2026 PSE Gas Decarbonization RFP
Bidder Q&A and PSE General Guidance – Batch 1

Uploaded 6/18/26 to [PSE | Gas Decarb RFP]

Overarching PSE guidance

- Please review the scoring criteria in Exhibit A to see how much weight is given to different aspects of each proposal.
- Proposals must *directly* reduce carbon emissions from PSE's gas distribution system. Proposals that aim to *identify ways* to reduce carbon emissions would **not be eligible** for funding under this RFP.
- Remember that PSE will post both the questions received and answers provided on PSE's RFP webpage to ensure all bidders have access to the same information.

Eligibility - duplication with existing PSE programs or duplication with existing legal requirements for PSE.
Relevant RFP text: "Proposals that duplicate or conflict with existing PSE decarbonization programs may be referred to other programs and/or eliminated from consideration in this RFP process" and "Per RCW 70A.65.130(2)(b), projects must be those that PSE would not otherwise pursue under existing requirements in statute, rule, or other legal requirements. PSE will evaluate whether proposals would be pursued under existing requirements."

1. **General guidance from PSE:**
   a. If you have any questions about whether your project concept is suitable for the RFP, feel free to submit them to PSEGasDecarbRFP2026@pse.com. Remember that questions PSE receives will be posted publicly, along with PSE's responses to the questions, on PSE's RFP webpage to ensure all bidders have access to the same information.
   b. PSE is required to prioritize the use of CCA revenue to benefit low-income, residential and small business customers. Broadly, any emission reductions that reduce PSE's compliance obligation with CCA will benefit those customers by reducing compliance costs. Proposals that have additional benefits that go to those customers will have higher weightings. The RFP does not require that proposals engage with these customers directly for services, but it must ensure that they're receiving benefits from the use of this funding.
   c. PSE's existing demand-side gas emission reduction programs include two main types:
      i. *Programs funded by PSE customers:* these include weatherization, heat pump incentives, commercial rebates and custom incentives, and targeted electrification programs (TEP) for strategic locations. For more information, see WUTC docket UG-250835, Exhibit 3 Program Details and pse.com/rebates.
         1. These programs must be cost-effective for PSE.

        2. For this RFP, PSE is open to additive proposals that go beyond cost-effective measures. Additive proposals would not be considered duplicative.
    ii. *CCA Low Income and Named Community Programs:* these are heat pump installation programs and grants funded by CCA no-cost allowance consignment revenue. These programs are limited exclusively to low-income customers, multifamily buildings with low-income customers and/or in PSE named communities, and small businesses in PSE named communities. For more information, see WUTC docket UG-240884, CCA Decarbonization Programs 2026 Annual Report for CY2025 and pse.com/cca.
        1. Programs that are limited to these customer groups have existing funding available, and PSE requests additional funding and program design plans annually. Proposals with the same objectives as the established programs will be kept bundled together for improved efficiency and for demonstrating and tracking benefits over time for like-to-like programs.
        2. For this RFP, submissions that would qualify for funding from CCA Low Income and Named Community Programs will be referred to that program for consideration. If you think your proposal may qualify for funding outside of this RFP process, please reach out to PSEGasDecarbRFP2026@pse.com and we will connect you to the appropriate PSE contact. That contact will help assess if your idea may fit under the existing program.

2. **Question:** Who can we reach out to for info on whether this RFP is the best bucket for a project proposal?
    a. Answer: Please reach out to PSEGasDecarbRFP2026@pse.com and we will connect you to the appropriate PSE contact. Remember that PSE will post both the questions received and answers provided on PSE's RFP webpage to ensure all bidders have access to the same information.
3. **Question:** The RFP is clear that proposals which are duplicative to existing PSE programs will not be considered. Are proposals for incentives which are additive (for example, they stack) with existing PSE incentives considered viable project ideas?
    a. Answer: Yes, proposals for incentives that are additive or stacked with existing PSE incentives are considered viable project ideas for this RFP. For example, some PSE energy efficiency incentives have a maximum rebate amount per purchase; proposals could include stacking funds above that maximum dollar amount for the same product. Note that PSE can't stack incentives onto programs where the costs are already fully covered by PSE, which include the low-income weatherization program and all heat pump installations funded by CCA Low Income and Named Community Programs.
4. **Question:** If a proposal targets market-rate (non-low-income) gas customers and delivers a managed service — single price, contractor assignment, project management, post-install verification — rather than another rebate program, would PSE consider that

