PSE 2026 Gas Decarbonization RFP
Exhibit A – Evaluation Criteria
(For reference only)

1. Overview

This document outlines the evaluation criteria that will be used to assess proposals submitted in response to the PSE 2026 Gas Decarbonization RFP. Proposals are evaluated across four Principles (A–D), each addressing a distinct dimension of project quality, policy compliance, and delivery credibility. The weighted sum of scores across all Principles produces a composite score used to rank proposals.

Proposals are evaluated on all applicable Principles. Principle D criteria are domain-specific: demand-side proposals are evaluated against D1 criteria, supply-side proposals against D2, Carbon Capture Utilization and Storage (CCUS) proposals against D3, and hybrid proposals against any applicable Principle D sections.

Scores reflect the quality, specificity, and credibility of the information provided. Vague or unsupported claims will receive lower scores than responses that are quantified, methodologically grounded, and internally consistent with other sections of the proposal. Evaluators will cross-reference responses across Principles — particularly between the GHG claims in Principle B and other Principles.

The criteria in this document correspond directly to the questions and response requirements in Exhibit B. Bidders are encouraged to review both documents together when preparing their proposals.

Weighting Summary

Letter	Principle	Weight	Criteria Type
A	Project Overview & Organizational Qualifications	**26%**	Scored
B	GHG Reduction & Climate Impact	**22%**	Scored
C	Energy Equity & Impact to Customers	**37%**	Scored
D	Domain-Specific Technical Criteria	**15%**	Scored by domain
	TOTAL	**100%**	

Evaluation Principles

A Project Overview & Organizational Qualifications — Weight 26%

Assesses whether the proposing organization and project concept are technically and operationally credible and feasible and can be effectively delivered.

ID	Criterion	Description	Points
A1	**Project Description & Technical Approach**	Clarity, completeness, and technical soundness of the project description. Does the proposal clearly articulate what will be done, how, in what location(s), and what outcomes are expected?	1
A2	**Qualifications & Track Record**	Demonstrated experience with analogous projects; relevant certifications or accreditations; past performance evidence.	5
A3	**Implementation Plan, Project Management, Timeline & Milestones**	Specificity and realism of implementation schedule; clear milestones; key personnel; roles, responsibilities, and subcontractor management; demonstrated capacity to execute within the RFP program timeline.	6
A4	**Labor Practices**	Evaluates whether the project utilizes fair labor practices. Projects using prevailing wage and/or community workforce agreements will be scored higher.	2
A5	**Budget & Cost Reasonableness**	Specificity and reasonableness of cost estimate; budget aligned with stated scope; organizational financial capacity to execute. Project costs should be clearly articulated and justified with detailed cost breakdown. Separate optional costs should be clearly identified in the proposal.	3
A6	**Measurement, Reporting, and Verification (MRV) Methodology for Emissions Reductions**	Rigor and credibility of measurement and verification approach; data collection plan; alignment with recognized protocols; distinction between projected and realized benefits.	4
A7	**Risk Identification & Mitigation**	Quality of safety approach and risk analysis; identification of safety, technical, financial, and implementation risks; proposed mitigation measures; contingency planning.	5

B GHG Reduction & Climate Impact — Weight 22%

The core purpose of this RFP is greenhouse gas reduction from Puget Sound Energy's gas distribution system. This Principle assesses both the quantity of emissions reduced and the quality of the underlying methodology. CO_2e is the primary metric for this RFP, consistent with Climate Commitment Act (CCA) compliance accounting.

