

TC-27 SETTLEMENT AGREEMENT

Bonneville Power Administration TC-27 Tariff Terms and Conditions Proceeding

THIS TC-27 SETTLEMENT AGREEMENT (“Agreement” or “TC-27 Settlement Agreement”) is among the Bonneville Power Administration (“Bonneville”) and parties to the TC-27 Tariff Terms and Conditions proceeding (“TC-27 proceeding”) as provided for in section 3 of this Agreement (such parties in the singular, “Party,” in the plural, “Parties”).

Recitals

In February of 2025, Bonneville initiated the Grid Access Transformation workshop series to discuss proposals to reform Bonneville’s transmission planning and queue processing policies. In October 2025, Bonneville initiated pre-proceeding workshop discussions with respect to modifications to Bonneville’s queue and planning processes in Bonneville’s open access transmission tariff (“Tariff”).

During the workshop discussions, Bonneville described its intent to propose a Transition Planning Process to manage and award long-term transmission service for applications for long-term transmission service during an interim period until Bonneville would establish future changes to Bonneville’s planning and queue processing policies in its Tariff and related policies.

Between October 2025 and March 2026, Bonneville provided details about its proposal and solicited feedback from participants in the pre-proceeding workshop process.

Beginning in April 2026, Bonneville initiated settlement discussions and development of a proposal for settlement to establish a Transition Planning Process. The settlement discussions resulted in the proposed terms for the Transition Planning Process and other commitments in this Agreement, including adopting a new attachment and modifications to Bonneville’s Tariff and final agency actions to establish a new business practice and revisions to two existing business practices.

Bonneville intends to establish a future transmission planning process, which may include modifying Bonneville’s Tariff and business practices, including Tariff language or business practices established under this Agreement, in a future proceeding or through Bonneville’s Business Practice Process, as applicable.

The Parties therefore agree as follows:

1. Scope of the Agreement. This Agreement, which includes Appendices 1 through 5, documents the terms of settlement and settles all issues within the scope of the TC-27 proceeding.
 - a. Appendix 1 describes the terms of settlement for Bonneville’s Transition Planning Process and other related issues.

- b. Appendix 2 includes a new attachment to the Tariff, Attachment T (“Transition Planning Process”), and modifications to or additions of sections 15.2, 17.2, 28.3, 28.8, 29.2, 32.3, and 33.4 in Parts II and III of Bonneville’s Tariff.
 - c. Appendices 3 through 5 include a new Transition Planning Process Business Practice and modifications to existing business practices.
- 2. Bonneville Filing and Recommendation. Bonneville staff will file this Agreement in the TC-27 proceeding and recommend that the Administrator adopt a proposal to revise Bonneville’s Tariff as specified in this Agreement.
- 3. Bonneville Motions Before the Hearing Officer. Bonneville will move the Hearing Officer in the TC-27 proceeding to issue an order that (a) requires any party in the proceeding that does not assent to the Agreement to state any objection to the Agreement, including the specific issues in the Agreement that such party objects to, by the date established by the Hearing Officer; and (b) specifies that any party in the proceeding that does not state an objection to the Agreement by such date will waive its rights to preserve any objections to the Agreement and will be deemed to assent to the Agreement. If no party in the proceeding objects to the Agreement, Bonneville will move the Hearing Officer to enter the Agreement into the TC-27 record and issue a decision recommending that the Administrator adopt the Agreement a Final Record of Decision.
- 4. Objections to the Agreement. If, in response to the Hearing Officer’s order made pursuant to section 3, any party in the TC-27 proceeding objects to the Agreement, Bonneville and any Party to this Agreement will have two business days from the date of the objection to withdraw its assent to the Agreement. If Bonneville or any Party to this Agreement withdraws its assent to the Agreement, Bonneville will promptly schedule a meeting with the Parties to discuss how to proceed. Bonneville will provide notice of the meeting and the opportunity to participate for parties in the TC-27 proceeding. Following the meeting, Bonneville will notify the Hearing Officer whether Bonneville and any Parties will continue with the Agreement.
- 5. Effect of the Agreement. If the Administrator adopts the Agreement in the Final Record of Decision, sections 15.2, 17.2, 28.3, 28.8, 29.2, 32.3, and 33.4 in Parts II and III of the Tariff included in Appendix 2 will supersede and replace those sections currently effective or be added to Bonneville’s Tariff and Attachment T will be added to Bonneville’s Tariff, effective on the date the Final Record of Decision is issued. If the Administrator does not adopt the Agreement in the Final Record of Decision, the Agreement will be void *ab initio*.
- 6. Covenant not to Contest the Agreement. If the Administrator adopts the Agreement in the Final Record of Decision, the Parties shall not contest the Agreement before the Federal Energy Regulatory Commission, the U.S. Court of Federal Claims, the U.S. Court of Appeals for the Ninth Circuit, or any other judicial or administrative forum.

Bonneville and the Parties agree not to support any litigation that would seek to change the terms of this Agreement, including documents explicitly incorporated by reference, except as specified in section 9, Reservation of Rights.

7. **Preservation of Settlement Proposal.** The Parties shall not contest this TC-27 Settlement Agreement in the TC-27 proceeding or any other forum, or the implementation of this Agreement pursuant to its terms. The Parties agree to waive their rights to file direct or rebuttal testimony, submit data requests, conduct cross examination, or file briefs in the TC-27 proceeding with respect to any issue within the scope of the Agreement, except in response to issues raised by any party in the TC-27 proceeding that objects to this Agreement in response to the Hearing Officer's order made pursuant to section 3.
8. **Statements Not Admissible as Evidence.** Conduct, statements, and documents disclosed in the negotiation of this TC-27 Settlement Agreement will not be admissible as evidence in the TC-27 proceeding, any other proceeding, or any other judicial or administrative forum.
9. **Reservation of Rights**
 - a. Except as provided in section 7 above, no Party waives any of its rights under Bonneville's enabling statutes, the Federal Power Act, or other applicable law to pursue dispute resolution procedures consistent with Bonneville's Tariff, or to pursue any claim that a particular term, condition, charge, methodology, practice, or rate schedule for transmission or interconnection service, has been improperly implemented. No Party waives any of its rights under such Party's open access transmission tariff.
 - b. Nothing in this Agreement is intended in any way to alter or limit the Administrator's authority and responsibility to periodically review and revise terms and conditions for transmission and interconnection service pursuant to the requirements in the Tariff, including Bonneville's ability to initiate a tariff proceeding and adopt tariff modifications before or after issuance of the TC-27 Record of Decision. The Parties reserve the right to respond during the term of the Agreement, as specified in section 10, Term and Termination, to any new or modified tariff terms and conditions proposed in a tariff proceeding initiated pursuant to the requirements in the Tariff, and to any filings, protests, or claims, by Bonneville or others; however, the Parties will not support a challenge to any terms and conditions set forth in this Agreement.
 - c. **No Precedential Value.** Bonneville and the Parties acknowledge that this Agreement reflects a compromise in their positions with respect to the issues within the scope of the Agreement, and that acceptance of the settlement does not create or imply any agreement with any position of Bonneville or any other Party. The Parties agree and represent that neither this Agreement nor any

decision of the Administrator approving the same shall constitute or be cited as precedent or deemed an admission by any Party in any other proceeding except as necessary to enforce its terms before Bonneville or any forum of competent jurisdiction.

