

**BEFORE THE WASHINGTON STATE
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Petition of

PUGET SOUND ENERGY,

For an Order Approving Proposed
Request for Proposals

DOCKET UE-200413

ORDER 05

GRANTING PETITION TO EXTEND
FILING DEADLINE

BACKGROUND

- 1 On May 4, 2020, Puget Sound Energy (PSE or Company) filed with the Washington Utilities and Transportation Commission (Commission) a draft Request for Proposal (RFP) Regarding All Resources in Docket UE-200414, and a draft RFP Regarding Demand Response Programs in Docket UE-200413.
- 2 After a public comment period and multiple requests for extensions for the Commission to consider the Company's draft RFPs, PSE filed a Motion for Withdrawal of the Draft Requests for Proposals and Petition for Waiver of Certain Requirements Related to Requests for Proposals Contained in Washington Administrative Code (WAC) 480-107 (Motion for Withdrawal). The Commission heard oral comments and asked questions regarding the Motion for Withdrawal at the Commission's regularly scheduled open meeting held on October 15, 2020.
- 3 On October 15, 2020, the Commission issued Order 04 in Dockets UE-200413 and UE-200414, granting the Motion for Withdrawal and extending the exemption from WAC 480-107-015(3)(b) until March 31, 2021, subject to the following conditions recommended by Commission staff (Staff):
 - (a) PSE will work collaboratively with Staff and other stakeholders in the first quarter of 2021 to address comments submitted in these dockets, particularly the proposal to use an independent evaluator, and revise the RFPs as appropriate.

(b) PSE must submit for approval, in new dockets, proposed all-source and system wide electric demand response (DR) program delivery RFPs and accompanying documentation no later than April 1, 2021.¹

4 On January 19, 2021, PSE filed a petition to approve the Company's preferred independent evaluator (IE) in Docket UE-210037. PSE specified that the IE would be retained to evaluate both of the RFPs due on April 1.² At the Company's request, Staff brought this matter to the Commission on an expedited timeline so that the IE could provide timely feedback on the Company's draft RFPs. The Company's petition was discussed at the Commission's regularly scheduled open meeting on January 28, 2021. Staff recommended approving the Company's preferred IE, and no stakeholders voiced objection. The Commission subsequently issued an order granting the Company's petition for approval.³

5 On March 15, 2021, PSE filed a Petition for Amendment of Order 04 in the above-captioned docket (Petition). In its Petition, the Company requests that the Commission amend Order 04 "by changing the date by which PSE must file its request for proposals for demand response resources from April 1, 2021, to Monday, November 15, 2021."⁴ The Company further explains that "PSE has identified a need to build a solid foundation for not just demand response resources but also distributed energy resources to ensure comparability of proposals and long term operability of many types of distributed energy resources."⁵

6 The Company contends that developing requirements for a virtual power plant (VPP) platform prior to issuing its targeted RFP will allow bidders to better tailor their bids to fit the Company's system operations. This enabling technology will improve integration

¹ Dockets UE-200413 and UE-200414; Order 04 Granting Motion for Withdrawal; Extending Exemptions (October 15, 2020), at ¶27.

² Docket UE-210037, *Puget Sound Energy's Petition for Approval of its Recommended Independent Evaluator*, (January 20, 2021) at ¶35.

³ Docket UE-210037, *Order 01 Approving Puget Sound Energy's Recommended Independent Evaluator* (January 28, 2021).

⁴ Petition at ¶1. Although PSE characterizes its petition as a request to amend Order 04 in this docket, we construe it as a petition that seeks relief from a Commission order filed under WAC 480-07-370, which governs petitions that seek Commission action that the Commission generally considers taking at an open public meeting. The Commission considers pleadings and motions based primarily on the relief they request and does not rely solely on the name of the document. See WAC 480-07-395(4).