ID	Criterion	Description	Points
B1	**Annual GHG Reduction**	Projected annual reduction in natural gas consumption (therms/year), annual increase in electricity consumption (kWh/year) or other fuel consumption, and overall GHG emissions reduction ($MTCO_2e$/year).	5
B2	**Lifetime GHG Reduction**	Total lifetime reduction in natural gas consumption (therms), lifetime increase in electricity consumption (kWh) or other fuel consumption, and overall GHG emission reductions ($MTCO_2e$). Assess assumed project lifetime, persistence of savings, and degradation or decay factors applied.	10
B3	**Emissions Accounting Methodology**	Lifecycle emissions accounting; system boundary definition; upstream methane treatment; CO_2e conversion methodology; alignment with CCA compliance accounting standards. *For demand-side, electrification projects:* Approach to accounting for grid emissions (marginal vs. average emissions factor); lifecycle GHG vs. operational GHG; alignment with relevant electric utilities' grid decarbonization trajectory. Conservative consequential accounting for fuel switching between natural gas and power. Rigor and appropriateness of the proposed methodology for quantifying and verifying energy savings. Assess: (a) whether metered or modeled savings are used and the justification; (b) baseline establishment methodology and pre/post energy audit protocols; (c) savings persistence and degradation assumptions over the project lifetime; (d) QA/QC protocols for equipment installation and contractor oversight; and (e) for behavioral or demand response programs, the verification methodology for non-equipment savings. MRV approach should reference a recognized protocol. *For supply-side projects:* Rigor of the proposed methodology for quantifying and verifying emissions reductions. Assess: (a) measurement approach for supply-side emissions reductions (e.g., flow metering, leak quantification methodology); (b) baseline establishment and ongoing monitoring protocols; (c) data quality assurance procedures; and (d) alignment with recognized standards or protocols. *For CCUS projects:* Rigor of the proposed methodology for quantifying, verifying, and attributing net emissions reductions from carbon capture, compression, transport, and utilization or geologic storage. Assess: (a) system boundary definition across capture source, transport and disposition pathway; (b) baseline establishment methodology, including pre-CCUS facility operations and outputs; (c) measurement approach for captured, transferred, injected, utilized, vented, leaked, or otherwise released CO_2; (d) treatment of CO_2 utilization products, distinguishing durable products (e.g., concrete) from short-lived products; (e) for CO_2-EOR pathways, accounting for incremental hydrocarbon production associated with injected CO_2; (f) general alignment with established and	4

		recognized MRV and accounting protocols (e.g., EPA GHGRP Subpart RR, ISO 27914, etc.).	
B4	**Scalability**	Potential to scale emissions reductions beyond the initial project scope; replicability across PSE's service territory; contribution to broader market change (technology adoption, supply chains, workforce development).	3

C Energy Equity and Impact to Customers — Weight 37%

Any proceeds from consigning no-cost natural gas CCA allowances must be used to benefit gas utility customers. Benefits and impacts may include monetary and non-monetary elements.

This Principle evaluates impacts on PSE gas customers, including on low-income, residential, and small business customers and customers in PSE named communities. Note that impacts and benefits for *participating* customers in demand-side proposals are assessed in section D1.

These criteria focus on project or program design that reflect PSE's four Energy Equity tenets: Recognition, Procedural, Distributional, and Restorative. Proposals are evaluated on the intentionality and rigor of their equity approach, specifically addressing how communities are identified, how they are engaged, and how program design impacts or benefits customers. In particular, bidders should consider the cost impacts to low-income customers, and residential and/or small business customers. Where applicable, respondents should reference PSE's named community maps.

ID	Criterion	Description	Points
C1	**Cost impact to residential and small business customers**	Assesses the extent of cost impacts to PSE residential and/or small business customers (expanding upon the pass/fail eligibility requirement EQ1.5 in Exhibit B; see C6 and C7 for impacts to low-income customers).	6
C2	**System cost impact**	Evaluates the cost of the proposed project as a CCA, conservation, or other compliance strategy for PSE.	12
C3	**Impact on Geographically Proximate Communities**	Evaluates the nature and magnitude of expected effects (positive and negative) on customers and/or communities the project will serve or impact. For potential negative impacts, assesses whether proposed mitigation measures are concrete and proportionate. Evaluates the project's relationship to local communities and the quality of the proposer's assessment of community-level impacts.	5
C4	**Non-GHG environmental impacts**	Evaluates the project's potential for environmental impacts or benefits during construction and/or operation.	2
C5	**Customer and community outreach and engagement**	Assesses the quality of plan to identify parties impacted by the project, conduct outreach, manage concerns, and coordinate participation. Evaluates the quality and depth of the proposer's approach to engaging the customers/communities the project will serve or impact. Assesses: (a) whether the engagement strategy accounts for community-specific characteristics, including language access and culturally appropriate communication; (b) the quality of mechanisms for collecting and meaningfully incorporating diverse community viewpoints into project or program design; and (c) whether engagement has already occurred prior to submission — and if so, how it shaped the proposal — or whether a credible engagement plan is in place for the implementation period,	5