10. Term and Termination. Unless this Agreement terminates pursuant to section 5 above, this Agreement will continue in effect until November 1, 2029, except for sections 6, 8, and 9 and Appendices 2 through 5, which shall survive this Agreement in accordance with their provisions and the Tariff, as revised.
11. Appendices. Appendix 1: Terms, Appendix 2: Modifications to Bonneville's Tariff (Sections 15.2, 17.2, 28.3, 28.8, 29.2, 32.3, and 33.4 and Attachment T), Appendix 3: Transition Planning Process Business Practice version 1, Appendix 4: Requesting Transmission Service Business Practice, version 50, and Appendix 5: Conditional Firm Service (CFS) Business Practice, version 31, are all made part of this Agreement.
12. Execution in Counterparts. This Agreement may be executed in counterparts each of which is an original and all of which, taken together, constitute one and the same instrument.

APPENDICES

Appendix 1: Terms

Appendix 2: Modifications to Bonneville's Tariff (Sections 15.2, 17.2, 28.3, 28.8, 29.2, 32.3, and 33.4 and Attachment T)

Appendix 3: Transition Business Practice, version 1

Appendix 4: Requesting Transmission Service Business Practice, version 50

Appendix 5: Conditional Firm Service (CFS) Business Practice, version 31

Appendix 1: Terms

1. Bonneville will:

- a. Change its Open Access Transmission (Tariff) to adopt a new Attachment T, Transition Planning Process, to include terms and conditions in Section 2 of this Appendix 1 to establish a Transition Planning Process, including setting Evaluation Criteria requirements for Applications for long-term firm transmission service to enter and remain in Bonneville's long-term transmission queue during the Transition Planning Process, as detailed in Appendix 2;
- b. Change sections in Parts II and III of the Tariff to incorporate terms and conditions in Section 2 of this Appendix 1 necessary to establish and implement the Transition Planning Process, as detailed in Appendix 2;
- c. Adopt a new Transition Planning Process Business Practice and revisions to the Conditional Firm Service Business Practice and Requesting Transmission Service Business Practice as final agency actions, to include implementation details for the Transition Planning Process as described in this Appendix 1, as detailed in Appendices 3, 4 and 5. These business practices may be modified following Bonneville's Business Practice Process after the issuance of the TC-27 Final Record of Decision (TC-27 ROD).
- d. Within a reasonable time after the Administrator issues the TC-27 ROD, develop and propose any additional new and/or revised Business Practices to implement the Transition Planning Process detailed in Appendix 2; and
- e. Make future commitments regarding workshops or other process commitments as indicated in Section 3 of this Appendix 1.

To the extent there are any conflicts or inconsistencies between this Appendix 1 and Appendix 2, Appendix 2 controls. Any business practice language adopted in Appendices 3 – 5 may be modified under Bonneville's Business Practice Process. Any adopted Terms with initial capitalization not otherwise defined in this Appendix 1 have the meanings ascribed to such terms in Bonneville's Tariff.

2. Reforms to Implement the Transition Planning Process

a. Transition Planning Process Eligibility

i. Eligibility of Applications in Bonneville's Long-term Transmission Service Request Queue for the Transition Planning Process

1. **Application Submission Dates.** Applications for long-term firm transmission service ("Transition Applications") with a queue time between 12:01 PM Pacific Prevailing Time on August 19, 2022, and the deadline for the Transition Planning Process, November 1,

2029 (the “Transition Planning Process Window”) are eligible to be considered as Transition Planning Requests for the Transition Planning Process or to remain in the long-term firm queue as Exempted Transition Applications, provided that the Transition Application meets the requirements in Section 2.b of this Term Sheet. All Applications submitted after November 1, 2029, are ineligible for and not subject to the requirements of the Transition Planning Process.

- a. The Evaluation Criteria requirements in Sections 2.b.vi.5 (“Use of a Battery as Load”) and Section 2.b.vii (“Limitations on Use of Virtual Hubs”) applicable in the Transition Planning Process, will be established in the Transition Planning Process Business Practice, Appendix 3 to the TC-27 Settlement Agreement, and may be modified under the Bonneville Business Practice Process following completion of workshops described in Sections 3.a (“Battery Policies”) and 3.b (“Use of Virtual Hubs for Long-Term Firm Transmission”) of this Term Sheet. The Evaluation Criteria requirements in Section 2.b.x (“Notice of Cumulative Demand Issues”) applicable in the Transition Planning Process will be established in the Transition Planning Process Business Practice and the Requesting Transmission Service Business Practice, Appendices 3 and 4 to the TC-27 Settlement Agreement.

2. Previously-Studied Applications. Applications for transmission service that Bonneville has studied and provided plans of service to the customer (“Studied Applications”) are eligible to be analyzed for an award of conditional firm service under the Transition Planning Process. Rather than including the Studied Applications in the Phase One CFSA pursuant to Section 2.d.i below, Bonneville will assume the same constraints that prevented the awarding of conditional firm service that were identified following a previous study to determine if an award is possible in the Transition Planning Process. Customers with Studied Applications will not be subject to the requirements in Section 2 of this Term Sheet except for those in Sections 2.d.ii (“Phase Two CFSA”), 2.d.iii (“Awards of Conditional Firm Service in the Transition Planning Process”), 2.d.v (“Need for a Remedial Action Scheme (RAS) to Award Conditional Firm Service”), and 2.e.ii (“Limitations on Extensions for Commencement of Service (‘Deferrals’) during the Transition Planning Process”).

- a. Bonneville will not change the original plan of service for long term firm service identified in a previous study for

1 Studied Applications through this Transition Planning
2 Process.

- 3 b. Transmission Provider will not apply the requirements in
4 Attachment T to Conditional Firm Service the Customer
5 was awarded and is taking for a Studied Application prior
6 to the initiation of the Transition Planning Process.