duplicative of the existing CCA Low-Income Decarbonization Programs or of PSE's standard rebates?

   a. Answer: It depends. If a managed service for "market-rate (non-low-income)" gas customers would exclusively serve multifamily buildings or small businesses in PSE named communities, then it is better suited for PSE's consideration in existing CCA Low Income and Named Community Programs outside of this RFP. If the managed service would not target buildings in named communities, it may or may not conflict with existing PSE program designs such as energy efficiency offers. Also, as noted upfront above, proposals must *directly* reduce carbon emissions from PSE's gas distribution system.

5. **Question:** Under the CCA funding can churches that have a portion of their building for homeless folks would this work?
   a. Answer: It depends. If the church in question is defined as a small business per the CCA tariff (see definition below) and is in PSE named communities, it is better suited for consideration in PSE's existing CCA Low Income and Named Community Programs. Please reach out to PSEGasDecarbRFP2026@pse.com and we will connect you to the appropriate PSE contact. If the church is not a small business in PSE's named communities, this can be considered a viable project idea for this RFP.
      i. Definition of small business under PSE's gas CCA tariff (eff. Jan. 27, 2026): "Small business means a Customer on gas Schedule 31 and, if also taking electric service from the Company a Customer on electric Schedule 24 or Schedule 25, with a footprint of 10,000 square feet or less and with 50 or fewer employees at that Premise."
6. **Question:** If PSE programs are open to low-income and/or small business customers, but are not reaching all eligible customers - is there room in this RFP to create programs that can garner more engagement or "enrollment" of eligible customers?
   a. Answer: Please see the general guidance above (Question 1). Proposals that aim to *identify ways* to reduce carbon emissions would not be eligible for funding under this RFP. Proposals must *directly* reduce carbon emissions from PSE's gas distribution system. For this RFP, submissions that would qualify for funding from CCA Low Income and Named Community Programs will be referred to that program for consideration. If you think your proposal may qualify for funding outside of this RFP process, please reach out to PSEGasDecarbRFP2026@pse.com and we will connect you to the appropriate PSE contact. Remember that PSE will post both the questions received and answers provided on PSE's RFP webpage to ensure all bidders have access to the same information.
7. **Question:** One of the big barriers for low-income housing to take advantage of existing programs is that, A, they don't know about it, B, they're just not ready, C, they don't know if they have enough power to do it. There's a whole bunch of getting ready to be able to participate in these programs that is a huge barrier to a lot of these buildings. So a project under this RFP could pay for that additional work of getting the projects ready and doing the projects all in one go. Does that preclude them from being part of this

project? Or you just say, well, those buildings, if they're not ready, they can't be part of this project but they also are not ready for existing programs.

   a. Answer: Please see the general guidance above (Question 1). Briefly, for this RFP, submissions that would qualify for funding from CCA Low Income and Named Community Programs will be referred to that program for consideration. If you think your proposal may qualify for funding outside of this RFP process, please reach out to PSEGasDecarbRFP2026@pse.com and we will connect you to the appropriate PSE contact. Remember that PSE will post both the questions received and answers provided on PSE's RFP webpage to ensure all bidders have access to the same information.

