

July 1, 2024

Filed Via Web Portal

Jeff Killip
Executive Director and Secretary
Washington Utilities and Transportation Commission
621 Woodland Square Loop SE
Lacey, Washington 98503

**Re: Informational Filing of Puget Sound Energy’s 2024 Voluntary All-Source Request for Proposals for CETA-Compliant Energy and Capacity Resources
Docket UE-_____**

Dear Director Killip,

Puget Sound Energy (PSE) hereby submits to the Washington Utilities and Transportation Commission (Commission) the enclosed 2024 Voluntary All-Source Request for Proposals for Clean Energy Transformation Act (CETA)-Compliant Energy and Capacity Resources (the 2024 All-Source RFP). The 2024 All-Source RFP is a “voluntary” request for proposals under the Commission’s Purchases of Resources rules.¹ Accordingly, PSE submits this filing for informational purposes only pursuant to WAC 480-107-021(1).

I. Executive Summary

PSE’s integrated resource planning analysis, which evaluates and establishes PSE’s capacity (physical reliability) and renewable energy (policy driven) needs, guides PSE’s electric resource acquisition process. PSE’s 2023 Electric Progress Report on the 2021 Integrated Resource Plan (the 2023 Electric Progress Report) includes an assessment of PSE’s resource needs and describes the metrics and methodologies used to identify those needs. PSE filed the 2023 Electric Progress Report with the Commission on March 31, 2023.²

The 2023 Electric Progress Report documents PSE’s need for additional resources to help meet peak capacity needs and CETA targets. PSE’s analysis of proposals in the 2024 All-Source RFP will focus on each bid’s ability to meet all or part of the capacity or CETA targets at the lowest reasonable cost to customers, considering risk. As detailed in section 2 of the 2024 All-Source RFP, PSE seeks bids to meet the following needs:

¹ See Washington Administrative Code (WAC) Chapter 480-107 (Electric Companies—Purchases of Resources).

² See Docket UE-200304, available at: <https://www.utc.wa.gov/es/casedocket/2020/200304/docsets>. The 2023 Electric Progress Report can also be found on PSE’s website at <http://www.pse.com/irp>.

- Up to 2.3 million annual megawatt-hours (MWh) by 2030 from renewable resources or nonemitting electric generation to comply with CETA;
- Up to 1,755 megawatts (MW) of summer and 1,573 MW of winter peak capacity resources in 2029.³

As this is an all-source RFP, PSE will consider any electric resource or energy storage resource that can meet all or part of PSE's resource need, consistent with RFP requirements. Resources that meet both PSE's CETA-compliant energy and capacity needs will typically receive more positive evaluations than resources that only meet one of these needs. Additional details regarding these resource needs can be found in section 2 of the 2024 All-Source RFP.

Section 3 of the 2024 All-Source RFP includes information about eligible resources, including information regarding resource characteristics, energy delivery, operational status, storage resources, and transaction types that will be considered. To qualify for consideration, RFP respondents must demonstrate an ability to meet all Proposal Requirements, including all minimum qualifying criteria found in Exhibit B (Proposal Requirements).

PSE will follow a structured evaluation process designed to screen and rank individual proposals based on assessment of costs, risk, and benefits. These include resource cost, market-volatility risks, demand-side uncertainties and benefits, resource dispatchability, effects on system operation, credit and financial risks to the utility, risks to ratepayers, equity, public policy, and Washington state and federal government requirements. PSE will evaluate each proposal based on its compliance with this 2024 All-Source RFP and according to the criteria described in Exhibit A (Evaluation Criteria and Scoring Rubrics) and Exhibit B.

