

Agenda Date: April 25, 2024
Item Number: A1

Docket: UE-240191
Company Name: Puget Sound Energy

Staff: Quinn Weber, Regulatory Analyst – Energy Planning
Joel Nightingale, Regulatory Analyst – Energy Planning

Recommendation

Issue an Order in Docket UE-240191 granting Puget Sound Energy’s petition approving Bates & White to serve as the independent evaluator for any voluntary requests for proposals (RFP) issued by the Company before January 1, 2027, on condition that:

- Prior to issuing each targeted voluntary RFPs in the allotted period, PSE must consult with interested parties, including Commission staff (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 interested persons identify concerns that the Company does not resolve, they may petition the Commission in this Docket for approval of an independent evaluator.

Background

On March 22, 2024, Puget Sound Energy (PSE or Company) filed with the Washington Utilities and Transportation Commission (Commission) a Petition for Approval of its recommended independent evaluator (IE) (Petition), pursuant to WAC 480-107- 023.

The Company’s 2023 Electric Progress Report identified the need for energy and capacity to meet growing demand and for more renewable and non-emitting resources to comply with its obligations under Clean Energy Transformation Act (CETA). The Company describes in this petition its plans to issue a voluntary targeted RFP as soon as May 2024 for distributed solar and storage to fill its growing resource need. PSE is also considering conducting other targeted voluntary RFPs in the near term.

To streamline the process and avoid the need to return for Commission approval for each of these potential future RFPs, PSE petitioned for approval of its continued use of Bates & White for the planned distributed solar and storage RFP and any other voluntary targeted RFPs issued before January 1, 2027.

Discussion

Staff reviewed the filing and recommends the Commission approve PSE's request subject to one condition. PSE used Bates & White as their IE for their 2021 All-source RFP, 2022 DER RFP, 2023 Distributed Solar and Storage (DSS) RFP, and 2023 Lower Snake River Wind RFP. Throughout these RFP processes, Staff engaged with Bates & White, and we believe the firm provided an adequate review of the RFP development and bid evaluation processes. Staff received no complaints regarding their work up to this point.

Limiting the time period for this IE approval to around 20 months (i.e., for RFPs issued before January 1, 2027) and only for the purposes of voluntary targeted RFPs, as PSE does in the petition, advances the public interest. Staff believes this time limit strikes a balance between allowing the Company to move quickly to acquire resources needed to meet CETA targets, allowing the Company to maintain a working relationship with a trusted evaluator, and allowing the Commission to provide oversight and retain approval authority.

Staff recommends continued oversight by interested persons including Staff. This condition allows interested persons to bring up any concerns with Bates & White that may arise and gives a path to petition for a more formal Commission approval process, if needed. The Commission approved this condition in the Company's prior petition for continued use of Bates & White as their IE.¹ Staff believes this is a useful condition that serves the public interest by allowing interested parties to start a more formal Commission approval process should concerns arise with the continued use of Bates & White as PSE's recommended IE.

Staff met with Public Counsel on April 8, 2024, concerning PSE's petition given their concern in the case of the prior petition that the ongoing approval may limit interested parties' ability to voice possible future concerns. Staff believes this concern would be eased by including the same condition of approval from the 2022 petition. This condition requires PSE to check with interested persons, including Commission Staff and Public Counsel, before using Bates & White for future RFPs within this approximately 20-month period. If concerns arose from this consultation, persons would be able to petition the Commission in this docket for approval of an IE. Staff also met with the Company, and neither PSE nor Public Counsel objected to Staff's recommended condition.

Conclusion

Staff recommends approval of PSE's Petition for Approval of its Recommended Independent Evaluator, subject to the condition above.

¹ *In the Matter of the Petition of PUGET SOUND ENERGY for an Order Approving Its Recommended Independent Evaluator*, Docket UE-220725, Order 01 (October 13, 2022) at ¶9.