8. **Question:** Can you clarify the low-income criteria for this funding – is the criteria focused on reducing burden on low-income customers or targeting funding directly to low-income customers. Or both? Can this funding be used for low-income, or does that automatically conflict with the previous funding category that was primarily for low-income households?
   a. Answer: Please see the general guidance above (Question 1). Broadly, any emission reductions that reduce PSE's compliance obligation with CCA will benefit customers by reducing compliance costs. Proposals that have additional benefits that go to those customers will have higher weightings. The RFP does not require that proposals engage with these customers directly for services, but it must ensure that they're receiving benefits from the use of this funding.
      i. For this RFP, submissions that would qualify for funding from CCA Low Income and Named Community Programs will be referred to that program for consideration. If you think your proposal may qualify for funding outside of this RFP process, please reach out to PSEGasDecarbRFP2026@pse.com and we will connect you to the appropriate PSE contact. Remember that PSE will post both the questions received and answers provided on PSE's RFP webpage to ensure all bidders have access to the same information.
9. **Question:** The criteria require that projects directly reduce carbon emissions and not duplicate existing efforts. Would existing pipeline inspection services and portfolio risk management qualify, given that PSE already performs these activities to meet regulatory requirements?
   a. Answer: If the proposal is for work that PSE is already required to do by law or regulation, then it is not eligible for funding under this RFP pursuant to RCW 70A.65.130(2)(b).
10. **Question:** Did the presentation mention advanced leak detection as an example that fits eligibility criteria? I'm trying to understand whether preventative maintenance fits the intent. More specifically, enhanced monitoring programs for pipeline safety.
    a. Answer: If a proposal is for work that PSE is already required to do by law or regulation, then it is not eligible for funding under this RFP pursuant to RCW 70A.65.130(2)(b). If the proposal goes above and beyond legal requirements and the existing programs that PSE currently has around leak detection and preventative maintenance, it would be eligible for funding under this RFP.

11. **Question:** Would this RFP consider provision of RNG from a new production facility as a low carbon fuel supply alternative?
    a. Answer: Yes
12. **Question:** We are considering a boiler electrification project - does PSE currently have an incentive for this? If so, would it impact eligibility for the grant, or would it be preferred to layer incentives with the grant?
    a. Answer: PSE does currently have incentives for boiler electrification (i.e., heat pump installation) for specific customer groups and geographic locations (PSE | Duvall heat pump program). These incentives include rebates as well as covering the full cost of equipment installation. Please see details and links in the general guidance section above (Question 1C).
13. **Question:** We are looking at affordable housing multifamily properties that have some decarbonization opportunities. Are there existing PSE decarbonizations incentives for multifamily properties, and would it be ideal to layer these with the grant or better for the grant opportunity to be leveraged for measures that do not have incentives?
    a. Answer: PSE's *CCA Low Income and Named Community Programs* includes incentives that can be used for multifamily buildings with low-income customers and/or in PSE named communities as described above. PSE will connect you with the appropriate contact.

Eligibility - bidder financial qualifications

14. **Question:** Audited financials. Section 5 requires three years of audited financial statements. As an early-stage company, we have not undergone formal audits by CPA firms. To help us understand whether we can participate: does "audited" mean a full CPA audit specifically, or would PSE accept reviewed or compiled financial statements for some or all of the three-year period? And if our audit history is shorter, would a parental guaranty from a financially established investor be an acceptable alternative?
    a. Answer: Generally, PSE needs the bidder to be an investment grade entity to obtain an unsecured credit line. If the bidding entity is too young to have 3 years' worth of audited financials, the bidder can provide its Credit Support Provider's 3-year audited financials as long as it is investment grade.

