

Bidder Questions and Answers

1. **Section 1 – Introduction, Objectives, and Scope of Work**

Item 1.2.1: “How natural gas utilities can decarbonize.”

Is this requirement limited to the literature review and independent summary of existing studies, public inputs, and application of the contractor’s knowledge of leading de-carbonization options for the natural gas utilities OR do you expect it to include original bottom-up modeling and study to review each utility’s ability to meet the benchmarks of the Clean Energy Transformation Act, as applied to natural gas utilities?

Answer: It is dependent on the scope of work negotiations under the on-call contract. The Commission expects the chosen contractor to advise on the practicality and usefulness of these variables and will decide as part of this process.

2. **Item 1.2.2: “The impacts of increased electrification on the ability of electric utilities to deliver services to current natural gas customers reliably and affordably.”**

Does the scope aim to encompass (a) electric utilities or are gas utilities in scope as well? In addition to investor-owned utilities, are public power entities or electric cooperatives in-scope, and if so are cooperatives to be treated on an individual or aggregate basis? Is the scope limited to only customer-serving utilities, or does it also include utilities which operate in the state but do not serve retail customers?

Answer: The commission expects the examination will focus on gas utilities, which are primarily privately-owned utilities subject to the commission’s jurisdiction. The examination will consider the impacts of how natural gas company decarbonization will impact electric utilities, regardless of whether the electric utility is privately or publicly owned. Any differences in impacts to electric utilities from natural gas company decarbonization efforts that vary based on status of private vs. public status (as an aggregate category) should be incorporated as appropriate. Any inclusion of electric utility decarbonization will be subject to scope of work negotiations, and would incorporate the requirements of the Clean Energy Transformation Act codified in RCW 19.405. Scoping on customer-serving vs. all gas utilities will be determined with the context of the work, not pre-decided.

3. *Please clarify what is meant by “the ability of electric utilities to deliver services to current natural gas customers.” We assume this refers to current retail users of natural gas for heating and cooking that would switch to electricity in the future. Another interpretation might be current customers of natural gas and power utilities that may suffer the effects of lost reliability due to increased demand for electricity from new customers.*

Answer: The commission currently understands the term "services" to be related to energy services, not gas vs. electric services. Energy services includes, but is not limited to, access to

reliable power, regardless of energy source. However, statutory language is open to additional or alternative interpretation during the course of the examination.

Items 1.2.3 – 1.2.5: Analysis of electric system fuel availability, resource adequacy, and costs and benefits to customers.

4. *Is the expected analytic time frame 2021-2045 consistent with CETA, a narrower 10-year window where more detailed and reliable forecast data exists, or another time frame?*
5. *Are there specific metrics you foresee as an integral part of the resource adequacy analysis (i.e., LOLE impacts)?*
6. *Do you envision the main results of the Transmission & Distribution analysis to include a SAIDI/SAIFI analyses on timing, location, and cost of the upgrades?*
7. *Analysis inputs and outputs: a) Do you have a view or accepted reference for the range of expected impacts of heating and transportation sector electrification, or is that part of the necessary input analysis? b) Do you have customer cost and benefit metrics that you consider most relevant output measures of the analysis?*

Answer to Qs 4-7: This level of detail was not specified by the legislature and is an open question for consideration within the examination.

8. *Do you envision that the results of the report to would be presented at utility, regional, state, or community level, or some combination? If so, who would be included on the presentation team?*

Answer: As the work will be under an on-call contract, the commission intends to retain ownership and control of the recommendations. The results of the report will be presented to the legislature, and potentially other entities, as requested. While the commission will be responsible for presenting results, the role of any contractor contribution will be dependent on the scope of work negotiations under the on-call contract.

9. Item 1.2.7: Potential regulatory policy changes.

Is it correct to assume that, as part of the scope, any recommended changes would be developed and summarized in the report to the Legislature, rather than proposed in detailed legal form as part of rulemaking?

Answer: Yes, the primary work product is a legislative report, not a rulemaking.

10. Item 1.2.7: Potential regulatory policy changes.

Does this item, as well as items 1.2.5 and 1.2.6, apply to electric and natural gas utilities in the scope of work (see Q. 2 above)?

Answer: Yes, however, the commission expects the examination will focus primarily on gas utilities, which are primarily privately-owned utilities subject to the commission's jurisdiction

11. Does the AGENCY expect the contractor to provide materials for the AGENCY's communication through the related docket or lead the presentation of work products and results in AGENCY workshops or legislative hearings? If the latter, how many public engagements are expected over the term of the contract? Is there a communication and outreach plan requested to support this scope outside of the established docket and the AGENCY's ongoing defined public process?

Answer: As the work will be under an on-call contract, the commission intends to retain ownership and control of the recommendations. The results of the report will be presented to the legislature, and potentially other entities, as requested. It is not yet clear how many public engagements there will be. While the commission will be responsible for presenting results, the role of any contractor contribution will be dependent on the scope of work negotiations under the on-call contract.

12. Section 3 – Proposal Contents

Section 3.1.2 – Letter of Submittal

Given that this document may be a public record, confirm that we may submit business contact information for Consultant's principal officers.

