent evaluator and/or petition for approval, that Bates & White remains a qualified IE in the given area, while still affording PSE increased efficiency.

We appreciate the opportunity to submit these comments. If you have any questions about this filing, please contact Shay Bauman at Shay.Bauman@ATG.WA.GOV.

Sincerely,

/s/ 

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