Bidding period timeline

15. **Question:** Call for concepts: the RFP response required is robust and has technical components. As it is possible as few as one project idea will be selected, and as Energy Smart Eastside's service territory does not overlap with any of the priority geographies identified by PSE, we are trying to determine if our project proposal is worth the required staff time to submit. Would PSE consider a process that includes a call for project concepts (1-2 pagers), with a subsequent invitation to bid on the formal RFP for those projects deemed interesting? Alternatively, would PSE consider extending the due date past mid-July?

    a. Answer: PSE cannot extend the timeline for this RFP. Per the RFP proposal approved by the Washington Utilities and Transportation Commission (WUTC), PSE is aiming to get WUTC approval for RFP-funded projects by the end of 2026 because this RFP will be funded by PSE's revenue from the sale of Climate Commitment Act gas no-cost allowances in 2026. PSE must make timely decisions about the use of the funds. Also, proposals are not required to be located in one of the areas specified in Appendix A. Demand-side proposals located in the areas specified in Appendix A will receive up to 2 points in the scoring process per criteria D1.5 in Exhibit A. If you have questions about whether your project concept is suitable for the RFP, feel free to submit them to PSEGasDecarbRFP2026@pse.com

16. **Question:** Would Puget Sound Energy consider splitting this RFP into two phases? There is a broad amount of potential natural gas decarbonization solutions, and it is difficult to know what solutions are of most interest to PSE. We believe it would save time and resources for both PSE staff and bidders if phase one invited brief "concept papers" outlining the general idea of the proposal and an estimated cost. If PSE believe the concept paper provides a compelling idea that would meet your goals, then bidders would then be invited to submit a full proposal with more technical details, approaches, and a more refined budget.
    a. Answer: PSE cannot adjust the phases of this RFP. PSE is interested in broadly identifying actionable proposals to decarbonize the natural gas system. This includes demand-side and supply-side decarbonization options. This RFP is using 2026 CCA funds that need to result in timely greenhouse gas emissions reduction. Recognizing the evolving decarbonization landscape, PSE will be discussing this RFP and its results with the Washington Utilities and Transportation Commission. As described in the RFP, the WUTC will be a key facet of the regulatory process when deciding which bids get awarded.

Project operation timeline.

Per the RFP, "PSE is seeking projects that can be operational by December 31, 2028, but projects that are projected to be operational later should still apply and PSE will consider them in the evaluation."

17. **Question:** Can you please define "operational" in reference to preference for projects that are operational by 12/31/2028?
    a. Answer: For this RFP, PSE considers a project "operational" once it begins reducing emissions from PSE's natural gas distribution system.
18. **Question:** Performance period: the RFP states that projects need to be operational by December 31, 2028. However, in the case of a funded incentive program, is PSE open to funding a program with operational dates of 2027-2030, or do all incentives need to be used (for example - incentivized heat pumps installed) by 12/31/2028?
    a. Answer: Yes, PSE is open to funding a program with operational dates of 2027-2030. All incentives would not need to be used by 12/31/2028.

19. **Question:** If applying for a program, would funding for programs beyond 2030 be an option?
    a. Answer: Yes, funding programs beyond 2030 would be acceptable although projects with nearer term emission reduction potential will score higher in the RFP process per evaluation criteria A3.
20. **Question:** By what year would a program need to conclude?
    a. Answer: PSE does not have a target for program/project conclusion.

Evaluation criteria

21. **Question:** MRV protocol. For residential electrification MRV, does PSE have a preferred or required protocol — the WUTC conservation EM&V framework, PSE's CCA compliance protocol, ANSI/ASHRAE/IES 14, or something else?
    a. Answer: PSE does not have a required or preferred protocol beyond the guidance already provided in Exhibit B. Proposed protocols will be evaluated on the basis of the criteria described in Exhibit B to assess the MRV protocol's appropriateness and degree of rigor to credibly monitor, verify, and report emissions reductions.
22. **Question:** Is there a criteria for what makes a project cost effective?
    a. Answer: The criteria depends on the proposal type. For example, energy efficiency has specifically defined cost-effectiveness evaluation criteria that are different from supply-side cost effectiveness calculations.
23. **Question:** One additional question is clarity on whether PSE is more interested in proposals related to large capital improvements (examples, a collection of buildings, campus, major project at Seattle Steam, etc.) or is interested in proposals for incentive programs.
    a. Answer: PSE is not more interested in one type of project over another. Please refer to Exhibit A to see how proposals will be evaluated and scored.
24. **Question:** Do "benefits" to low income customers include air quality improvement in their neighborhoods?
    a. Answer: Potentially, depending upon the project submitted. Bidders will be asked to describe and document all potential benefits from their project submission.