Answer: Yes, as a public record, business contact information will suffice.

13. Is any preference given to proposers who are physically located in the State of Washington? If yes, is a team consisting of a sub-contractor physically located in the State of Washington given the same preference in scoring?

Answer: No. However, the scoring criteria do include familiarity with energy systems in the Pacific Northwest, which includes Washington. Additionally, the bidder should include information on how they plan to coordinate with the commission, including the commission's project manager, and conduct any necessary public or stakeholder engagement, including with entities located in the Pacific Northwest.

14. Would a contractor or sub-contractor be eligible for the award if they do not have a companywide Vaccination Verification Plan, but develop a plan to verify that all personnel designated to support the contract from the contractor and sub-contractor are vaccinated?

Answer: Per Attachment A-1, Item No. 22, if a bidder cannot provide a COVID-19 Contractor Vaccination Verification Plan within 24 hours of being designated the ASC, then the bidder will not be eligible for the award.

15. Please confirm that pursuant to the Canada-United States -Mexico Agreement on free trade (CUSMA), that a substitute for the Federal Employer Tax Identification number requirement would be acceptable, such that a firm headquartered in Mexico or Canada would not automatically be ineligible to bid?

Answer: The commission will not consider a potential bidder automatically ineligible because the bidder does not have a Federal Employer Tax Identification number if doing so would be contrary to an applicable international agreement. It would be helpful if any bidder seeking accommodation based on an international agreement would provide specific citations that clearly demonstrate that:

1. The international agreement covers this RFP and;
2. The accommodation sought by the bidder is required under the international agreement.

16. Re. electricity costs, reliability and adequacy, does the Agency expect or anticipate that the Consultant would conduct detailed system capacity modelling?

Answer: Yes, it is possible the examination will require detailed system capacity modeling and under the minimum qualifications the commission seeks experience with developing studies, including use of quantitative, fact-based analysis. Details will be dependent on the scope of work negotiations under the on-call contract.

17. Will the Commission provide pathways for energy utility decarbonization for consultants to evaluate?

Answer: The commission expects to identify decarbonization pathways based on recommendations from stakeholders or the consultant. While the commission anticipates that the consultant will participate in the identification of pathways, the specific scope of work will be negotiated through the on-call contract.

18. Section 3.3.2 Staff Qualifications/Experience.

Given the specific pricing is intended to be negotiated per scope of work under the resultant on-call contract, will the Commission please replace “will” with “may” since this may be an estimated timeline per the proposed Work Plan?

Answer: Suggestion declined. Bidder should respond according to their understanding of core elements required to complete the examination and should identify the staff and subcontractors that bidder intends to assign to the contract. The project management proposal is a scored element of the bid, and replacing the word “will” with “may” could incentivize including key personnel in the project management proposal that the bidder has no intention of assigning to the contract. Bidder should note that Section 3.3.A.2 allows for substitutions.

19. Section 3.2(b) requires the Consultant’s anticipated timeline for work to be performed on individual project elements to be submitted in the Work Plan. Would the Commission consider allowing Offerors the opportunity to submit estimated pricing per individual project elements/tasks/deliverables in lieu of submitting hourly rates per title per person? Making this adjustment to allow for task-based or deliverables-based pricing will help the Commission attract a broader group of qualified Offerors for this solicitation.

Answer: Bidder is free to provide alternative rate structures as part of its cost proposal, including estimated pricing per individual project elements/tasks/deliverables, but the bidder should be

advised that their score will be negatively impacted if the commission is unable to identify the composition of teams performing work under the contract or cannot ascertain the billing rates for individuals assigned to the contract.

20. Section 3.4(A). Given the breadth and depth of the tasks covered under this solicitation, we believe the Commission would benefit from allowing Offerors to propose alternative rate structures such as team bundles using commercial weekly rates versus submitting hourly rates per person. The team bundle offerings are a cost-effective solution to delivering an integrated set of resources, including a core working team; committed leadership; and an undefined, uncapped amount of content experts, research, and administrative support. In addition to the hourly rates requested for the RFP-provided labor categories, will the Commission also allow Offerors to propose weekly rates for team bundles (to provide the composition of each team bundle) in lieu of submitting hourly rates as structured in Section 3.4(A)?

Answer: Bidder is free to provide alternative rate structures as part of its cost proposal, including weekly rates for team bundles, but the bidder should be advised that their score will be negatively impacted if the commission is unable to identify the composition of teams performing work under the contract or cannot ascertain the billing rates for individuals assigned to the contract.

21. Section 3.4(B). For Offerors who are not able to offer hourly rates as requested in this section, will the Commission also allow evaluation of alternative rate structures such as weekly team bundle rates which could be incorporated into a rate card in the resultant "on-call" contract?

Answer: Bidder is free to provide alternative rate structures as part of its cost proposal, including weekly rates for team bundles, but the bidder should be advised that their score will be negatively impacted if the commission is unable to identify the composition of teams performing work under the contract or cannot ascertain the billing rates for individuals assigned to the contract.