

COMMENTS OF THE NT CUSTOMER GROUP REGARDING BPA’S PROPOSED NT POLICY CHANGES

The NT Customer Group¹ is a broad and diverse coalition of different utility types, sizes, and geographic locations. Each member of the NT Customer Group serves a unique load profile that includes, as applicable, its own local amalgamation of residential, commercial, industrial, and irrigation loads. What binds our coalition together is that we are each Network Integration Transmission (“NT”) customers of the Bonneville Power Administration (“BPA”), many are also transfer customers, and that BPA is our primary transmission provider and longstanding partner in ensuring that both federal and non-federal resources can be delivered to our respective loads on a firm, reliable basis.

Our relationship with BPA is the centerpiece of the collective NT load service obligation shared between BPA and its NT customers. The NT Customer Group views transmission planning through a ‘one-utility’ perspective whereby—

- (1) NT customers communicate our projected load growth to BPA via ten-year load forecasts through BPA’s LaRC process;
- (2) BPA uses such forecasts to timely encumber available transfer capability as well as to plan and construct new facilities or facility upgrades to its transmission system to meet our projected load growth; and
- (3) In return, NT customers make a long-term commitment to pay our equitable share of the cost of the BPA transmission system based on our monthly peak loads.

We take our portions of the above interdependent responsibilities seriously and have communicated our load growth needs ‘early and often’ to BPA to ensure the agency’s transmission planners are well-informed and can adjust their reliability studies and proposed construction of new facilities or facility upgrades to the transmission system accordingly. Because of this tightly woven relationship and shared commitment between BPA and its NT customers, we place the utmost importance on any changes or proposed modifications to BPA’s NT load service obligation and related policies. Additionally, BPA’s 2015 Strategic Intent paper compels BPA and NT customers to create a “*renewed partnership between BPA and its customers to jointly plan for their future power and firm*

¹ The NT Customer Group includes Clark Public Utilities, Columbia River PUD, Grays Harbor PUD, Harney Electric Cooperative, Klickitat PUD, Mason Co. PUD 3, Umatilla Electric Cooperative, Northern Wasco Co. PUD, Northwest Requirements Utilities, PNGC Power, Western Public Agencies Group.

transmission needs regardless of whether the customers' power supply comes from BPA and the federal power system or from nonfederal generation.”²

At this time, the primary concern of the NT Customer Group is BPA's apparent inability to award additional long-term firm NT transmission service to meet the projected NT load growth communicated to BPA via our ten-year load forecasts, even such load growth that was previously communicated to BPA 'early and often' consistent with BPA's NT forecasting process.

Our initial view of BPA's new POD proposal presented on April 15 is as one that seeks to address the above chief underlying concern by creating a new line of demarcation between Network Load and "new" Network Load to reduce and/or significantly delay a portion of BPA's NT planning obligation by treating a component of NT load growth like a Point-to-Point transmission service request. By doing so, it implicates and, potentially, diminishes one of BPA's most fundamental obligations as the Transmission Provider under its Open Access Transmission Tariff ("OATT")—i.e., the duty to plan and construct its transmission system to timely meet the existing load and load growth of its NT customers.

The NT Customer Group has prepared a wide range of specific questions regarding BPA's proposed policy changes, the majority of which will be submitted independent of this letter. We respectfully request BPA address those questions in a future workshop. However, we collectively submit the following in the hopes BPA staff and executives will be prepared to engage constructively with responses to these and all other questions during the May 10th Customer-Led Workshop:

- Please clearly state the objective of the "Planning for NITS Loads and Resources Workshop Series," as well as the problem statement this stated objective is intended to address.
- FERC Order 888 provides a transmission provider with the ability to reserve existing capacity for network load growth reasonably forecasted within a transmission provider's current planning horizon. What mechanism does BPA use to encumber Long-Term Firm capacity to fulfill its NT planning obligation over the applicable 10-year planning horizon, and how are the LaRC forecasts of individual NT customers and the aggregate LARC forecast for all NT customers used to inform this process?
- As defined in Appendix A of BPA's OATT, what is BPA's "Transmission Provider's Need" for network customer obligations?

² A copy of the Strategic Intent paper is available upon request.

- What specific criteria does BPA use to determine when a load requires a “New POD” designation, and what is the OATT, contract, or statutory justification for BPA’s apparent lack of NT planning obligation in such cases?
- What criteria does BPA use to decide which FTSRs are included in the TSEP study process?

Additionally, in the interest of furthering our shared understanding and collective ability to engage constructively in this process, we feel that it is imperative for BPA and its NT customers to first secure clarity on a collectively agreed upon set of objectives and principles that will serve as the guiderails for assessing any proposed NT policy changes. In its NT workshop materials, BPA provided the following objective to guide the forthcoming NT policy discussion: *“Identify existing or missing NITS policies and practices that need further development to support planning.”* From an NT Customer perspective, BPA must significantly expand this objective to develop a more well-rounded and durable policy that not only considers the needs of BPA Transmission Planning but also the load service requirements of NT customers. The NT Customer Group also offers up the following additions to BPA’s stated objective and would like to discuss inclusion of the following at the next NT workshop:

1. Enhance NT load service through NT customer and agency support of BPA’s NT planning obligation.
2. Expedite both the inclusion of NT customer load growth into BPA reliability studies and the construction of new facilities or facility upgrades to the transmission system to place into service transfer capability sufficient to deliver the output of the Network Resources of BPA’s NT customers to their respective Network Loads.
3. Support reliable NT load service and regional economic growth.

We strongly suggest BPA adopt a set of principles against which any proposed NT policy revisions will be measured. BPA has used principles in its Transmission Terms and Conditions process, and the NT Customer Group views any changes to NT policy as of equal, if not greater, importance as any OATT modifications. We would offer that, at a minimum, the TC-26 principle of *“Prevent significant harm or provide significant benefit to BPA’s mission or the region, including BPA’s customers and stakeholders”* be used as a starting point for continued principles development at the next NT Workshop.

Finally, and as alluded to above, BPA’s proposed NT policy changes would change the rules of NT planning midstream to the extreme detriment of NT customers because it would, contrary to BPA’s OATT and current business practices, newly place some portion of their projected load growth at the end of the no-man’s-land that is BPA’s transmission queue, which queue already includes approximately 40,000 MW of PTP TSRs that are

waiting on projects to be built. This strikes at the heart of the longstanding load service partnership between BPA and its NT customers. If implemented, the modifications could significantly modify the process for how NT customers engage in BPA's planning processes, but more importantly, it would almost certainly alter whether and how customers continue to rely on BPA to serve their NT load growth on a firm and reliable basis. Due to the gravity of this issue, the NT Customer Group strongly suggests: 1) BPA deepening its engagement with NT customers by facilitating additional meetings with the NT Focus Group or Network Operating Committee, as appropriate; and 2) a more deliberate workshop schedule to allow for the establishment of objectives and principles noted above and to address the broad range of basic procedural questions that will be forthcoming from the NT Customer Group. This will require BPA to move its process steps #3-4 to the Fall 2024 and #5-6 to Winter 2024, at a minimum. We also strongly suggest that these workshops garner strong BPA executive engagement throughout their entirety to ensure that the concerns of NT customers are heard by the decision makers who will ultimately dictate the final NT policy decisions that result from this dialogue.

Thank you for the opportunity to provide comments on this matter. We look forward to further constructive dialogue in the interest of continuing to honor the historically collaborative relationship between BPA and its NT customers.