Location Targets in RFP Appendix A (pages 20-22)

25. **General guidance from PSE:**
    a. Proposals are **not required** to be located in one of the areas specified in Appendix A. Demand-side proposals located in the areas specified in Appendix A will receive up to 2 points in the scoring process per criteria D1.5 in Exhibit A.
    b. PSE is planning to share additional information about the areas in Appendix A to support bidders. It will be posted to the RFP webpage and those who submitted an Intent to Bid form will be notified.
26. **Question:** We understand there are specific geographic areas of interest for targeted electrification proposals. Will PSE accept proposals outside of the areas of interest?

    a. Answer: Yes, PSE is interested in proposals outside of the areas specified in Appendix A.
27. **Question:** Can you share the reasoning behind the geographic area selections that [PSE] have indicated for the different strategies?
    a. Answer: The areas in Appendix A were selected to receive extra points for demand-side proposals because PSE's distribution system has constraints in those areas.
28. **Question:** Does aligning to an Appendix A area affect scoring beyond the D1.5 "Localized Value" criterion — for example, does avoided gas distribution cost flow into C2?
    a. Answer: No, aligning to locations in Appendix A does not affect scoring beyond criteria D1.5. Yes, any avoided gas distribution should be factored into the estimated "MTCO2e reduced" in criteria C2.
29. **Question:** Can you tell us if Seattle Center is eligible/located in the gas removal geography (location 3)?
    a. Answer: PSE cannot discuss particular customer locations at this time. However PSE will look for a way to clarify boundaries that doesn't provide any confidential information.
30. **Question (2 parts):** In Appendix A – Location 3, the text reads, "Specific addresses to be provided upon agreement and selection. All relevant customers' end uses must be electrified and service to the location must be able to be retired to avoid potential investments."
    a. Does this mean that PSE has a list of specific addresses that you are interested in decarbonizing, or that the proposer should provide specific addresses of buildings to be decarbonized upon agreement and selection?
        i. Answer: Regarding the areas in Appendix A, Location 3 specifically - yes, PSE does have specific addresses of buildings we are interested in decarbonizing that we can share upon contract signing. However, outside of the areas in Appendix A, bidders should provide addresses of buildings they propose to decarbonize to the extent that it's known at the time of the proposal.
    b. Is there a specific target for the amount of gas to be removed or number of buildings to be decarbonized?
        i. Answer: Regarding the areas in Appendix A Location 3 specifically, PSE is interested in whole building natural gas removal. But for the RFP in general, PSE does not have a target for the amount of gas to be removed nor a target for the number of buildings to be decarbonized.
31. **Question:** Appendix A — are the SCFH peak-shave targets evaluated per proposal, or cumulatively across all selected bidders?
    a. Answer: For the areas in Appendix A, the SCFH peak-shaving targets are evaluated per proposal. A single proposal does not necessarily have to meet the full target, but the target must be met cumulatively before PSE would move forward with projects.

