

NIPPC Comments on BPA Announcement of Transmission Service Request Data Exhibit Validation Requirements Enforcement

The Northwest & Intermountain Power Producers Coalition submits the following comments in response to the BPA Tech Forum announcement that it will strictly enforce its Transmission Service Request Data Exhibit Requirements. The Northwest & Intermountain Power Producers Coalition (“NIPPC”) is a membership-based advocacy group representing competitive electricity market participants in the Pacific Northwest and Intermountain region. NIPPC has a diverse membership including independent power producers and developers, electricity service suppliers, transmission companies, marketers, storage providers, and others. Most of NIPPC’s members are transmission customers of BPA and will be impacted by this change in enforcing BPA’s data exhibit requirements.

NIPPC notes that BPA staff is not proposing to change any written provision or attachment of BPA’s Open Access Transmission Tariff or modify any of BPA’s existing business practices. Rather NIPPC understands that BPA simply proposes to more strictly and consistently enforce the existing requirements of the transmission service request data exhibit. NIPPC recognizes that BPA staff could have simply moved forward and made this change in enforcement without communicating the change to customers. NIPPC appreciates the transparency with which BPA staff have announced and explained this change.

NIPPC recognizes that BPA must have accurate information from customers regarding the transmission service they are seeking to obtain. NIPPC also appreciates the challenges that BPA staff would have in attempting to model incomplete or inaccurate data exhibits in transmission service requests. Incomplete or inaccurate data exhibits in transmission service requests lead to delays in completing studies and yield study results that inaccurately identify the transmission upgrades that customers are willing to back financially.

NIPPC supports BPA’s requirement that customers provide complete and accurate data exhibits in support of their transmission service requests. At the same time, NIPPC reminds BPA staff that some level of uncertainty regarding a transmission service request’s point of receipt or point of delivery will always exist. A formal request for proposals for new sources of energy supply may take as little as six months. The construction of a new generation facility can take as little as eighteen months, although in practice it often takes much longer. The timeline to study, permit and construct a major new transmission line, however, often takes more than 10 years. NIPPC urges BPA staff to recognize that serious customer interest in commercial support of the development of new transmission lines may not clearly be reflected in documentation that the customer can provide to BPA today.

More specifically, NIPPC is somewhat concerned and seeks clarity about how BPA will interpret one of the “primary requirements” of the new enforcement regime: the requirement to demonstrate a reasonable expectation that the Receiving Party will take

delivery of the energy at the Point of Delivery. BPA's transmission system is increasingly constrained. New transmission facilities requested today may take more than 10 years to plan, site and construct. It is possible but unlikely, or at least not consistently the case, that a generation developer will have documentation of a firm commercial relationship with its potential customer that could be used to demonstrate a reasonable expectation that the requested transmission will be utilized consistent with the request. A generation developer willing to financially support its share of construction of a major new transmission line likely will not know today exactly who its customer will be ten years from now. This is particularly true because many regulated utility procurements (include Requests for Proposal) require bidders as a minimum bid criterion to first have a firm or conditional firm transmission service right in place, before being considered, let alone selected, as a qualified bid. In short, NIPPC suggests that some of the examples staff has provided as acceptable demonstrations customers can use to meet BPA's data exhibit requirements are too strict.

As noted above, however, NIPPC shares BPA staff's concern that data exhibits should be complete and accurate. Even though NIPPC believes that BPA would set too high a bar by requiring customers to point to a utility RFP or a commercial relationship in their data exhibits, NIPPC suggests that there may be other objective measures that customers – and BPA – could rely on to ensure that the cluster study process continues to provide the region with meaningful results.

First, NIPPC notes with approval that BPA will still allow customers to designate NEWPOINT as a point of receipt or point of delivery. This should still allow customers the flexibility to explore transmission service from new resource zones and new substations in existing resource zones. Second, NIPPC also notes with approval that BPA will continue to support transmission service requests to and from market hubs. NIPPC senses that BPA staff is looking to strike a balance in its enforcement of its data exhibit requirements that straddles the fine line that weeds out largely speculative requests but does not impact legitimate requests.

Finally, NIPPC recommends that instead of requiring the specificity of a request for proposal or an existing commercial arrangement to support a requirement of the data exhibits in a transmission service requests, BPA should consider whether there are other forward-looking types of objective documentation that a customer could rely upon. One possibility would be a utility integrated resource plan that identifies a future resource need that the utility plans to meet with generation from a particular geographic region. Depending on the state and utility, however, even integrated resource plans might not state with specificity the type of generation or its location far enough into the future to support a transmission project. Other examples BPA might consider include compliance plans developed by utilities to meet clean energy targets in Oregon and Washington. These would include Clean Energy Action Plans developed to meet the requirements of Washington's Clean Energy Transformation Act or Clean Energy Plans developed to meet the requirements of Oregon HB 2021. NIPPC recognizes that both integrated resource plans

and clean energy compliance plans are not primarily intended to support specific requests for transmission service and may prove to be too generalized for purposes of allowing a customer to defend its data exhibits. Nevertheless, NIPPC suggests these alternatives as worthy of consideration in light of NIPPC's concern that the requirement for documentation of an existing commercial relationship or a formal request for proposal sets too high a bar for customers to meet.

Thank you for the opportunity to provide these comments.