



April 10, 2026

Submitted via techforum@bpa.gov

**Re: Northwest Requirements Utilities Comments in Response to BPA's March 18-19, 2026
TC-27 Pre-Proceeding Workshop**

Northwest Requirements Utilities ("NRU") appreciates the opportunity to provide these comments in response to BPA's March 18-19, 2026, TC-27 pre-proceeding workshop. NRU represents the interests of 57 Load-Following preference customers and one generation and transmission cooperative, all of whom depend on Network Integration Transmission Service ("NITS") contracts with BPA for reliable load service. Our members have a vested interest in the tariff provisions, business practices, and processes that BPA uses to plan its transmission system in response to NITS customer load and resource forecasts. We urge BPA to carefully consider these comments as it moves forward with TC-27 proceedings, and perhaps more importantly, to begin processing customer LaRCs as soon as possible.

Background

As we've stated in previous comments, with respect to BPA transmission planning it is NRU's perspective that BPA's historic approach to NITS service is similar to "proactive planning" as it has recently described. Specifically, BPA incorporated NT customers' forecasted needs into its base case planning and ensured that the transmission system was capable of providing reliable access to firm transmission service on a forward-looking basis. This is one of the primary reasons we remain optimistic about BPA's proposals to date. We submit that this approach to transmission planning is a primary reason the region has been able to rely on BPA for reliable, affordable delivered power for as long as it has.

However, the lens through which transmission planning seems to view these problems has clearly shifted over time. Whereas, historically, the grid was planned and built with the future load service needs in mind, we now seem focused largely on reactionary, path-based solutions that appear designed specifically to address the requests of point-to-point ("PTP") customers. And while we believe that a "proactive planning" end state is likely ideal, in the near term we once again encourage BPA to reconsider the lens through which it is considering the challenged it faces, and the statutory framework that led to the buildout of the grid we know today.

We are once again taking the time to point this out because it is clearly necessary. For example, the NITS Large Load Facility Threshold has been described as an attempt to avoid forcing all NT forecasts into the Commercial Planning process. While we continue to support BPA's proposal to

process a portion of NITS customer forecasts Commercial Planning process for the time being, at the same time we feel compelled to underscore the ongoing tariff obligation that BPA has to include NT customers' network load in its transmission system planning, and to endeavor to construct sufficient transfer capability to deliver the NT customers' network resources to serve its network load. To this end, we also support BPA policies that would minimize the proportion of forecasted load and resources that would be processed through the Commercial Planning process and recommend instead relying on BPA's System Assessment or other processes for ensuring reliable, firm service for growing loads.

Finally, we encourage BPA to ensure that, when considering solutions to the many obstacles facing transmission planning, that it is careful not to do so only with path-based solutions or commercial frameworks in mind. BPA's statutory and tariff obligations to its NITS customers are distinct from those enjoyed by its PTP customers. One size does not fit all when it comes to transmission planning; an alternative approach is necessary.

NITS Large Load Facility Threshold

NRU continues to urge BPA to adjust the Non-Trended Load Growth ("NTLG") threshold from 13 MW to a minimum of 20 MW. As we've discussed previously, this adjustment aligns with the U.S. Department of Energy's recent directive to FERC to establish standardized load interconnection procedures that apply only to loads greater than 20 MW.

BPA presented the rationale that 13 MW is appropriate for commercial evaluation because, to paraphrase, moving the line to 20 MW "without Commercial Planning creates more reliability risk." However, BPA will continue to process trended load growth through its reliability system assessment, during which it identifies and addresses any necessary corrective action plans to mitigate risks. If BPA is confident — as the reliability assessment process presupposes — that it can identify and mitigate risks on a case-by-case basis, the rationale for a rigid 13 MW threshold is unclear. BPA should articulate what specific risks a 13 MW threshold is designed to mitigate and why a 20 MW threshold would expose the system to unacceptable risk that the reliability assessment process cannot manage.

Furthermore, moving from a 13 MW threshold to a 20 MW threshold would establish consistency across BPA's planning framework. Different thresholds for different services create confusion and complicate customer decision-making. At a minimum, BPA should commit to remaining flexible and willing to adjust thresholds based on industry standards that may emerge in the near future, or to adjust for "lessons learned" throughout implementation of the new standard.

Lastly, NRU would appreciate additional detail on BPA's proposal to maintain the NTLG policy indefinitely, specifically how the policy would be applied in a future state.