⁵ *Id.*, at ¶37.

and operations of other DER resources. PSE therefore proposes that the draft RFP solicit “proposals for distributed energy resources, including, without limitation, demand response resources,”⁶ broadening the original scope of the targeted RFP required in Order 04. In the event the petition is granted, PSE makes the following commitments: (1) to file a draft all-source RFP on April 1 as required by Order 04 in Docket UE-200414; (2) to file a request for information for DERs on April 1; (3) to develop technical and operational requirements for a VPP platform in mid-2021; and (4) to file a draft DER-targeted RFP by November 15, 2021.⁷

7 Staff is frustrated that PSE has only now begun pursuing enabling technologies needed for DR as a system resource, noting that the Clean Energy Transformation Act (CETA) was passed in May of 2019. Staff observes that PSE’s Grid Modernization Roadmap appears to have been organized based on the assumption that system-wide DR and other DER resources would not be adopted on a system-wide scale until after the implementation of an advanced distribution management system, which is projected to occur in 2023.⁸ Staff believes the disconnect between the Company’s Grid Modernization Roadmap and CETA’s mandate that companies acquire all cost-effective DR could have been identified and remedied earlier, and that doing so may have precluded the need to file this Petition. Staff notes that, as always, PSE is responsible for ensuring that it has sufficient resources to meet customer needs. To the extent the Company’s adjusted timelines result in delayed acquisition of resources, the associated risks are the Company’s to manage.

8 Staff also recognizes that PSE’s change in course can be a positive development because PSE’s IRP process has identified DR resources on a system scale to be adopted in the near term. Staff lauds the Company’s reliance on its IRP process to guide Company decisions, even when results are unexpected. Staff also believes the IE’s expertise both helped PSE to arrive at the decision to file this Petition, and helped Staff determine whether the Petition is reasonable. Staff appreciates the Company’s efforts to bring on the IE in time to contribute to the draft RFPs at this early stage of development.

9 Staff ultimately recommends that the Commission grant PSE’s Petition. Staff agrees that establishing these details prior to issuing an RFP is likely to improve the outcomes of the RFP, and sees value in expanding the focus of the targeted RFP to include all

⁶ *Id.*, at ¶1.

⁷ *Id.*, at ¶53.

⁸ *Id.*, at ¶23.

resources that would benefit from the additional detail.

DISCUSSION

10 We agree with Staff's recommendation and grant PSE's Petition with the expectation that the Company will fulfill the commitments outlined in its Petition. PSE's Petition specifies that the Company will file its draft DER-targeted RFP by November 15, 2021, in this docket. This decision is consistent with our direction in Order 04 requiring PSE to file the draft RFPs to new dockets,⁹ and reiterate that same direction for the draft RFP to be filed in November. To clarify, the adjustment of the scope and due date of the draft DER-targeted RFP does not alter our approval of the IE to provide its services for both the all-source RFP and the DER-targeted RFP, as was discussed and approved in that petition and order in Docket UE-210037. We expect both RFP processes to benefit from the IE's involvement.

FINDINGS AND CONCLUSIONS

- 11 (1) The Commission is an agency of the State of Washington vested by statute with the authority to regulate the rates, rules, regulations, practices, accounts, securities, transfers of property and affiliated interests of public service companies, including electric companies.
- 12 (2) PSE is an electric company and a public service company subject to Commission jurisdiction.
- 13 (3) WAC 480-07-370(3) permits the the Company to file petitions seeking relief from a Commission order.
- 14 (4) PSE's request to extend the deadline for filing its draft DER-targeted RFP seeks Commission action that the Commission generally considers taking at an open public meeting. *See* WAC 480-07-370(3).
- 15 (5) This matter came before the Commission at its regularly scheduled meeting on March 25, 2021.

⁹ Dockets UE-200413 and UE-200414; Order 04, at ¶27.

- 16 (6) After reviewing PSE's Petition filed in Docket UE-200413 and giving due consideration to all relevant matters, the Commission finds that PSE's request is reasonable and concludes that PSE's Petition is in the public interest and should be granted.

ORDER

THE COMMISSION ORDERS:

- 17 (1) Puget Sound Energy's Petition filed March 15, 2021, is granted. Puget Sound Energy is required to file a draft targeted request for proposals for both distributed energy resources and demand response resources in a new docket by Monday, November 15, 2021.
- 18 (2) This Order shall not affect the Commission's authority over rates, services, accounts, valuations, estimates, or determination of costs, on any matters that may come before it.

DATED at Lacey, Washington, and effective March 25, 2021.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

DAVID W. DANNER, Chair

ANN E. RENDAHL, Commissioner

JAY M. BALASBAS, Commissioner