		including timeline, methods, and documentation approach. Assesses where the proposer has existing relationships with community-based organizations, tribal nations, or social service agencies, whether those relationships are described concretely and how they will inform implementation and engagement.	
C6	**Cost impacts on low-income and named community customers**	Evaluates the projected cost impacts of the proposal on low-income customers (expanding upon the pass/fail eligibility requirement EQ1.5 in Exhibit B) and customers in named communities. Assess (a) whether cost impacts are quantified for low-income and named community customers, including the timeframe over which they will occur; (b) the magnitude to which the proposal increases or decreases low-income and named community energy costs.	4
C7	**Equitable benefits distribution for low-income and named community customers**	Evaluates whether program design ensures that benefits (monetary and nonmonetary) are equitably distributed, with particular attention to low-income customers and customers in named communities. Assess: (a) the projected share of program benefits flowing to low-income customers and/or to named communities and the credibility of that projection; (b) whether program design is structured to support equitable distribution; and (c) the quality of the plan to track, verify, and report on benefit distribution over the life of the program.	3

D Domain-Specific Technical Criteria — Weight 15%

Proposals are evaluated against the specific technical criteria for their primary domain. Each domain reflects a distinct type of gas system decarbonization intervention. Proposals are scored within their domain and that domain score constitutes the Principle D contribution to the composite evaluation. This enables valid comparison of similar proposals against domain-specific benchmarks.

Approaches are split into three classifications: demand-side, supply-side, and Carbon Capture Utilization and Storage (CCUS). Respondents are responsible for filling out the section that most aligns with their approach. For hybrid approaches, respondents are asked to fill out all applicable sections.

D1 — Demand Side Technical Criteria

D1 applies to projects whose primary goal is reducing or eliminating gas consumption at the building or customer level. Includes fuel-switching interventions (heat pumps, heat pump water heaters, whole-building electrification, weatherization-first electrification packages) and efficiency-only interventions (standalone weatherization, high-efficiency appliance upgrades, behavioral programs, and commercial/industrial efficiency solutions).

Per RCW 80.86.070, projects must not include any form of rebate, incentive, or other inducement to residential natural gas customers to purchase any natural gas appliance or equipment (for example, a more efficient natural gas appliance). Exceptions in effect through January 1, 2031 include rebates and incentives for electric heat pumps that include natural gas backups and rebates and incentives for commercial and industrial gas customers.

ID	Criterion	Description	Points
D1.1	**Technology Specification &**	Specificity and rigor of equipment specifications and performance standards relative to the building types and climate zones served; cold-	1

	Performance Standards	climate performance for Washington conditions (e.g., HSPF2/COP ratings); compliance with NEEA or equivalent standards. Compliance with WA State code.	
D1.2	**Building Readiness & Retrofit Sequencing**	Evaluates quality of the approach to assessing building suitability and sequencing interventions prior to installation. For electrification projects: assessment of electrical panel capacity, weatherization prerequisites for fuel switching, and approach to structural or systems constraints (e.g., duct compatibility, insulation adequacy). Proposals should describe how weatherization-first sequencing is implemented where required and how hard-to-electrify building types are identified and addressed. For efficiency-only projects: approach to baseline energy assessment, measure prioritization, and whole-building vs. single-measure strategy.	3
D1.3	**Grid Integration & Load Management**	Evaluates quality of the assessment of new electrical load addition to the relevant utility distribution system; plan for coordination with relevant utility's distribution planning; smart controls or load management provisions.	3
D1.4	**Customer Access & Program Accessibility**	Assesses the quality of plans to address: (a) upfront cost barriers and proposed mechanisms to overcome them; (b) program design features that reduce participation friction (eligibility simplicity, outreach, language access, enrollment process); (c) customer recruitment priorities and approach where applicable and (d) the proposer's strategy for sustained customer engagement and long-term system operation. Addresses barriers to participation (upfront cost, awareness, eligibility complexity) for customers.	2
D1.5	**Localized Value**	If applicable, evaluates the value of targeted electrification that occurs in geographic locations of sufficient impact as described in Appendix A of the RFP.	2
D1.6	**Participating Customer Cost Impact**	Evaluates the program's impact on participating customers' energy costs. Based on estimated average annual therm savings per customer and annual kwh or equivalent increases per customer, PSE will calculate estimated resulting gas and electric bill impacts for participating customers.	2
D1.7	**Participating Customer Benefits**	Evaluates the projected non-cost impacts of the proposal on participating PSE customers (e.g., health benefits from cooling, energy resilience or reliability, etc.)	2

D2 — Supply-Side Technical Criteria

D2 applies to projects that reduce the carbon intensity of gas delivered within PSE's distribution system. Includes renewable natural gas (RNG) injection, renewable or low-carbon hydrogen blending, and methane leak detection and repair (LDAR) within PSE's system boundary. Projects upstream of PSE's system boundary are not eligible.

