

Questions and Answers

Inquiry #1 dated 2/22/24

Question: Have you received any reference or benchmark projects preceding the issuance of this RFP?

- **PSE response:** *No, PSE has not received any benchmark non-wires projects preceding the issuance of this RFP.*

Inquiry #2 dated 2/23/24

Question: Under Option 1: Non-Wires solution for 230kV bulk transmission, can you please clarify the relationship between the capacity need of 260MW/ 88,400MWh (340 HR)? Is it correct to infer that this PSE Kitsap RFP is looking for a 340HR discharge duration on the BESS asset?

- **PSE response:** *The maximum power discharge of the BESS is 260 MW. 340 HR is a measure of total BESS storage capacity (260 MW x 340 HR). It will not discharge continuously for 340 hours. However, this is the capacity needed in the area to support cold days. The BESS can recharge whenever system loading drops below capacity threshold. It is worth mentioning that, during successive cold days, charging opportunities are limited and large storage capacity is needed to ride through such a period.*

Question: Under Option 2: Non-Wires solution for 115kV network transmission, can you please clarify if you are looking for only a BESS asset with an 8-hour discharge duration? Is there flexibility for a 4/8-hour battery?

- **PSE response:** *For Option 2, the maximum power discharge of the BESS is 141 MW, and storage capacity is 8 HR (141 MW x 8 HR). We require a minimum 8 HR BESS capacity to support line outages. A 4-hour BESS does not have sufficient storage capacity to meet Option 2 requirements.*

Question: Is there an estimate you are able to provide on the 115kV network transmission infrastructure cost given the procurement targets?

- **PSE response:** *We are unable to provide an estimate on the 115kV network transmission infrastructure and are seeking unbiased market costs of non-wires solutions through this RFP.*

Inquiry #3 dated 2/29/24

Question: Will interconnection costs be covered by PSE or the developer?

- **PSE response:** *PSE system upgrades will be covered by PSE. The developer is responsible for all costs from the resource to the point of connection on the PSE system.*

Question: Is there any preference for projects that can provide the entire capacity need as stated by PSE (260 MW/340 MWh)?

- **PSE response:** *PSE intends to select a project that has the best value and may have preference for projects that meet the entire need.*

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Question: Is PSE open to owning projects fully after year 6 to allow the developer to capture the IRA tax credits or is PSE planning on utilizing the IRA tax credits?

- **PSE response:** Yes

Question: Does PSE have a preference for lithium-ion battery storage chemistry or alternative battery chemistries?

- **PSE response:** PSE is seeking proven technology, as referenced in Table 3 in the RFP.

Question: Will PSE allow changes to inverters, transformers and other non-battery equipment if the bid is accepted?

- **PSE response:** PSE will consider changes if they meet PSE specifications, and without updates to the bid costs.

Question: Will PSE work with the developer to provide right of way and direct access to the system?

- **PSE response:** PSE will work with a developer on right of way and direct access to the PSE system on property owned by PSE. Please note that, per the RFP, respondents must apply for and acquire electrical permits and all permits related to the right of way and easement necessary to deliver the resource capacity to the PSE system.

Question: Can the developer sell excess power to market?

- **PSE response:** It would be negotiated during the contractual agreement if excess power can be sold to the market. The developer should include this in their proposal for PSE consideration.

Question: Does PSE require separate system and auxiliary power?

- **PSE response:** Please provide additional information to clarify your question.

Question: Does PSE have preferences for projects coming online before 2026?

- **PSE response:** No preference. The RFP requires the resource to have a commercial operation date of 2028.

Inquiry #4 dated 2/29/24

Question: Will all short-listed projects from the RFP enter a Resource Solicitation Cluster (RSC) for an interconnection study process?

- **PSE response:** PSE is transitioning to a new cluster study process in 2024/2025, as required by FERC order 2023. It is likely that selected NWA RFP bids will go through a new cluster study process.

Question: Will projects with interconnection queue numbers be given preference over others in the RFP process?

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- **PSE response:** *It is not part of the evaluation criteria and scoring; therefore, PSE has no preference.*

Question: If a RSC study process does occur, will PSE submit the interconnection application for all shortlisted projects with support from and on behalf of bidders?

- **PSE response:** *Selected bidders are required to submit interconnection applications.*

Question: Do resources bid into the RFP need to have Network Resource Interconnection Service?

- **PSE response:** *NRIS is not required for RFP project bids.*

Question: For standalone battery energy storage systems (BESS), can you confirm PSE will be responsible for securing necessary transmission service for charging and discharging?

- **PSE response:** *Bidders will be responsible for securing necessary transmission service.*

Question: For BESS bids, can you confirm PSE will be responsible for securing charging energy?

- **PSE response:** *Bidders will be responsible for securing charging energy.*

Question: Will standalone, grid-charged batteries have firm capacity rights while charging?

- **PSE response:** *Standalone, grid-charged batteries will have the opportunity to procure firm capacity rights.*

Question: Page 5 of the RFP states that bidders are not required to initiate interconnection or load service requests until Phase 3. Given the RFP schedule, it's possible study results will not be available before winning bidders are selected. If this is the case, will there be an opportunity to adjust pricing based on potential upgrades identified in the interconnection and load study processes?

- **PSE response:** *Per pages 19-20, Phase 3: Final Evaluation and Determination states that PSE will perform internal studies to refine cost estimates for incorporating proposed resources into PSE's transmission or distribution system and re-evaluate the NWA solution. The NWA solution includes potential system upgrades needed to operate proposed resources as a Kitsap Transmission solution. After the RFP ends, the winning bidder(s) that are part of the Kitsap transmission solution will apply for interconnection and load service. For a bidder's secondary benefits (outside of PSE's use), the bidder is responsible for that portion of network upgrade costs, pending the result of the interconnection study.*

Inquiry #5 dated 3/5/24

Question: Does PSE require an NDA/Mutual Confidentiality Agreement prior to proposal submittal?

- **PSE response:** *PSE does not require a Non-Disclosure/Mutual Confidentiality Agreement before submitting the proposal. Bidders must include a signed copy of Exhibit D: Mutual Confidentiality Agreement at the time of submission.*

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Inquiry #6 dated 3/29/24

Question: Is there a bid fee? What is the calculation method?

- **PSE response:** *No, this RFP does not have a bid fee.*

Question: Is there a pre-bid webinar? If so, when?

- **PSE response:** *PSE does not plan to have a pre-bid webinar; however, the Q&A period has been extended to the end of Friday, May 3 to accommodate additional questions.*

Question: Is there an approved/preferred vendors list?

- **PSE response:** *No, PSE does not have a preferred vendor list. Please see page 30 of the RFP main document for more details.*

Question: Is a redline and/or exceptions list required for the term sheets?

- **PSE response:** *Per Table 5 of the RFP, Bidders are required to acknowledge that they have reviewed the term sheets. If you have redlines or exceptions, please submit them with your bid.*

Question: What are the BESS duration requirements? Does PSE have a preferred duration for BESS bids?

- **PSE response:** *BESS duration requirements are listed in the RFP for Options 1, 2 and 3 (see RFP main document and previous Q&A answer to inquiry #2).*

Question: Are BESS bids required to be augmented?

- **PSE response:** *This information is not needed or required from bids at submittal. However, PSE may request information about augmentation/refresher at end of life from bidders, at a later time, if necessary.*

Question: For ownership-structured bids, would PSE consider taking project ownership at NTP if bundled with an EPC Agreement versus taking ownership at COD?

- **PSE response:** *Per the RFP, PSE will only accept proposals for ownership at or after COD.*