Per-Facility Application and Monitoring

NRU supports BPA's proposal to apply the NTLG threshold on a per-facility basis rather than per-Point-of-Delivery. This approach is more logical and will be far easier to manage.

At the same time, NRU seeks meaningful BPA oversight of the per-facility application to ensure it is not misused to exempt otherwise large, rapidly arriving loads that should be subject to Commercial Planning. Customers themselves can benefit from clear standards and due diligence administration that prevents improper NTLG exemptions. Conversely, improper classification as trended load could result in unnecessarily excessive transmission network upgrades that ultimately impose significant cost impacts on all BPA transmission ratepayers. BPA should clearly articulate the criteria it will use to evaluate whether loads qualify for the per-facility exemption and ensure consistent application across all NITS customers.

NRU also supports BPA's proposal to reset the threshold once identified transmission upgrades are completed and appreciates BPA's flexibility on this issue. On its face, the proposed approach seems like a fair compromise that allows BPA to manage its planning process while accommodating organic load growth.

Load Maturity Requirements

NRU opposes BPA's proposal to require load maturity at the completed Facilities Study stage of the interconnection process. This timing is far too late in the process to impose before BPA will allow NITS customers to allow NTLG requests into the queue for transmission service.

NRU urges BPA to move this requirement back to either the started or completed System Impact Study phase. Requiring load maturity only at the completed Facilities Study stage handcuffs the transmission evaluation to BPA's interconnection queue process. This raises serious concerns should that queue process become clogged; a very real possibility given the current state of queue backlogs.

Ideally, customers would have access to transmission and interconnection upgrade information in close temporal proximity. If customer requests are studied for the longest lead-time equipment (e.g., transmission upgrades) only well after they are studied for quicker interconnection upgrades, decision-making may be impaired and customers' ability to plan effectively would be reduced. Requiring load maturity only at the completed Facilities Study stage means customers cannot begin transmission planning until deep in the interconnection process, likely resulting in substantial delays for all involved.

Conditional Firm Service: Fees and Cost Recovery

BPA proposes to impose a non-refundable \$50,000 per TSR fee plus a \$1,000 per MW fee (subject to true-up) to accompany the Conditional Firm Service Analysis Agreement. NRU strongly urges BPA to clearly articulate what costs these fees are intended to cover and why both components are necessary. Additionally, the relationship between the two fees is unclear. If the \$1,000 per MW fee is trued up at the conclusion of the study based on BPA's actual costs, what purpose does the fixed \$50,000 fee serve?

BPA operates as a cost-of-service provider. Imposing both a fixed fee and a per-MW variable fee that is subsequently trued up raises concerns about double-cost-recovery and potential

overcharging well above BPA's actual study costs. NRU recommends that BPA provide a detailed accounting of the cost categories each fee component is designed to recover, along with analysis of BPA's historical costs for comparable studies, to justify the proposed fee structure.

Financial Security Requirements for NITS Customers

NRU strongly opposes BPA's proposal to impose *any* financial security requirements on NITS customers for Conditional Firm ("CF") transmission service. This is a textbook example of assuming PTP solutions are appropriate for NITS problems. We believe this policy is fundamentally flawed for multiple reasons, which we present below in order of priority:

1. FERC Never Intended CF Security Requirements to Apply to NITS

FERC designed Conditional Firm Service as a Point-to-Point (PTP) customer service, not as a service applicable to NITS customers. FERC's rationale, articulated in Order 890, was that transmission providers already provide native load and network customers (e.g., NITS customers) with comparable congestion management services. Specifically, transmission providers manage their systems by increasing utilization and then redispatching resources or implementing protection schemes to mitigate congestion. FERC created the CF product because PTP customers lacked access to an equivalent service.

However, BPA has never implemented NITS as FERC envisioned. If BPA had implemented network service as intended, it could be argued that NITS customers would not need CF service, nor would they be subjected to the proposed resulting financial security requirements. Moreover, the fact that BPA is now proposing to subject NITS customers to CF security requirements exposes BPA's own failure to implement NITS correctly. NITS customers should not be forced to pay the price for BPA's regulatory non-compliance through unnecessary financial security obligations.

2. BPA's Own Prior Precedent

In BPA's filing to FERC regarding its 2008-2010 Network Open Season process, BPA itself proposed to exempt NITS customers from security obligations if the customer met tariff attestation requirements. This precedent demonstrates that BPA already recognized the distinction between NITS and PTP customers and was willing to exempt NITS customers from financial security. NRU submits that if BPA was willing to do so in the NOS context, it should be willing to do so here.