7 **3. Applications Not Subject to the Transition Planning Process**

- 8 a. Bonneville will continue to award long-term firm service,
9 with NERC Priority 7f for Point-to-Point transmission
10 service or 7fn for Network Integration Transmission
11 Service, consistent with Parts II and III of its Tariff, during
12 the Transition Planning Process if Bonneville determines
13 there is sufficient transfer capability without need for
14 further study of the Application, consistent with Sections
15 17.5 and 32.1 of the Tariff. Such service would not be
16 subject to the requirements of the Transition Planning
17 Process except as specified in Section 2.a.i.1 above and
18 Section 2.d.iii.3 below in this Term Sheet. For avoidance of
19 doubt, Network Integration Transmission Service load and
20 resource forecasts that are not subject to commercial
21 planning evaluation pursuant to Bonneville's Network
22 Integration Transmission Service Business Practice are not
23 subject to the requirements in Section 2 of this Term Sheet
24 and will be offered service consistent with Part III of
25 Bonneville's Tariff and the Network Integration
26 Transmission Service Business Practice. All Transition
27 Applications for Network Integration Transmission Service
28 that are subject to commercial planning evaluation
29 pursuant to Bonneville's Network Integration Transmission
30 Service Business Practice will be subject to the Transition
31 Planning Process.
- 32 b. Nothing in Attachment T will prohibit Bonneville from
33 awarding Short-Term Firm Service, Secondary Network
34 Integration Transmission Service, and Non-Firm Point-to-
35 Point service consistent with Bonneville's Tariff and such
36 service will not be subject to Attachment T in Bonneville's
37 Tariff.
- 38 c. Requests for intertie service and service on the Malin-
39 Hilltop line (RATS line) are not subject to Attachment T in
40 Bonneville's Tariff.

1 **ii. Forms of Transmission Service Available in the Transition Planning**
2 **Process**

- 3 1. Transition Planning Requests for Point-to-Point Transmission
4 Service will be eligible for an award of conditional firm service.
5 The terms of such service will be specified in Bonneville's Tariff,
6 the customer's Point-to-Point agreement, and Bonneville's
7 applicable business practices.
- 8 2. Transition Planning Requests for Network Integration
9 Transmission Service will be eligible for an award of conditional
10 firm service. The terms of such service will be specified in
11 Bonneville's Tariff, the Network Customer's network integration
12 transmission service agreement, and Bonneville's applicable
13 business practices.
- 14 3. If Bonneville determines during the course of the Transition
15 Planning Process that long-term firm service is available for a
16 Transition Planning Request, Bonneville will award long-term firm
17 transmission service with NERC Priority 7f for Point-to-Point
18 transmission service and NERC Priority 7fn for Network
19 Integration Transmission Service to eligible Transition Planning
20 Requests and Exempted Transition Applications, consistent with
21 Sections 2.a.i.3.a above and 2.d.iii.3 of this Term Sheet.

22 **iii. Transition Planning Process Sunset.** Bonneville will not process any
23 Application received after November 1, 2029, under this Transition
24 Planning Process. Any Exempted Transition Application or Transition
25 Planning Request which has not received an award of service by
26 November 1, 2029, under the Transition Planning Process, will be
27 processed in a future transmission planning process consistent with
28 Bonneville's Tariff, or its successor, and applicable business practices in
29 effect at that time, after November 1, 2029.

30 **b. Evaluation Criteria**

- 31 i. Bonneville will evaluate all Transition Applications for compliance, in
32 Bonneville's discretion, with applicable Evaluation Criteria requirements
33 and the general application requirements specified in Bonneville's Tariff,
34 or its successor.
- 35 1. No later than 5 business days following the issuance of the TC-27
36 Record of Decision, Bonneville will post a notice on OASIS that
37 Bonneville will begin validating Transition Applications against
38 the Evaluation Criteria and issuing notices of deficiency to
39 Customers.
- 40 ii. **General Application Requirement.** All Transition Applications must
41 include submission deposits and fees and meet the application
42 requirements specified in Sections 17.2 and 29.2 of Bonneville's Tariff

and requirements specified in Bonneville's business practices unless specified below.

1. Customer Submission of Evidence for Application

Requirements and Evaluation Criteria. In general, a customer must submit evidence (e.g. data exhibit forms) showing how its Transition Application meets the requirements in this section 2.b of this Term Sheet.

- a. Bonneville will evaluate a Transition Application for compliance with the General Application requirements and Evaluation Criteria regardless of whether Bonneville previously determined an Application was valid.
- b. Bonneville will use information provided by the customer, including previously provided data exhibit forms, to evaluate the customer's Transition Application for compliance with the requirements in this section 2.b of this Term Sheet.
- c. For unstudied Transition Applications submitted before the effective date of the Tariff adopted in TC-27, Bonneville will refund the TSR deposit and processing fee submitted with the Transition Application if the customer is unable to meet the requirements in this section 2.b of this Term Sheet and the Application is declined on OASIS, receiving no further consideration.

iii. Initial Evaluation Cure Period. After evaluation of a Transition Application, Bonneville will notify the customer if the Transition Application has been validated or if a deficiency was identified. For the Transition Planning Process, customers will have 10 business days from the date of Bonneville's notice to provide information to Bonneville to address the deficiency. Should a customer fail to resolve a deficiency, the Transition Application will be declined on OASIS, receiving no further consideration from Bonneville.

iv. Requirement to Maintain Compliance for a Transition Planning Request. After the Transition Application has been validated and Bonneville identifies it as a Transition Planning Request or an Exempted Transition Application, the customer has an ongoing obligation to assure the Transition Planning Request or Exempted Transition Application continues to meet the application requirements in Sections 17.2 and 29.2 of the Tariff, the Evaluation Criteria, and any relevant Data Exhibit information.

1. Customers must notify Bonneville of any changes to the information provided to demonstrate compliance with such requirements and include updated information (e.g. an updated

data exhibit form) until Bonneville awards service or the Exempted Transition Application is processed under a future transmission planning process, following the Tariff, or its successor, and business practices in effect at that time.

2. Based on the customer's written notice, or if Bonneville identifies a deficiency with a Transition Planning Request or an Exempted Transition Application, Bonneville may determine the request is no longer valid and will provide the customer with a 30-day cure period to address the newly identified deficiency. Should a customer fail to resolve a deficiency, the Transition Planning Request or Exempted Transition Application will be declined on OASIS, receiving no further consideration from Bonneville.

v. Source Requirements

1. **Source (POR) Maturity for Applications submitted before January 1, 2026.** For any Transition Application submitted before January 1, 2026, the Application must identify one of the following:

- a. an existing Generating Facility requesting transmission service;
- b. a cited Large Generating Facility seeking generator interconnection under Bonneville's Tariff that has not energized and, except as provided in Section 2.b.v.2 in this Term Sheet below, has either:
 - i. completed all generator interconnection studies as of June 30, 2024, to be considered a "bypass project" or
 - ii. entered into a Late Stage Facilities Study Agreement with Bonneville under Attachment R of Bonneville's Tariff;
- c. a cited Small Generating Facility seeking interconnection under the Small Generator Interconnection Procedures in Attachment N of Bonneville's Tariff that has completed a System Impact Study under Attachment N;
- d. if the cited resource is interconnecting through another utility's interconnection process (e.g. under an Open Access Transmission Tariff) and is not yet energized, evidence of:
 - i. The generator interconnection number in the applicable transmission provider's generation interconnection queue; and

- ii. A generator interconnection agreement;
- e. A Point of Receipt ("POR") at Northwest Market Hub; or
- f. A market purchase or system sale that specifies in the Transition Application a POR, Source, and adjacent system (at a connection between Bonneville's transmission system and another entity's adjacent transmission system), including but not limited to the table below. Bonneville will update the table below in the Transition Planning Process Business Practice following its Business Practice Process, but may validate Transition Applications based on POR, Source, or adjacent system that have not been included on the table. .
- i. If a Generating Facility associated with the Transition Application is subject to an interconnection process, as described above in sections 2.b.v.1.b, 2.b.v.1.c, or 2.b.v.1.d, then the Transition Application must also meet the applicable requirements in those sections 2.b.v.1.b, 2.b.v.1.c, or 2.b.v.1.d of this Term Sheet.

