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Inland Power and Light Company

Subject: Proposed TC-27 tariff settlement.

Objection to Proposed TC-27 Settlement and Transition Planning Process

The undersigned objects to the proposed TC-27 Settlement, including each individual section and cumulative effect.

Inland Power & Light (IPL) is a member-owned electric cooperative headquartered in Spokane, Washington. It provides electric service across 13 counties in eastern Washington and northern Idaho and is the largest electric cooperative in Washington State.

IPL is a large and growing electric utility with increasing load obligations, resource acquisition needs, transmission requirements, and compliance obligations. As a load-serving entity, IPL's ability to reliably and economically serve its members depends upon continued access to a transparent, competitive, and non-discriminatory transmission system and power supply market.

Proposed language, terms and conditions, cumulatively and individually are discriminatory, arbitrary, impose retroactive terms, conditions, costs, and/or other harms, to a variety of market participants, directly and/or indirectly, with harms and issues of practical and legal consequences not consistent with applicable standards.

IPL objects to the proposed provisions that alter existing transmission access rights, load treatment, and queue removal, particularly where those provisions are intended to continue into the Future State framework. The proposal departs from long-standing Open Access transmission principles and creates a framework that may produce anti-competitive outcomes, favor certain market participants over others, and impair efficient market-based resource development, and undermine existing and future investment in the development of generation resources, trading, and general commerce, on the BPA system, including by harming, impairing, removing, delaying, and/or unknowably impacting the rights of existing transmission service contract and rights holders, as well as those awaiting service, study, or other access to beneficial rights under the terms and conditions of service applicable at the time of submission of transmission service requests (in various forms, whether long-term, short-term, firm, non-firm, NT, load service, redirects or original requests), both in terms of requests actually submitted or that would have otherwise been submitted (or may have been rejected) based on BPA's actual, formal, announced, and/or implied policies.

IPL has a direct interest in ensuring a robust and competitive market for new generation resources, including renewable energy projects and other emerging technologies needed to meet growing load obligations. The proposed framework risks reducing market liquidity and limiting the development and commercialization of new generation resources by creating uncertainty around transmission access and future deliverability rights. Such outcomes could materially increase costs for load-serving entities and ultimately harm retail customers. Added study fees and larger security requirements will increase costs, ultimately borne by purchasers of regional power supply.

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Additionally, IPL relies on established transmission products and transactional flexibility, including redirects, resales, and other mechanisms that enable efficient portfolio management, to adapt to evolving commercial and operational needs. Restrictions on these capabilities would reduce market efficiency and impair the ability of utilities to respond to changing load conditions and resource availability.

IPL's reliance on transmission, including for Tier 2 load service (existing and pending) includes reliance on 3rd party transmission rights holders, ESS's, traders, developers, and other LSEs rights, including the ability to (1) seek short-term and long-term redirecting of existing transmission rights (a primary use of transmission system in daily commerce and load support); and (2) seek new transmission service, including in a non-discriminatory manner, and without concerns that investments being made around transmission requests will not later be relegated, removed, discontinued, deprived of rights, assessed new fees, costs, conditions, or other impairment of ability to seek service on the terms effective at the time of their transmission requests, including as may be the result of arbitrary, capricious, biased, market distorting, or any other standard which is applied to prioritize, de-prioritize, or otherwise discriminate among types of historic, customary, and/or currently permissible types of transmission service requests.

In other words, the market, IPL, and those IPL depends on access to in serving its customers, depending on stability, lack of backward looking change risk, and investability of the Point to Point transmission service framework.

IPL is also concerned that the proposal may limit the ability of Battery Energy Storage Systems ("BESS") to request transmission service and/or be duly studied in a timely manner or not later than other requests made at any time. BESS facilities increasingly serve critical reliability functions, support peak load management, facilitate renewable integration, and enhance system resilience. Any framework that discourages or impairs the deployment of storage resources, much less discriminates against them, relegates them, or removes them, relative to other PTP transmission service requests, is contrary to the region's evolving reliability and resource adequacy needs, and legally and practically problematic.

More fundamentally, IPL objects because BPA has not provided sufficient quantitative analysis, if any, demonstrating the need for, costs of, or benefits associated with many of the proposed changes, much less relative to the myriad harms and costs to other adversely affected parties, stakeholders, market participants, and including LSEs such as ourselves. Stakeholders are being asked to support significant and permanent modifications, and cost increases to transmission access and queue management without a demonstrated evidentiary basis showing that the anticipated benefits outweigh the substantial risks and costs imposed on customers and market participants.

IPL further objects to the broad discretion retained by BPA to modify rules, standards, study assumptions, and implementation requirements on a going-forward basis, including furtherance of data exhibit validation practices and screening criteria, including those preventing customary history transmission service requests between any two points on the system, such as those *not* directly attached to a specific generator or load. Such authority creates significant regulatory and commercial uncertainty that directly affects long-term resource procurement, transmission planning, financing decisions, and power supply strategies. Changing standards after

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submission and validation further undermines open access, investability, and the ability for a LSE such as ourselves to transact, or contemplate transacting, knowing that BPA could change the rules under the feet of an interconnection or transmission request, thereby removing, relegating, or otherwise harming the associate prospective or actual service for such requests. They also appear to create unlawful taking of assets and/or property and/or rights, including as relates both LSE and non-LSE transmission customers.

Proposals appear to discriminate in favor of certain market incumbents with potential to distort market power, elevating (through allowing consideration of CFs awards to non-harmed TCs and TSRs) certain market participants, including some already-operating generation owners, over others, including parties already holding market power and material sway over the prices, resources, and options of power buyers in the region, including BPA itself, and its power customers. Such are not adequately address

The inability to reasonably forecast future transmission rights and obligations increases risk for both utilities and developers, ultimately raising costs for consumers.

IPL further notes that the expansive scope and scale of changes are in stark contrast to the supporting information and analysis.

For these reasons, IPL Objects to the TC-27 terms and conditions, including the settlement agreement, cumulatively, and in regard to all provisions.

We encourage BPA to take requests seriously to revise the proposed provisions to preserve open access principles, maintain competitive market outcomes, protect transmission customers' reliance interests, support the development of new generation and storage resources, align with existing regional development projects, ensure this agreement represents a transition settlement period only with no further cross-over to the Future State, and ensure any future reforms are supported by transparent analysis and objective evidence demonstrating tangible and fair system growth benefits.

Reservation of Rights

The undersigned reserves all rights to supplement these objections, challenge any inconsistent tariff interpretations, and seek clarification regarding implementation of the TC-27 Settlement Terms. Nothing herein shall be construed as a waiver of any rights under Bonneville's Tariff, applicable business practices, existing transmission service requests, or governing law.