3. Unclear Risk Profile

It remains unclear what BPA is securing against? If BPA's concern is non-payment, NRU notes that NITS customers are typically load-serving entities with investment-grade or better credit ratings. Moreover, NITS customers are statutorily obligated to serve their load — they cannot simply cease taking service as PTP customers might; a fact which fundamentally eliminates the default risk that financial security is designed and intended to mitigate.

4. Application of Interconnection Payments

NRU urges BPA to allow NITS customers to apply financial payments already made in the load interconnection process toward any financial security obligations required for transmission service. If a customer is making payments and advancing funding for load interconnection upgrades, it has already demonstrated its commitment to taking service. Such payments, combined with the customer's attestation of the resource and its statutory obligation to serve load, should be sufficient to satisfy BPA's financial assurance requirements.

Furthermore, NITS customers, as a class, are already responsible for paying *all* of the fixed costs of the transmission system that are not otherwise collected from PTP customers. This substantial ongoing financial obligation to BPA clearly demonstrates that NITS customers pose minimal credit risk.

The financial security issue is significant and warrants careful consideration. However, NRU recommends that BPA recognize that different transmission product customers represent clearly distinct risk profiles, and as they did in 2008-2010, exempt NITS customers from security obligations if that customer meets tariff attestation requirements.

Interim Service and Product Options

NRU is concerned that the interim service options available to NITS customers are not comparable to those available to PTP customers. BPA's primary interim service option for PTP customers, PTP Conditional Firm Service, offers early access, potential rights of first refusal, eligibility for Markets+ congestion rent, and first claim to available short-term firm capacity.

In contrast, the interim service options proposed for NITS customers include restrictions, such as no long-term solution, no Markets+ eligibility and secondary rights to short-term firm service, and we have not been provided a timeline for implementation of Phase 2 of NITS on OASIS. If BPA is to offer interim service options, they must provide NITS customers with comparable rights and benefits to those offered to PTP customers. Treating NITS and PTP customers differently in the interim period — the very period during which the new future state is being implemented — is potentially discriminatory and fails to recognize BPA's obligations to serve NITS customers equally.

Conditional Firm Service and BPA's Ability to Plan for NITS

NRU has a significant concern regarding whether the Conditional Firm Service ("CFS") approach, as currently proposed, will erode BPA's ability to plan for NITS customer loads. Under the current proposal, BPA will process NITS customer load forecasts through a Conditional Firm Service analysis, which identifies constraints, but importantly it does not result in a firm plan of service. Any approach that does not result in a long-term firm plan of service for NITS customers is insufficient. As proposed, this approach risks deferring meaningful transmission planning for NITS loads indefinitely into the transition period and beyond.

NRU requests that BPA commit to a clear timeline and methodology for transitioning NITS load forecasts from the CFS analysis process into actual transmission planning and firm service awards. Without such a commitment, NITS customers will remain in limbo, unable to plan capital investments with certainty. Moreover, BPA's tariff obligations to plan for NITS customer loads cannot be satisfied by indefinitely analyzing constraints without proposing solutions. BPA should be explicit about how it will convert CFS analysis findings into actionable transmission planning that actually serves NITS customer load growth.

Encumbering Capacity on the Bulk Transmission System

NRU is concerned that BPA's approach to processing NITS forecasts does not adequately provide for encumbering transmission capacity on the bulk system for NITS customers' new and growing loads, particularly loads below the NTLG threshold.

BPA should adopt a clear policy that will proactively encumber capacity on the bulk transmission system for NITS customers' forecasted load growth, even when BPA estimates the probability of serving that load is below the current 70 percent threshold. Further, to the extent there continues to be consideration of applying a threshold for inclusion in a customer's "reasonably forecasted loads", NRU would appreciate clarity around where that limitation is documented in current policy, the justification for its enforcement, and how use of a threshold for planning purposes is consistent with BPA's statutory and tariff obligations to NITS customers.

Additionally, establishing a clear policy is necessary and is consistent with BPA's statutory and tariff obligations to plan for NITS customer loads. By reserving capacity early, BPA creates certainty for customers, minimizes the need for later emergency upgrades, and enables more cost-effective system planning. Conversely, waiting to encumber capacity only when a load outcome seems highly certain risks stranding generation, creating reliability issues, and imposing costly last-minute upgrades. Lastly, it makes it more likely than not that the available capacity is sold to PTP customers prior to being made available for NITS load service.