OASIS Source	POR	Adjacent System(s)
BIGEDDY500CELO	BIGEDDY	LADWP, SCEE
JOHNDAYINTI500	JOHNDAY	CAISO, BANC
USCNDNBDRW500	BC.US.BORDER	BCH
USCNDNBDRCNTGS	BC.US.BORDER	BCH
HILLTOP230	HILLTOP345	NVE

- 2. For any Transition Application submitted before January 1, 2026, if the Transition Application identifies a Large Generating Facility seeking interconnection under the Transition Cluster Study Process in Attachment R of Bonneville's Tariff, the Transition Application will qualify as an Exempted Transition Application, provided that:
 - a. The Transition Application meets all applicable requirements in Section 2.b, with the exception of the Source Maturity requirement specified above in Section 2.b.v.1;

- b. The customer executes a Phase Two Cluster Study Agreement for the cited Large Generating Facility in accordance with Attachment R of Bonneville's Tariff;
- c. Notwithstanding Section 2.d.i.2 below in this Term Sheet, the Transition Application will not be included as a Transition Planning Request in the Transition Planning Process cycle; and,
- d. The queue time for the Transition Application will be adjusted to be no earlier than any Transition Planning Request included in the Transition Planning Process and no later than any Exempted Transition Application submitted on or after January 1, 2026. Any adjustment to the queue time will account for the original queue order relative to other Exempted Transition Applications also subject to this Section 2.b.v.2 or Section 2.b.vi.2 of this Term Sheet.

Any Transition Application subject to this Section 2.b.v.2 that does not satisfy the criteria in subsections 2.b.v.2.a and b will be declined on OASIS, receiving no further consideration from Bonneville.

3. Source (POR) Maturity for Applications submitted on or after January 1, 2026. For any Transition Application submitted on or after January 1, 2026, the Transition Application must identify one of the following to be validated as an Exempted Application:

- a. an existing Generating Facility requesting transmission service;
- b. a Phase Two Cluster Study Agreement executed by the customer, or its successor, for the cited Large Generating Facility seeking interconnection in accordance with Bonneville's Tariff;
- c. a cited Small Generating Facility seeking interconnection under the Small Generator Interconnection Procedures in Attachment N of Bonneville's Tariff that has completed a System Impact Study under Attachment N; or,
- d. if the cited resource is interconnecting through another utility's interconnection process (e.g. under an Open Access Transmission Tariff) and is not yet energized, evidence of:
 - i. The applicable generator interconnection number in the other transmission provider's generation interconnection queue; and,

- ii. A plan of service for generator interconnection of the cited resource under the other transmission provider's interconnection study process;
- e. POR at Northwest Market Hub; or,
- f. A market purchase or system sale that specifies in the Transition Application a POR, Source, and adjacent system (at a connection between the Transmission Provider's transmission system and another entity's adjacent transmission system) including but not limited to the table below. Bonneville will update the table below in the Transition Planning Process Business Practice following its Business Practice Process, but may validate Transition Applications based on POR, Source, or adjacent system that have not been included on the table.
- i. If a Generating Facility associated with the Transition Application is subject to an interconnection process, as described above in sections 2.b.v.3.b, 2.b.v.3.c, or 2.b.v.3.d, then the Transition Application must also meet the applicable requirements in those sections 2.b.v.3.b, 2.b.v.3.c, or 2.b.v.3.d of this Term Sheet.

OASIS Source	POR	Adjacent System(s)
BIGEDDY500CELO	BIGEDDY	LADWP, SCEE
JOHNDAYINTI500	JOHNDAY	CAISO, BANC
USCNDNBDRW500	BC.US.BORDER	BCH
USCNDNBDRCNTGS	BC.US.BORDER	BCH
HILLTOP230	HILLTOP345	NVE

- 4. Source Owner Validation.** For all Transition Applications that cite a Generating Facility that is or will be physically interconnected to Bonneville's transmission system, if the customer is not the owner or affiliate of the owner of the Generating Facility, or does not have rights to the output of the Generating Facility, the customer must provide an affirmation from the Generating Facility owner or an entity holding rights to output of the Generating Facility, consistent with the term and

1 service start date requesting in the Transition Application, that the
2 requested long-term firm transmission service may be used to
3 transmit generation from the cited Generating Facility. If an
4 affirmation from the owner of the Generating Facility is not
5 provided by the customer to Bonneville, then those Transition
6 Applications will be declined on OASIS, receiving no further
7 consideration from Bonneville.

8 **vi. Load Requirements**

- 9 **1. Line/Load (POD) Maturity for Applications Submitted before**
10 **January 1, 2026.** If a Transition Application submitted before
11 January 1, 2026, is associated with serving load for which
12 Bonneville requires a line and load interconnection request, the
13 customer must provide evidence that: (i) the System Impact Study
14 (SIS) in the line and load interconnection process has been
15 completed, or (ii) Bonneville determined an SIS is unnecessary.
- 16 **2.** If the Transition Application submitted before January 1, 2026,
17 does not meet the requirements specified Section 2.b.vi.1 above,
18 the Transition Application may qualify as an Exempted Transition
19 Application, provided that:
- 20 a. The Transition Application meets all applicable
21 requirements in Section 2.b, with the exception of Section
22 2.b.vi.1 above;
- 23 b. The customer provides evidence that the customer has
24 proceeded with any necessary SIS in the line and load
25 interconnection process and has a definitive POD within
26 180 Calendar Days of a deficiency notice provided by
27 Transmission Provider consistent with Section 2.b.iii
28 ("Initial Evaluation Cure Period") of this Term Sheet;
- 29 c. Notwithstanding Section 2.d.i.2 below in this Term Sheet,
30 the Transition Application will not be included as a
31 Transition Planning Request in the Transition Planning
32 Process cycle;
- 33 d. The queue time for the Transition Application will be
34 adjusted to be no earlier than January 1, 2026, and no later
35 than any Transition Application submitted on or after
36 January 1, 2026. Any adjustment to the queue time will
37 account for the original queue order relative to other
38 Exempted Transition Applications qualifying under this
39 section or Section 2.b.v.2 of this Term Sheet.
- 40 **3. Line/Load (POD) Maturity for Applications Submitted on or**
41 **after January 1, 2026.** If an Application submitted on or after
42 January 1, 2026, is associated with serving load for which

Bonneville requires a line and load interconnection request, the customer must provide evidence that the customer initiated and proceeded with Bonneville for any necessary SIS and has a definitive Point of Delivery (POD).