32. **Question:** Clarifying a previous statement related to the peak shaving locations. Does the full stated SCFH (300k in Vashon/Gig Harbor and 1,869,000 SCFH in Seattle) need to be met with the proposed project/program for PSE to be interested? Or is making a dent in that peak without the full reduction still worth pursuing?
    a. Answer: Acknowledging that PSE cannot advise on whether a hypothetical proposal is worth pursuing, PSE offers that individual proposals do not need to meet the full target peak reduction. Part of the evaluation will require understanding the size of the peak reduction impact from a proposal. The evaluation criteria and relative weighting may be helpful for potential bidders. For example, this RFP will be looking at emissions reductions and the cost as some of the criteria with the highest weighting. The intent of those geographically targeted areas is to find a full solution to a constraint or challenge. If PSE is unable to come up with a full solution, we are unlikely to move forward with partial solutions. So to the extent that proposals provide the full solution, they will have a greater chance of success instead of relying on other potential proposals.
33. **Question:** Will more weight be given to projects large enough to single-handedly fulfill large portions of the peak-shaving demand, or will a small yet cost-effective project with community benefits be given equal consideration?
    a. Answer: All proposals will be given equal consideration. The intent of those geographically targeted areas is to find a full solution to a constraint or challenge. If PSE is unable to come up with a full solution, we are unlikely to move forward with partial solutions. So to the extent that proposals provide the full solution, they will have a greater chance of success instead of relying on other potential proposals.
34. **Question:** For Location 1 for Gig Harbor/Vashon Island, please share what percentage 300k SCFH represents of the total peak load for this area.
    a. Answer: The 300,000 SCFH represents approximately 38% of the total peak load for this area.
35. **Question:** For Location 3 Belltown, is there an independent SCFH goal, or is it just part of the 1,869,000 SCFH target listed under Location 2?
    a. Answer: The important thing for Appendix A Location 3 is that the entire building would be able to end its gas usage and retire the service to the building in order to also avoid an infrastructure project. There is not an independent SCFH goal for Location 3, but any such project in Location 3 would also support the SCFH goal for Location 2 as described.

RFP award amount

36. **Question:** Is there a per project maximum award amount within the $40M budget?
    a. Answer: No
37. **Question:** $40 million is more than the cost of one new RNG production facility. Will proposals that request funds for pre-construction costs for a new facility, like engineering and site control, be responsive?

    a. Answer: Yes, recognizing that any emissions reduction that comes from pre-construction costs, site control, et cetera, will be competing with other proposals that may have more direct or more immediate emissions reductions.

38. **Question:** Can you clarify how PSE structures payment to selected projects?
    a. Answer: Payment structure would depend on the type of proposal.
39. **Question:** Is a portion of the overall budget allocated for customer incentives (vs implementation)?
    a. Answer: No. Bidders should fill out the cost model in Exhibit B denoting different cost categories.
40. **Question:** Will PSE fund either components of a proposal (if there is more than one project/offering)?
    a. Answer: If your organization is proposing more than one offering, submit a separate proposal for each one.
41. **Question:** Will the evaluation process partially fund proposals?
    a. Answer: PSE does not intend to partially fund proposals.

Technology maturity

42. **Question:** Does the RFP allow for some technology risk, i.e. Is first of a kind for a new RNG production capability eligible?
    a. Answer: For relevant context, please see Exhibit A - Evaluation Criteria and Exhibit B - RFP Proposal Form sections D2.2 and D3.3 for relevant criteria.
43. **Question:** The RFP calls for actual decarbonization, but also has hefty loss damages provisions for failing to supply. (These seems to be more appropriate for established vendors and fuel supply RFPs, than this first-ever CCA fund RFP). How are proposals from small and innovative bidders, where there is a reasonable aount of risk, going to be evaluated? and will LDs be waived or lessened for bidders who are not just proposing insurable commercial-off-the-shelf carbon reduction projects and already taking on risk that is not being passed on to PSE?
    a. Answer: The evaluation Principle A within Exhibits A and B provides context about how PSE will evaluate all proposals regarding organizational qualifications. The terms of loss damages will be discussed during contract negotiations based on the specific proposals, acknowledging that not all contracts will require the same terms for liquidated damages.