Visibility into Transmission Encumbrances

Along those same lines, NRU seeks assurance that NITS customers will have meaningful visibility into what transmission capacity has been encumbered on their behalf. Without clear communication and transparency, NITS customers will be unable to assess whether BPA is adequately reserving capacity for their growth.

NRU requests that BPA commit to providing periodic reports to NITS customers identifying: (1) what transmission capacity has been encumbered for customer forecasted loads, (2) where/on which portions of the BPA bulk transmission system that capacity is reserved, (3) the probability assumptions underlying each encumbrance, and (4) any changes to encumbrances since the previous report.

Alignment with BPA's Statutory Obligations

As we've stated previously, while contracts and tariffs will continue to change and evolve, preference customers' statutory right to delivered power remains foundational to NRU members. To that end, Section 6 of BPA's March 2024 Final Provider of Choice Policy addresses Power Delivery, and includes the following language:

Whenever requested by a public body or cooperative entitled to preference and priority under the Bonneville Project Act, Bonneville is obligated to offer to sell electric power to that public body or cooperative through contracts that cannot exceed 20-year terms. Congress also authorized Bonneville to construct, own, and operate transmission or to purchase transmission to deliver the electric power in satisfaction of this contractual obligation. In exercising its authority to market and transmit electric power, Bonneville's statutes provide that there be sufficient capacity for the transmission of electric power—generated or acquired—to satisfy Bonneville's contractual obligations. Prior to 1996, Bonneville fulfilled this obligation through a bundled power and transmission contract. With the advent of transmission deregulation in 1996, Bonneville has fulfilled this obligation by and through its adoption of the OATT. Under its OATT contracts, Bonneville has a legal obligation to provide transmission service, consistent with the terms of the Tariff and customer's respective transmission contracts.

NRU urges BPA to clarify how the proposed TC-27 framework aligns with the agency's statutory and tariff obligations to NITS customers as interpreted and described in the Provider of Choice Policy. For example, under the proposed CFS and interim service framework, BPA will be granting conditional and temporary transmission rights to PTP customers in the transition period. However, these interim arrangements should not compromise BPA's fundamental obligation to ensure that the transmission system is planned and operated in a manner that prioritizes delivered power to NITS customer load.

BPA should articulate how it will ensure that interim CFS awards will not create a situation in which PTP customers obtain long-term de facto rights that supersede NITS customer priorities. The transition framework should be designed to facilitate movement toward proactive planning and long-term firm service, not to lock in PTP usage patterns that conflict with BPA's obligation to serve NITS customer needs.

Rate Treatment for NITS Loads Above the NTLG Line

If BPA maintains a firm 13 MW NTLG line for NITS customer load growth, NRU seeks clarity on how transmission planning costs for loads above that line will be priced. Specifically, for NTLG customers subject to Commercial Planning — which is inherently and historically a PTP process — will customers be subject to PTP or NITS rates? Second, and equally important, BPA should clarify whether it will retain its planning obligation for the NTLG portion of a NITS customer's load following the completion of the Commercial Planning process.

These issues are critically important. If NTLG loads are not eligible for favorable rates in Commercial Planning, it raises serious questions of equity. And if BPA intends to continue deferring its obligation to plan for such loads, the economic benefit of NITS service is materially compromised. Moreover, if BPA reduces its planning obligation for above-the-line loads by segregating them into Commercial Planning, it must ensure that NITS customers do not lose

fundamental NITS protections and benefits as a consequence. Finally, regardless of the charges associated with the Commercial Planning process, BPA should commit that all NITS customer loads, regardless of size or whether they exceed the 13 MW threshold, will be treated as NITS service, and even when subject to enhanced studies or evaluations prior to service, ultimately served with full BPA planning obligations intact.

Conclusion

NRU sincerely appreciates BPA's efforts up to and including these TC-27 pre-proceedings, and the many opportunities for customer and stakeholder input that have been provided. At the same time, we remain concerned that the proposed framework may not adequately protect NITS customer interests or ensure that BPA meets its statutory planning obligations. Similarly, it is critical that BPA provide additional clarity around how these proposals will result in long-term firm service for all NITS customers; the only acceptable outcome.

Sincerely,

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