- a. The customer shall be responsible for additional costs for evaluating the Exempted Transition Application in a future transmission planning process, following the Tariff, or its successor, and applicable business practices in effect at that time, due to any change in the POD during the line and load interconnection process unless the SIS is completed at the time the Transition Application is validated.

4. Request for Point-to-Point transmission service to serve a requested or existing Network Integration Transmission Service Load. If any PTP Application cites a NITS POD from Bonneville's list of contract points posted on Bonneville's OASIS or a Newpoint on a Network Customer's system, then the Load and Resource Consolidated Data Collection Tool (LaRC) submitted to Bonneville by the Network Customer associated with that POD must reference the PTP Application and its cited source generation at the time of submittal.

- a. Network Customers are not responsible for reporting other customers' PTP Applications using that Network Customer's service territory facilities in their load and resource forecasts.

5. Use of a Battery as Load. Any Transition Application for which a battery is cited as the load at the POD in the Application will be declined on OASIS, receiving no further consideration from Bonneville.

- a. Bonneville will continue to allow Transmission Customers to submit requests for Short-Term Point-to-Point Transmission Service, Secondary Network Transmission Service, and Non-Firm Point-to-Point Transmission Service consistent with Bonneville's Tariff for delivery of power to a battery as the load at the POD in the Application.

vii. Limitations on Use of Virtual Hubs

1. Mid-C Remote

- a. Bonneville will remove Mid-C Remote as a POD and POR that may be requested in new Applications for long-term firm transmission service, including Transition Applications submitted in the Transition Planning Process Window. Bonneville will continue to allow requests to or from Mid-C Remote for short-term transmission service,

secondary network transmission service, and non-firm Point-to-Point transmission service consistent with Bonneville's Tariff.

- b. All Transition Applications submitted in the Transition Planning Process Window must conform the POD or POR that cites Mid-C Remote to Northwest Market Hub or points at Chelan PUD, Douglas PUD or Grant PUD.
- c. Section 2.b.vii.1.a and b. of this Term Sheet shall not apply to (i) Studied Applications that include Mid-C Remote as a POD and/or POR or (ii) existing transmission service agreements, that include Mid-C Remote as a POD and/or POR, and such existing transmission service agreements shall retain the customer's existing right to renew existing transmission service under Section 2.2 of Bonneville's Tariff, submit redirects that retain the POR or POD of Mid-C Remote, and schedule to or from Mid-C Remote as a POD and/or POR.

2. Northwest Market Hub. Any Transition Application with a POD or POR of Northwest Market Hub will be ineligible for a physical plan of service that provides a path to long-term firm service without conditions. Such Transition Applications will only be eligible for service, as described in the provisions of Sections 2.a.ii.1 and 2.a.ii.2 (Forms of Transmission Service Available in the Transition Planning Process) of this Term Sheet that allows Bonneville to conduct a biennial reassessment of any conditions that Bonneville identifies may be curtailed at e-tag priority level 6 ("Reassessment Conditional Firm Service").

- a. Section 2.b.vii.2 of this Term Sheet shall not apply to (1) Studied Applications that include Northwest Market Hub as a POD and/or POR or (ii) existing transmission service agreements, that include Northwest Market Hub as a POD and/or POR, and such existing transmission service agreements shall retain the customer's existing rights to renew existing transmission service under Section 2.2 of Bonneville's Tariff, submit redirects that retain the POR or POD of Northwest Market Hub, and schedule to or form Northwest Market Hub as a POD and/or POR.
- b. Bonneville will allow, at its discretion, Network Customers who enter a WSPP Schedule C contract or such other industry standard agreements received at Northwest Market Hub to designate that contract without specifying the upstream transmission provided that the Network Customer requested and Bonneville granted a mid-term

award of service for the Network Customer's Transition Planning Request from the Northwest Market Hub consistent with Section 2.e.i of this Term Sheet.

viii. Additional Data Necessary for Transmission Planning. Bonneville will revise Sections 17.2(x) and 29.2(ix) of the Tariff to allow Bonneville to request any additional information required by Attachment K or any other Bonneville Transmission Planning process.

1. Bonneville will address any implementation details for new information requirements for Applications for long-term firm transmission service in the appropriate transmission business practice, following Bonneville's Business Practice Process.
2. Any new information requirements specified in a transmission business practice will be applicable for all Applications, including Applications which may have been previously validated.

ix. [Reserved to preserve numbering]

x. Notice of Cumulative Demand Issues

1. As generally described in Section F.7 of the Requesting Transmission Service Business Practice (Version 49), cumulative demand is identified when the requested transmission capacity in Applications for transmission service exceeds the generation facility capability of a resource for which Applications are seeking long-term firm transmission service.
 - a. Applications from customers that are unaffiliated with the cited resource will be accounted for when determining cumulative demand amounts and will be subject to the same requirements in this section of this Term Sheet.
2. As part of the validation of Transition Applications, Bonneville will notify customers of any cumulative demand issues by identifying the Transition Applications at issue and providing instructions for how a customer may proceed in the Transition Planning Process or a future transmission planning process following the Tariff, or its successor, and business practices in effect at that time.
3. A customer must respond within 10 Business Days of a notice from Bonneville and clarify the following in writing.
 - a. The customer agrees for Bonneville to proceed with Transition Applications in the Transition Planning Process (as Transition Planning Requests), or a future transmission planning process, following the Tariff, or its successor, and business practices in effect at that time, for the cumulative amount of requested service equal to or less than the generation facility capability of the cited resource. The

customer agrees to not move forward with Transition Applications that exceed the nameplate of the resource by withdrawing or reducing capacity in the Transition Applications before accepting awards for service equal to nameplate capacity of the cited resource. And, if the customer does not withdraw or reduce capacity in applicable Transition Applications, Bonneville has the right to decline the Transition Applications on OASIS, receiving no further consideration from Bonneville; or

- b. The customer submits modifications to its Transition Applications for review and validation by Bonneville identifying additional resources in order to mitigate the cumulative demand issues.
- c. If neither option specified above is applicable for the Transition Applications, the customer can provide Bonneville with other information regarding the customer's intended use for the Transition Applications to enable Bonneville to analyze and identify alternative operational and planning assumptions which can be included in the customer's service agreement.