ID	Criterion	Description	Points
D2.1	**Supply Source Verification & Certification**	Rigor of feedstock or production pathway verification and ongoing certification approach. For RNG: documentation of feedstock origin (e.g., landfill gas, agricultural waste, wastewater); supply chain traceability; M-RETs registration, tracking, and retirement methodology; third-party certification approach. For renewable hydrogen: production pathway documentation, attestation of renewable energy sourcing, and applicable certification standard applied. Proposals should describe how supply	5

		claims will be verified on an ongoing basis and how retired attributes will be reported to PSE.	
D2.2	**Technology Readiness & Implementation Credibility**	Assessment of the maturity of the proposed technology and the credibility of the delivery timeline. Assesses: (a) technology readiness level (TRL) and the basis for that assessment; (b) evidence of analogous deployments at comparable scale in comparable operating environments; (c) current project development status (e.g., site control, permitting stage, interconnection agreements, offtake arrangements); and (d) the credibility of the timeline to deliver volumes or verified reductions within the program period. Projects at early development stages must demonstrate a clear and realistic path to operation within the program timeframe.	5
D2.3	**System Integration & Compatibility**	Technical compatibility with PSE's gas delivery system; operational integration requirements; safety and regulatory compliance for gas system modifications (e.g., PHMSA, FERC). Where applicable, includes a mechanism to match the fuel heat content to the current system.	5

D3 — Carbon Capture Utilization & Storage (CCUS)

D3 applies to projects whose primary mechanism of GHG reduction is the capture of greenhouse gases at the point of emission from natural gas combustion or gas delivery operations, followed by permanent geological storage or demonstrated long-term utilization. Projects upstream of PSE's system boundary are not eligible.

ID	Criterion	Description	Points
D3.1	**Capture Technology Specification & Equipment Selection**	Specificity and rigor of the proposed capture technology and equipment design. Assesses: (a) the capture technology type (e.g., post-combustion amine scrubbing, pressure-swing adsorption, membrane separation, oxyfuel combustion) and the basis for selecting it over alternatives; (b) rated CO_2 capture efficiency (%) and expected operating efficiency under real-world conditions; (c) CO_2 purity specifications of the captured stream and compatibility with downstream transport and storage requirements; and (d) the parasitic energy load of capture operations and the source of that energy. Equipment specifications should be sufficiently detailed to assess technical readiness and integration feasibility.	3
D3.2	**Sequestration or Utilization Pathway**	Rigor and credibility of the proposed pathway for permanently managing captured CO_2. For geological storage: (a) storage formation characterization (type, depth, injectivity, estimated capacity, and proximity to source); (b) ownership or rights to pore space; (c) injection well design and regulatory classification (EPA Class VI or equivalent); and (d) the proposed storage operator and their relevant experience. For utilization: (a) the specific utilization product or process; (b) evidence that the utilization pathway constitutes long-term or permanent carbon storage rather than short-cycle re-emission; and (c) third-party validation of the storage claim. Proposals relying on utilization pathways that re-emit CO_2 within the program period will be evaluated critically.	5
D3.3	**Technology Readiness & Implementation Credibility**	Assessment of the maturity of the proposed capture and storage technology and the credibility of the implementation timeline. Assess: (a) technology readiness level (TRL) for both the capture system and the storage pathway, with supporting evidence; (b) analogous	5

ID	Criterion	Description	Points
		deployments at comparable scale and in comparable operating environments, including outcomes; (c) current project development status — site control, capture site host agreements, permitting stage, injection well permits, CO_2 transport or pipeline arrangements; and (d) whether the timeline to first CO_2 injection and full operational capacity is credible given the current development stage. Projects at early development stages must demonstrate a realistic and funded path to operation within the program period.	
D3.4	**Permitting, Regulatory Compliance & Long-Term Liability**	Completeness of the regulatory pathway and clarity of long-term liability arrangements. Assess: (a) all permits and regulatory approvals required for the capture facility, CO_2 transport, and injection well(s), including status and expected timeline for each; (b) for geological storage: whether EPA Class VI Underground Injection Control (UIC) well permits have been applied for or granted, or whether state primacy applies; (c) surface and pore space rights agreements and their current status; (d) financial assurance obligations required by EPA or state regulators for post-injection site care; and (e) the proposed allocation of long-term storage liability between the project developer, PSE, and any third-party storage operator, and the basis for that allocation.	2