Of note in this 2024 All-Source RFP, in addition to receiving combined quantitative and qualitative scores as described in Exhibit A, PSE will assess each proposal with an equity score based on the equity scoring rubric in Attachment A-2, which is designed to be consistent with the principles of the core energy justice tenets set forth in Order 09 in *WUTC vs. Cascade Natural Gas Corporation*⁴ and the applicable provisions of CETA in RCW 19.405.040(8).⁵

II. Schedule and Process for 2024 All-Source RFP

Section 4 of the 2024 All-Source RFP also summarizes the anticipated schedule and process. PSE is issuing the 2024 All-Source RFP concurrent with this informational filing on

³ As stated in section 2 of the 2024 All-Source RFP, these needs are calculated based on the CETA and capacity resource needs identified in PSE's 2023 Electric Progress Report after accounting for approved and expected-to-be-approved projects from PSE's 2021 All-Source RFP cycle.

⁴ *WUTC vs. Cascade Natural Gas Corporation*, Docket UG-210755, Final Order 09 (Aug. 23, 2022), available at: <https://apiproxy.utc.wa.gov/cases/GetDocument?docID=685&year=2021&docketNumber=210755>.

⁵ Please see Exhibit A, section F of the 2024 All-Source RFP for additional information relating to the RFP's equity plan requirements.

July 1, 2024. PSE will then host a bidders' conference in July 2024 at a date to be announced.⁶ Consistent with WAC 480-107-021(1), PSE will begin accepting proposals on August 1, 2024, with final proposals due September 16, 2024.⁷

On October 16, 2024, PSE will post a proposal summary report on the 2024 All-Source RFP website (www.pse.com/rfp) consistent with WAC 480-107-035(5). At this time, PSE expects the Phase 1 screening evaluation process to occur in September and October 2024, with Phase 2 evaluation and negotiation processes continuing through Q2 2025.

Additional schedule updates and any supplemental informational updates associated with the 2024 All-Source RFP will also be posted to PSE's RFP website.

III. Outreach and Engagement for the 2024 All-Source RFP

To broaden awareness, PSE has provided notice of the 2024 All-Source RFP to power marketing companies, aggregators, utilities, energy efficiency companies, and other entities involved in development or provision of energy resources, including representatives of interested persons who participated in prior PSE resource acquisition processes. PSE will also be providing notice of the 2024 All-Source RFP to a variety of trade publications, with an emphasis on encouraging participation from diverse types of respondents.

In addition, PSE met with interested parties in June 2024 to discuss the scope and timing of the 2024 All-Source RFP process and other details, including the role of the independent evaluator, as discussed further below.

IV. Role of the Independent Evaluator

On March 22, 2024, following outreach and discussion with interested parties in January 2024, PSE filed a petition with the Commission requesting approval of an independent evaluator. In that petition, PSE requested that the Commission approve Bates White as the independent evaluator for all voluntary RFPs issued by PSE prior to January 1, 2027. Since 2021, Bates White has also served as the independent evaluator for several other PSE procurements.

On April 25, 2024, the Commission approved PSE's petition. Following the Commission's approval, Bates White has participated in the design and review of the 2024 All-Source RFP main document and exhibits. Please see section 4 of the 2024 All-Source RFP for more information regarding the role and scope of Bates White as the independent evaluator, including Bates White's contact information.

⁶ PSE will post the 2024 All-Source RFP bidders' conference details and registration instructions at www.pse.com/rfp as they become available.

⁷ Note that PSE self-build proposals (benchmark resources) are due by August 30, 2024. Section 3 of the 2024 All-Source RFP provides additional details about the processes, protections, and requirements governing PSE's submission and evaluation of benchmark bids.

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V. Conclusion

PSE is issuing the 2024 All-Source RFP concurrent with this informational filing. PSE will also post schedule updates and supplemental informational updates associated with this 2024 All-Source RFP to PSE's RFP website (www.pse.com/rfp).

Questions regarding the 2024 All-Source RFP should be directed to the RFP-specific email inbox AllSourceRFPmailbox@pse.com. If you any other questions, please contact me at 425-462-3051.

Sincerely,

/s/ Wendy Gerlitz

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Attachments:

2024 Voluntary All-Source RFP

Exhibit A.1

Exhibit A.2

Exhibit B.1

Exhibit B.2