4. Confirmation with Source Owner. When there is a Cumulative Demand issue with a cited resource for which the customer provided an affirmation from the owner of the resource as specified in Section 2.b.v.4 ("Source Owner Validation"), the customer must provide evidence to Bonneville that the affirmation, has been reaffirmed with the owner of the resource. The customer may provide an updated affirmation from the owner of the resource or Bonneville may contact the owner of the resource. If Bonneville does not obtain a reaffirmation from the customer, then those Transition Planning Requests will be declined on OASIS, receiving no further consideration from Bonneville.

- xi.** After Transition Applications have been validated, they will be considered Transition Planning Requests or an Exempted Transition Application under the Transition Planning Process. Any Transition Application that has not met the requirements in this section will be declined on OASIS and receive no further consideration. Any Transition Application validated as a Transition Planning Request or as an Exempted Transition Application may be subject to Evaluation Criteria or other requirements as part of a future transmission planning process following the Tariff, or its successor, and applicable business practices in effect at that time.

1 **xii. Establishing Evaluation Criteria for Applications Submitted After the**
2 **Transition Planning Process Window.** The Evaluation Criteria
3 requirements adopted as part of the Transition Planning Process,
4 specified in this section 2.b of this Term Sheet, are intended solely for
5 purposes of validating and processing Transition Applications submitted
6 during the Transition Planning Process Window and shall not apply to
7 Applications submitted after November 1, 2029. Any eligibility,
8 readiness, validation, or other Evaluation Criteria applicable to
9 Applications submitted after November 1, 2029 will be established as
10 part of the development of a future transmission planning process
11 following the Tariff, or its successor, and applicable business practices in
12 effect at that time, and consistent with the development of the Future
13 State policy as described in Section 3.f of this Term Sheet; provided,
14 however, nothing in this Term Sheet precludes Bonneville from
15 proposing the evaluation criteria adopted for the Transition Planning
16 Process, specified in section 2.b of this Term Sheet, in accordance with
17 the Tariff, or its successor, Bonneville's Business Practice Process, or any
18 other applicable Bonneville process in effect at that time.

19 **c. Conditional Firm Service Analysis Agreement**

- 20 **i. Bonneville Preliminary System Constraint Analysis.** Bonneville will
21 provide a non-binding table identifying known constraints that may be
22 applicable to a customer's Transition Planning Requests eligible for the
23 Transition Planning Process before offering a Conditional Firm Service
24 Analysis (CFSA) Agreement.
- 25 **ii. Offers of CFSA Agreements.** Bonneville will offer a CFSA Agreement to
26 customers listing all eligible Transition Planning Requests. Within 30
27 Calendar Days, customers must execute and return the CFSA Agreement
28 to Bonneville and identify which Transition Planning Requests the
29 customer elects to proceed with in the Transition Planning Process.
- 30 **1.** If the customer does not execute a tendered CFSA Agreement,
31 including providing any required CFSA Agreement Fees when
32 executing the CFSA Agreement, then all the customer's Transition
33 Planning Requests associated with the CFSA Agreement will be
34 declined on OASIS, receiving no further consideration from
35 Bonneville.
- 36 **2.** Any Transition Planning Request the customer does not elect to
37 include in the Transition Planning Process will be declined on
38 OASIS, receiving no further consideration from Bonneville.
- 39 **3.** Customers with Exempted Transition Applications will not be
40 tendered a CFSA Agreement.

1 **iii. Form and Terms of the CFSA Agreement**

2 **1. Form of the Agreement.** A form CFSA Agreement will be included
3 in Attachment T in Bonneville's Tariff.

4 **2. Product Offerings**

5 a. *Bridge Conditional Firm Service Awarded in the Transition*
6 *Planning Process Under the CFSA Agreement.* Under the
7 CFSA Agreement, Bonneville will evaluate its ability to
8 award Bridge Conditional Firm Service in the Transition
9 Planning Process, as described above in Section 2.a.ii,
10 unless Bonneville determines the customer's Transition
11 Planning Request is only eligible to be offered
12 Reassessment Conditional Firm Service as specified below.

13 i. Any plan of service necessary to provide long-term
14 firm transmission service without conditional
15 curtailment will be identified in a future
16 transmission planning process following the Tariff,
17 or its successor, and applicable business practices in
18 effect at that time. Customers must meet the
19 requirements of that future transmission planning
20 process to convert any Bridge Conditional Firm
21 Service awarded in the Transition Planning Process
22 to long-term firm service without conditions.

23 ii. If a customer elects to not proceed in the future
24 transmission planning process, following the Tariff, or
25 its successor, and business practices in effect at that time,
26 including proceeding with any future funding
27 obligations, the customer may convert its Bridge
28 Conditional Firm Service to Reassessment
29 Conditional Firm Service, if available, or have the
30 Transition Planning Request declined on OASIS,
31 receiving no further consideration from Bonneville.

32 b. *Reassessment Conditional Firm Service.* Bonneville will only
33 evaluate Transition Planning Requests for Reassessment
34 Conditional Firm Service as provided below:

35 i. Transition Planning Requests for service either to a
36 POD or from a POR of Northwest Market Hub, as
37 described above in Section 2.b.vii.

38 ii. The award of Conditional Firm Service for a
39 Transition Planning Request is ineligible for
40 reservation priority under Section 2.2 of the Tariff
41 (i.e., the service does not include any roll-over
42 rights).

1 **3. Purpose of CFSA Agreement.** The CFSA Agreement is intended to
2 identify the Transition Planning Request(s) that the Customer
3 elects to have Bonneville analyze for potential Conditional Firm
4 Service under the Transition Planning Process and to establish the
5 CFSA Agreement Fee, information, and security obligations
6 applicable to that analysis. Execution of a CFSA Agreement or
7 payment of the CFSA Agreement Fee prior to posting of any
8 security deposit does not obligate the Customer to accept any
9 award or offer of Conditional Firm Service, Long-Term Firm Point-
10 to-Point Transmission Service, or Network Integration
11 Transmission Service.

12 **iv. CFSA Agreement Fee.** Customers must submit a non-refundable fee
13 (“CFSA Agreement Fee”) equal to \$800 per MW for each Transition
14 Planning Request the customer elects to include in the CFSA Agreement
15 and proceed in the Transition Planning Process when executing the CFSA
16 Agreement.

17 **v. Conditional Firm Service Analysis.** Bonneville will conduct the
18 Conditional Firm Service Analysis, as described in Section 2.d of this
19 Term Sheet, for Transition Planning Requests under a CFSA Agreement.

20 **vi. Security Obligation Under the CFSA**

21 **1. Timing.** Following receipt of the Phase One CFSA Close-Out
22 Package, described in Section 2.d.i.4, for each Transition Planning
23 Request a customer elects to proceed forward with in the
24 Transition Planning Process, the customer must provide security
25 deposit within 45 Calendar Days of the date of the letter
26 transmitting the Phase One CFSA Close-Out Package to be eligible
27 to continue into the Phase Two CFSA, constraint management
28 phase, if applicable, and receive an award of service.

