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Sierra Club Comments on Purchase of Electricity
Docket #190837
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Response to Questions from the Washington State Utilities and Transportation Commission

Question 1

The comment period needs to be extended beyond 30 days and must include at least one public participation workshop. This extension should be a minimum of 45 days. The RFP process is the cornerstone for our energy future and directly tied to the realization of the clean energy commitments in the Clean Energy Transformation Act (CETA). Once this review is over, there is virtually no public input into any additional process. If we cannot ensure that the solicitation process is fair, open, accessible and transparent, then we reduce the confidence in the final resource decisions. In this matter, it is better to take the time to make sure it is done right – which mean robust public participation – than to rush through a solicitation that does not meet the needs of customers and the public interest.

Question 2

Utilities should be required to accept bids. This means the utilities “must accept bids for a variety of energy resources...” It is not clear the extent of the additional burden from having to consider all bids that are submitted. The utilities go through a ranking process for all bids, even if they have just “may” be considered. We do not see why additional bids would add a significant burden to this subsequent filtering process. By contrast, there would be significant concern if utilities could summarily dismiss a number of projects without consideration. This concern is further heighten by considering the rapid transformation that is happening in the energy industry. The number, diversity, innovation and combination of different types of projects are increasing with this rapid transformation. Utilities must remain open to new these approaches.

Question 3

Utilities need to provide a sample rubric of their evaluation *and* provide example scenarios of how this rubric would be employed and evaluated. Further, utilities need to identify if they use different rubrics. For example, is the utility evaluating a capacity resource for daily peaks or a three-day cold snap or both? Are they using different rubrics, one rubric or are they being combined? All phases of the evaluation process need to be clearly delineated with the formulas for evaluation and ranking as well as examples for each rubric.

Question 4

Sierra Club has no specific numerical response at this time. Rather we reiterate the intent is to safeguard against the profit motive from gold-plating a self-build that allows utility profits when a contract made be more cost-effective or in the greater interest of customers. We also note that

capacity needs can be designed to meet different purposes as described above in Question 3. Some capacity needs may require lesser amounts of MW capacity but nonetheless may provide important breakthroughs in under-developed resources such as demand response. Ensuring development of these vital resources may merit an independent evaluator even though the MW threshold may be small.

Question 5

We request clarification of the scope of this repowering. Does this include repurposing physical resources from one energy source to another, e.g. from a coal plant to a gas plant? Does this include repurposing land from a coal mine to a solar farm? Does this include the purchase of a new turbine or just re-wrapping the coils, whether for a wind, hydro or gas turbine? It is also a question of scale. If, for example, it was to rewrap the turbines from a large scale wind farm and the capital costs were tens of millions of dollar, then an IE would seem appropriate. If it were for a single small turbine, whether a gas peaker or small hydro, then perhaps it should not trigger an IE review. It could be a monetary threshold as long as this approach was not being manipulated in a way that allowed a utility to do multiple series of projects with no IE but that collectively could amount to significant ratepayer costs.

Question 6

The qualifications for an IE who is overseeing or assisting in the evaluation and ranking of bids should be subject to review by outside stakeholders and public interests. Said more parochially, we need to ensure the fox is not guarding the hen house. Further, we need to ensure IEs have the requisite experience to adequately account for the equity provisions in CETA which merits additional criteria for evaluation of the evaluator.

Question 7

No response at this time.

Comment on WAC 480-107-135

Utilities must state which type of bids in WAC 480-107-135 the RFP will accept. This needs to include criteria for all greenhouse gas emissions including carbon dioxide and methane, as well as any upstream and downstream GHG emissions associated with fossil fuel resources.

For more information about these comments, contact:

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