

## NIPPC Comments on Planning for NITS Loads and Resources

NIPPC appreciates the opportunity to support BPA in its efforts to address the growing challenges and complexities with planning the transmission system to support NITS.

NIPPC notes with concern that in introducing the topic of NITS, BPA's presentation omits reference to the defining element of Open Access Transmission Service. The most significant element of OATT service (and NITS) from NIPPC's perspective is the obligation of transmission owners to provide transmission service to all parties under the same terms and conditions that they provide service to their own generation. As BPA and the region explore potential solutions to transmission planning for NITS and figuring out how to cost-effectively supply new loads, one of the bedrock principles of any viable solution must be continued and ongoing commitment to the non-discrimination principle underlying the OATT.

NIPPC agrees with BPA's description of how planning for NITS should work. In the normal course of events, BPA and its NT customers coordinate to develop ten-year load and resource forecasts. BPA then encumbers transmission capacity based on those forecasts to ensure that capacity is available to meet the needs of the NT Service customer and that the transmission capacity is not committed to a different use. The challenge facing BPA, however, arises when a NITS customer changes its load forecast on a timeframe that does not allow sufficient time for BPA to incorporate that additional load into its planning processes. NIPPC's comments below focus on how to provide transmission service to those "unforecasted" loads on a non-discriminatory basis.

NIPPC recognizes that the majority of BPA's NITS customers are BPA preference customers; but not all of BPA's NT customers are BPA preference customers. NIPPC also recognizes that most of BPA's preference customers rely solely on the FCRPS to provide the generation needed to serve their loads; but not all of BPA's NT customers rely solely on federal resources. NIPPC appreciates the challenge facing BPA in providing transmission service to loads that were not part of a customers' forecast.

Any solution to meet NITS customers' requirements for transmission service for loads that were not forecast must not discriminate between federal and non-federal resources. Where BPA has encumbered transmission capacity to serve a NITS customer's forecasted loads from identified Designated Network Resources, it is appropriate to allow expanded NITS service from the customer's existing Designated Resources up to the level of transmission capacity that has been incorporated into BPA's planning for that customer. However, for service above the level of transmission capacity that BPA has encumbered based on the customers' forecasts (and which would not have been incorporated into BPA's planning process in time to allow for encumbrance), the queue position for transmission service from a Designated Network Resource (whether a new resource or expanded, unplanned use of an existing DNR – including from the federal system) to serve that load should not depend on whether the resource is part of the federal system. When a

NITS customer seeks to obtain transmission service to serve an unforecasted load, that customer should not find it easier to obtain service from BPA's portfolio of federal resources than it is to obtain service from a non-federal resource.

In addition to not discriminating between the queue position of federal and non-federal resources competing to serve the unforecasted loads of NITS customers, non-discrimination should also extend to mandatory charges and services. A NITS customer who seeks to serve a new load with a non-federal resource should not be required to purchase mandatory services from BPA that the customer would be exempt from if they were to choose to serve that new load with federal resources purchased from BPA. To the extent that there are costs associated with transmission service that BPA has currently embedded within its power rates, NIPPC recommends that BPA unbundle those charges from its power rates so that federal and non-federal resources can compete to serve NITS customer loads on a non-discriminatory basis consistent with OATT principles.