29 a. For each Transition Planning Request in the CFSA
30 Agreement for which the customer does not provide the
31 security deposit by the deadline described above in section
32 2.c.vi.1, the Transition Planning Request will be declined on
33 OASIS, receiving no further consideration from Bonneville.

34 b. In addition, the CFSA Agreement will terminate if the
35 customer fails to provide the required security deposits,
36 unless exempted under Section 2.c.vi.2 below, for all
37 Transition Planning Requests elected by the Customer to
38 proceed in the Transition Planning Process under the CFSA
39 Agreement and listed in the Phase One CFSA Close-Out
40 Package.

2. Amount and Duration of Security Obligation

- a. *Point-to-Point Transmission Service.* The customer must provide security equivalent to charges for one year of Point-to-Point transmission service based on the MWs requested in the Transition Planning Request using the Rate for Long-term Firm Point-to-Point service on the Network in Bonneville's transmission rate schedules in effect at the time security is provided. Bonneville will not require security for a Transition Planning Request if:
- i. The Transition Planning Request is a redirect of Point-to-Point transmission service where the customer is taking service on the parent transmission service request for the redirect. If the customer is deferring service for the parent transmission service request, the customer must meet the security obligation for the Transition Planning Request;
 - ii. Bonneville determines, at its discretion, that an award of Conditional Firm Service is not possible for a Transition Planning Request during the Transition Planning Process;
 - iii. The customer withdraws a Transition Planning Request included in the CFSA Agreement from the transmission queue prior to the deadline to provide a security deposit for the Transition Planning Request pursuant to Section 2.c.vi.1 in this Term Sheet; or,
 - iv. The customer provides Bonneville with evidence of an executed power purchase agreement for a duration of no less than five (5) years that is associated with the Transition Planning Request, an agreement for the purchase of power from a Generating Facility associated with the Transition Planning Request for a term of five years or an agreement for the acquisition of a Generating Facility associated with the Transition Planning Request, such that the customer will acquire the Generating Facility no later than two years from the requested start date of service for the Transition Planning Request. The acceptance of the agreement to qualify for the release of the security deposit will be at the discretion of Bonneville. The customer must also commit to providing any additional

1 information necessary for Bonneville to validate the
2 agreement has a reasonable nexus with the
3 Transition Planning Request (e.g. the Source and/or
4 Sink match between the agreement and the
5 Transition Planning Request).

6 b. *Network Integration Transmission Service.* The customer
7 must provide security deposit equivalent to charges for one
8 year of Network Integration Transmission Service based on
9 the highest peak of MWs requested in the Transition
10 Planning Request between the service commencement date
11 and September 30, 2031 using the Network Integration
12 Transmission Service Rate in Bonneville's transmission
13 rate schedules in effect at the time security is provided. The
14 customer must maintain the designation of the Network
15 Resource associated with the Transition Planning Request
16 for a minimum of one year. Bonneville will not require
17 security for a Transition Planning Request if:

- 18 i. A Transition Planning Request that is associated
19 with a forecasted Network Resource will replace or
20 displace an existing designated Network Resource.
21 The customer will indicate to Bonneville the existing
22 designated Network Resource that will be replaced
23 or displaced for the amount of MWs of the
24 forecasted Network Resource for which Bonneville
25 will not require security;
- 26 ii. Bonneville determines, at its discretion, that an
27 award of Conditional Firm Service is not possible for
28 a Transition Planning Request during the Transition
29 Planning Process;
- 30 iii. The customer withdraws a Transition Planning
31 Request included in the CFSA Agreement from the
32 transmission queue prior to the deadline to provide
33 a security deposit for the Transition Planning
34 Request pursuant to Section 2.c.vi.1 in this Term
35 Sheet; or
- 36 iv. The customer provides Bonneville with evidence of
37 an executed power purchase agreement for a
38 duration of no less than five (5) years that is
39 associated with the Transition Planning Request, an
40 agreement for the purchase of power from a
41 Generating Facility associated with the Transition
42 Planning Request for a term of five years or an
43 agreement for the acquisition of a Generating

1 Facility associated with the Transition Planning
2 Request, such that the customer will acquire the
3 Generating Facility no later than two years from the
4 requested start date of service for the Transition
5 Planning Request. The acceptance of the agreement
6 to qualify for the release of the security deposit will
7 be at the discretion of Bonneville. The customer
8 must also commit to providing any additional
9 information necessary for Bonneville to validate the
10 agreement has a reasonable nexus with the
11 Transition Planning Request (e.g. the Source and/or
12 Sink match between the agreement and the
13 Transition Planning Request).

14 **3. Release of Security Obligation.** Bonneville will release the
15 security deposit as described below.

- 16 a. For a Point-to-Point Customer, the security deposit will be
17 held through any delay or deferral of the service start date,
18 until one year following the commencement of Point-to-
19 Point transmission service. The security deposit will be
20 released in full after the customer has taken and paid for
21 one year of long-term firm service for the Transition
22 Planning Request.
- 23 b. For a Network Customer, the security deposit will be held
24 through any delay of service from the forecasted service
25 start date, including designation of a Network Resource,
26 until one year following the commencement of
27 transmission service. The Network Customer must
28 maintain the designation of the Network Resource for the
29 forecasted amount of capacity associated with the
30 Transition Planning Request for a minimum of one year
31 after which the security deposit will be released in full for
32 the Transition Planning Request.
- 33 c. Bonneville will release the security deposit at such time
34 that the customer provides evidence to Bonneville of an
35 executed power purchase agreement for a duration of no
36 less than five years that is associated with the Transition
37 Planning Request, an agreement for the purchase of power
38 from a Generating Facility associated with the Transition
39 Planning Request for a term of five years or an agreement
40 for the acquisition of a Generating Facility associated with
41 the Transition Planning Request, such that the customer
42 will acquire the Generating Facility no later than two years
43 from the requested start date of service for the Transition
44 Planning Request. The acceptance of the agreement to

1 qualify for the release of the security deposit will be at the
2 discretion of Bonneville. The customer must also commit
3 to providing any additional information necessary for
4 Bonneville to validate the agreement has a reasonable
5 nexus with the Transition Planning Request (e.g. the Source
6 and/or Sink match between the agreement and the
7 Transition Planning Request).

- 8 d. If a customer takes partial award of service, Bonneville will
9 continue to hold the security deposit for the remainder of
10 the Transition Planning Request that was not awarded
11 service.
- 12 e. If no award of service for the Transition Planning Requests
13 has been made by November 1, 2029, the associated
14 security deposits will be released.
- 15 f. After November 1, 2029, if a customer taking Bridge
16 Conditional Firm Service for a Transition Planning Request
17 fails to take a required step to proceed with the Transition
18 Planning Request into a future transmission planning
19 process, following Bonneville's Tariff and applicable
20 business practices in effect at that time, Bonneville will
21 release the security for the Transition Planning Request.

