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January 31, 2019

Via E-filing

Mr. Mark Johnson
Executive Director
Washington Utilities & Transportation Commission
1300 S. Evergreen Pk. Dr. S.W.
P. O. Box 47250
Olympia, WA 98504-7250

Attn: Filing Center

RE: In the Matter of Rulemaking for Integrated Resource Planning, WAC 480-100-238, WAC 480-90-238, and WAC 480-107
Docket No. U-161024

Dear Mr. Johnson:

Please find the Additional Comments Regarding Proposed RFP Rules of the Northwest and Intermountain Power Producers Coalition in the above-referenced docket.

Thank you for your assistance. Please do not hesitate to contact me with any questions.

Sincerely,



Irion A. Sanger

**BEFORE THE WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION**

U-161024

In the Matter of)	
)	NORTHWEST AND INTERMOUNTAIN
Rulemaking for Integrated Resource)	POWER PRODUCERS COALITION
Planning, WAC 480-100-238, WAC 480-90-)	ADDITIONAL COMMENTS REGARDING
238, and WAC 480-107)	PROPOSED REVISED RFP RULES
)	
_____)	

I. INTRODUCTION

1. In accordance with the Washington Utilities and Transportation Commission’s (the “Commission” or “WUTC”), December 31, 2018 Notice in this docket, Northwest and Intermountain Power Producers Coalition (“NIPPC”) submits these additional comments on the revised draft rule related to competitive procurement for electric utilities (WAC 480-107).
2. In these comments NIPPC provides limited and discrete comments on only the new sections in the latest informal draft request for proposal (“RFP”) rules. NIPPC has participated in workshops, meetings and submitted three rounds of formal RFP comments in this proceeding. NIPPC continues to support its original recommendations in support of and in opposition to specific rule language, but in the interests of brevity does not repeat them herein.
3. NIPPC supports many of the changes in the Commission’s new and most recent version of the draft rules, especially the requirement that utility-owned transmission assets be used for the benefit of ratepayers, the improvements to how bids are scored, and the increased participation by the independent evaluator provided for in the rules. In the end, however, NIPPC remains concerned that the changes will be insufficient to allow lower-cost and less risky independent power producer-owned generation an opportunity to fairly bid into Commission-

approved RFPs, and urges the Commission to adopt the complete recommendations in its earlier comments.

II. NIPPC ADDITIONAL COMMENTS

1) Improvements in the Draft Rules

4. NIPPC identifies the following new provisions in the draft RFP that will improve the competitive bidding process:

- **WAC 480-107-015 The solicitation process.** The original proposed draft rules encouraged the utilities to consult with Commission staff during the development of the RFP, but the current draft encourages the utilities to also consult with stakeholders, which is an improvement recommended by NIPPC.
- **WAC 480-107-025 Contents of the solicitation.** The current draft rule includes a number of improvements, many of which were recommended by NIPPC. These include converting non-price score criteria into minimum bidder requirements, strengthening the requirements for the RFP to provide a detailed explanation of the scoring criteria, additional requirements regarding utility affiliate bidding, and, most importantly, a requirement that “[t]he RFP must identify utility-owned transmission assets that are made available by the utility to be used by bidders to assist in meeting the resource need, and allow the use of such assets to be included in bids.” NIPPC, however, recommends an improvement to the new language regarding a utility’s requirement to include in the RFP “a detailed explanation of the aspects of each criterion specifically identified that would result in the bid receiving higher priority.” In its current form, this information is optional because it can be substituted by a sample evaluation. NIPPC recommends that the final rules make this detailed explanation a requirement.

- **WAC 480-107-AAA Independent Evaluator for Significant Resource Needs or Utility or Affiliate Bid.** While NIPPC continues to believe that the Independent Evaluator should run the entire RFP, the current draft rules include some significant improvements. These include the Independent Evaluator participating in the design of the RFP, being available to the Commission, providing notes and communications, verifying the utility’s inputs and assumptions, and assessing whether the utility’s scoring and shortlists are reasonable.

III. COMMENTS ON OTHER PARTIES’ COMMENTS

5. National Grid submitted comments on November 2, 2018 proposing a new exception to the RFP exemptions to address the unique circumstances of long lead time resources, including pumped storage. Specifically, National Grid proposes a “reverse RFP” that would allow a utility to address the challenges of valuing the energy and capacity for these types of resources.
6. NIPPC believes the rules should be agnostic about the specific types of resources that can be bid into an RFP, which sometimes means accounting for the unique difficulties in valuing the energy and capacity benefits of different resource types. As there is no specific proposal at this time, however, NIPPC does not have a final position on any reverse RFP framework. NIPPC believes the idea is worthy of additional exploration, however, and recommends that either National Grid or the Commission propose specific rules on the topic, and provide an additional opportunity for stakeholders to submit comments on the proposal.

IV. CONCLUSION

7. For the reasons explained in these and earlier comments, NIPPC recommends that the Commission significantly modify its current RFP rules to more comprehensively address the ways in which lower-cost, less risky independent power producer projects are prevented from fair participation in utility resource RFPs. NIPPC acknowledges the improvements to the Commission's rules that have been made through this process, and offers further modifications, as described above, without reiterating its stated preferred positions from its earlier comments.

Dated this 31st day of January 2019.

Respectfully submitted,



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Of Attorneys for the Northwest and Intermountain
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