Miscellaneous topics

44. **Question:** Teaming list and subcontracting. If we decide not to bid as a prime, will PSE in any way facilitate connection to a different potential prime contractor, either through a teaming list or some other match making effort?
    a. Answer: No
45. **Question:** For projects involving carbon capture, the state hasn't come out with precise rules and definitions for what offtake pathways for CO_2 will count (for example they are

deciding on mineralization in concrete but that determination is not done yet). Can we propose projects with these pathways that are being deliberated for CCA compliance?

   a. Answer: PSE will consider CCUS solutions that do not yet have a clear compliance pathway with CCA. PSE recognizes that Washington's Department of Ecology may be in the early stages of rulemaking that may enable such solutions, but cannot count on that outcome at this time. If a bidder wishes to propose a CCUS based solution, it is incumbent on the applicant to articulate how the principles of permanent sequestration are demonstrated, and how a solution is compliant with CCUS frameworks found in other regions."

46. **Question:** Customer data access. For demand-side residential projects, what customer data can PSE share with a selected bidder for targeting and eligibility verification — gas usage history, dual-fuel service flags, named-community indicators, prior rebate participation? Is data shared pre-award (to support proposal scoping) or only post-contract?
    a. Answer: For demand-side residential projects, detailed customer data sharing can only occur post-contract. However general information is available at pse.com/about-us.
47. **Question:** Is this a one time grant opportunity, or does PSE anticipate there will be future RFAs?
    a. Answer: This is to be determined. This RFP is the first of its kind for PSE in an evolving decarbonization landscape. Any future RFPs will depend on the outcome of this process including input from the Washington Utilities and Transportation Commission.
48. **Question:** The Gas Decarb RFP states the priorities include: projects that reduce emissions from PSE's natural gas distribution system. Will proposals be accepted that help PSE reduce carb emissions from the operation and/or decommissioning of the natural gas system?
    a. Answer: Yes.
49. **Question:** Would PSE consider a portfolio-style proposal consisting of multiple customer-sited industrial decarbonization projects, rather than a single project at a single facility?
    a. Answer: Yes.

The questions listed below will be addressed in a separate Q&A document as soon as possible. Thank you for your patience.

BEPS

- In eligibility 2 [see RFP page 6], PSE notes that proposals should not be pursued in existing requirements. In the context of Seattle's BEPS law which requires large buildings to decarbonize by 2050, does accelerating a BEPS-resulting change count as a viable project? For example, using funding to decarbonize a building by 2028 that would otherwise not need to decarbonize until 2040.
- Would PSE be inclined to support projects that would deliver emissions reductions or gas removals ahead of compliance deadlines (e,g, BEPS)?

Bidder Qualifications

- Performance assurance. For a demand-side project measured in customer installs and verified savings (rather than a single capital asset), what form of performance assurance does PSE typically require — letter of credit, cash collateral, parental guaranty, performance bond? And how is the required amount usually sized: percentage of total project value, annual contract value, liquidated damages exposure, or other?
- I also have questions about the credit documentation. As a small woman-owned business I have financial statements and strong personal credit, and would be working with established partners, but wonder if I would be barred by a limited company lending history
- The RFP includes financial qualification requirements such as three years of audited financial statements, credit documentation, and performance history. As a recently formed startup, we do not have three years of operating history. Are these intended as minimum eligibility requirements, or can newer project developers still be considered if they can demonstrate technical capability, customer commitments, and a credible path to project execution?
- The RFP states that respondents must "currently own or have legally binding rights to develop the project(s)." For customer-sited electrification projects, what documentation would satisfy this requirement? For example, would letters of intent, development agreements, or site access agreements with host customers be sufficient?

Evaluation Criteria

- C2 cost basis. For C2 (System Cost Impact) scoring, is project cost evaluated against the dollars requested from this RFP, or against a broader total resource cost that includes customer co-pay and other stacked incentives? If multiple framings are evaluated, how are they weighted?
- Grid emissions accounting. For modeling fuel-switching emissions over equipment lifetime, does PSE prefer marginal or average grid factors? If marginal, is there a preferred source (NREL Cambium, WECC, PSE's IRP)? And should bidders model PSE's CETA decarbonization trajectory — if so, is there a published PSE grid emissions trajectory to reference?

- How do we handle proposals where the RFP funds are only for a portion of the capital cost? Do we need to proportionally allocate the decarbonization by the % of the $?
- Are there any specific expectations regarding emissions accounting, quantification methodologies, or MRV approaches that proposers should consider?

Environmental attributes

- The RFP states that environmental attributes will be retained by PSE. If a project is funding in part with other non-PSE funds, would PSE still retain those environmental attributes?
- At the bidder's conference, someone asked: if the PSE Gas Decarb program partially funds a decarbonization project, does PSE claim all associated environmental benefits (carbon credits)? The PSE representative quicky responded yes and there was no further discussion. I'm following up to confirm this. I'll do it through an example: if a decarbonization project, say electrifying a gas heated building, is half funded by PSE and half funded by a multi-national corporation with ESG goals, resulting in GHG emissions reductions of 2,000 metric tons/year, PSE would claim all 2,000 metric tons and the other funder could claim none even though they paid for half of it?
- If our capture site host is a CCA covered entity with their own compliance obligation, how does PSE handle the environmental attribute allocation? Does the host's reduction in combustion emissions count toward their own CCA compliance, or does everything flow to PSE? And how should we think about double-counting under CCA accounting?
- Does PSE assign a value to green attributes? It would be great to know what that value roughly is, so that we can quickly evaluate that before submitting.

Eligibility

- Could the following project scopes potentially be eligible? a) A program that works with residential buildings that are low- and moderate-income to perform energy efficiency or electrification upgrades that reduce natural gas use and promotes decarbonization b) Building system or equipment upgrades for municipality, nonprofit, or privately-owned commercial buildings
- Could PSE provide other examples of project scopes that are eligible given the RFP parameters, including projects that might fit the supply-side, demand-side, or carbon capture utilization and storage classifications referenced?
- I have an existing project that is scheduled to start in August that will be removing natural gas for heating of the building and leaving the gas hat water heater system in place. I would like to know if my project would qualify for application to this proposal opportunity.
- For a proposal that might integrate weatherization-first sequencing in its programming that includes some audits, would an applicant be able to integrate/cite program use or reliance on PSE's existing In-Home Energy Assessment program for single family buildings, or would an applicant need to provide a fully stand-alone proposal, i.e., integrate funding for independent audits in program delivery?
- Would a methane emissions reduction and verification program be considered responsive to the objectives of this RFP?

- Is PSE interested in proposals that focus on measured methane abatement and optimization of repair investments within the existing gas distribution system?
- [Bidder] has several projects in Washington state under development in the Moses Lake and Sunnyside areas. I know those are still 65 miles to Kittitas, your closest distribution line point. Are we still able to qualify for the RFP? I saw there is a requirement in Exhibit A page 6 that RNG qualifies if injected inside PSE's own distribution pipeline. Our projects would be able to be connected via pipeline to your distribution line, but are not injecting directly.

Appendix A areas

- The RFP indicates Location 3 addresses will be shared "upon agreement and selection." Could PSE share a general area, customer count, and approximate gas volume for Location 3 under the executed NDA before proposals are due, to support bidder scoping? Alternatively, would PSE accept a proposal that scopes a bidder-defined candidate area (for example, Vashon Island) for Location-3-style treatment, contingent on PSE engineering confirmation after selection?
- Since you have a list of buildings already for Location 3 that you're interested in, but in the RFP, we need legally binding rights to develop the project and we need to know like how many projects, how much it's going to cost, how much we're going to save, but we haven't seen that list yet. Like, are we able to submit a range of cost and a range of savings? How do we address the fact that we don't know which buildings you're interested in?
- Can you describe the nature of the infrastructure investment PSE is seeking to avoid through Location 3? Understanding the specific infrastructure driver would help proposers design programs that directly address PSE's need.

Misc.

- How does PSE view the relative value of verified methane emissions reductions compared to other decarbonization pathways being considered under this solicitation?
- If entities are interested in teaming, do all subs [subcontractors] need to provide all financial documentation listed?