22 **4. Conditions for Bonneville to Draw on Security Obligation.** The
23 security deposit will be forfeited by the customer and can be
24 drawn on in full by Bonneville if:

- 25 a. A customer declines to accept an award of long-term firm
26 service for a Transition Planning Request elected by the
27 customer to proceed in the Transition Planning Process
28 under the CFSA Agreement.
- 29 b. For a Transition Planning Request for Point-to-Point
30 service, the customer does not take and pay for one year of
31 Bridge Conditional Firm Service, Reassessment Conditional
32 Firm Service, or long-term firm service awarded in the
33 Transition Planning Process.
- 34 c. For a Transition Planning Request for network integration
35 transmission service, the customer does not maintain a
36 designation of the resource associated with the Transition
37 Planning Request for at least one year.
- 38 d. The customer withdraws the Transition Planning Request
39 from the queue prior to meeting the requirements specified
40 in Section 2.c.vi.3 of this Term Sheet for the release of the
41 security deposit.

- e. The customer fails to take an action required under the Transition Planning Process that causes the Transition Planning Request to be declined on OASIS and receive no further consideration from Bonneville.

vii. Customer Off Ramps from Obligations Under the CFSA Agreement and Release of the Security Obligation

1. Under the CFSA Agreement, a customer may withdraw any Transition Planning Request from OASIS no later than 45 Calendar Days after of the letter transmitting the Phase One CFSA Close-Out Package and will not be obligated to provide a security deposit to Bonneville, as specified in Sections 2.c.vi.1 and 2 above, for the withdrawn Transition Planning Request(s) the customer previously elected to proceed in the Transition Planning Process under the CFSA Agreement. In addition, if the customer withdraws all the Transition Planning Requests on OASIS under a CFSA Agreement before incurring an obligation to provide security to Bonneville under Section 2.c.vi, the CFSA Agreement will terminate, and Bonneville and the customer will have no further obligations for those Transition Planning Requests in the Transition Planning Process.
2. If a customer has not been offered service for a Transition Planning Request under the Transition Planning Process by November 1, 2029, Bonneville will fully release the security deposit for that Transition Planning Request, and the Transition Planning Request may remain in the transmission queue.
 - a. *Credit of CFSA Agreement Fee for Future Planning Study.* If the customer proceeds with a Transition Planning Request into the next future transmission planning process, following Bonneville's Tariff and applicable business practices in effect at that time, and the customer was not awarded service under the Transition Planning Process by November 1, 2029, then Bonneville will credit up to 50 percent of the CFSA Agreement Fee for that specific Transition Planning Request towards reducing future deposits or fees the customer owes for the next future transmission planning process, following Bonneville's Tariff and applicable business practices in effect at that time, capped at the cost of the future deposits or fees, for that specific Transition Planning Request.

viii. Awards of Service

1. If Bonneville offers transmission service for a Transition Planning Request in the Transition Planning Process, the customer must accept the transmission service, as described below, or the

Transition Planning Request will be declined on OASIS and receive no further consideration from Bonneville.

- a. If Bonneville can only tender a partial award, the security will be released as discussed above in Section 2.c.vi.3 of this Term Sheet. The customer must submit a remainder Transition Planning Request, for Bonneville to be able to continue to process and revisit the constraints for the portion of requested service that was not awarded, as described in Section 2.d below.

2. Bonneville will tender agreements for any awards of service in the Transition Planning Process under the customer's existing Point-to-Point or Network Integration Transmission Service agreement.

- a. Customers receiving an award for conditional firm service for NITS must meet the requirements for designation of the resource specified in Bonneville's Tariff for all resources associated with their Transition Planning Requests.

d. Conditional Firm Analysis. The Conditional Firm Analysis will be conducted in two phases as described below: (1) Phase One CFSA, and (2) Phase Two CFSA.

- i. **Phase One CFSA.** Bonneville will conduct one transition planning study as specified below.

1. **Notice of Commencement of the Transition Planning Process.**

Prior to tendering CFSA Agreements for the eligible Transition Planning Requests, Bonneville will provide notice on OASIS as follows: Bonneville's notice will state the date for commencement of the Transition Planning Process cycle, beginning with providing Preliminary System Constraint Analysis, the start date for the Phase One CFSA, and the estimated start of the rolling 24-month window, which starts anew each subsequent month, of the service start date of a Transition Planning Request for awarding service under the Transition Planning Process ("Service Award Window").

2. Only Transition Planning Requests submitted prior to January 1, 2026, will be eligible for the Transition Planning Process.

- a. Exempted Transition Applications will be processed under a future transmission planning process following Bonneville's Tariff and applicable business practices in effect at that time.

3. **Scope of the Phase One CFSA.** Bonneville will endeavor to complete the transition planning study for Phase One CFSA within 120 Calendar Days of the commencement date for the Phase One CFSA provided in the notice as specified in Section 2.d.i.1 in this Term Sheet. As part of the study, Bonneville will identify all constraints that prevent an award of conditional firm service for

each Transition Planning Request at the time of the Phase One CFSA, including but not limited to: (1) available paths or sub-grid areas of Bonneville's transmission system where mitigation is necessary, (2) system limits needed to manage identified constraints, (3) any impacts on third-party transmission providers' systems that limit Bonneville's ability to offer conditional firm service, and (4) scheduling points which require additional granularity.

- a. In the event that Bonneville is unable to complete the Phase One CFSA, as described in this section, within 120 Calendar Days, Bonneville will provide notice on OASIS and include an estimated completion date and explanation why additional time is required and if there is any change to the Service Award Window start date.

4. Phase One CFSA Close-Out Package. After the completion of Phase One CFSA, Bonneville will provide each customer with a Phase One CFSA Close-Out Package, which will include: 1) responses for each Transition Planning Request in a customer's executed CFSA Agreement whether an award of conditional firm service is available in the Service Award Window, not available in the Transition Planning Process, or, consistent with Section 2.d.ii below, requires further analysis of constraint management in the Phase Two CFSA for each Transition Planning Request in a customer's executed CFSA Agreement; 2) a list of constraints for each Transition Planning Request that prevent an award of conditional firm service; and 3) the security obligation for each Transition Planning Request under the CFSA Agreement.

- a. *Individual Phase One CFSA Close-Out Meetings.* Customers must submit a written request for an individual Phase One CFSA Close-Out Meeting, if desired, to their Transmission Account Executive within five (5) Business Days of receiving the Phase One CFSA Close-Out Package.

ii. Phase Two CFSA. Bonneville will apply the information identified in the Phase One CFSA to determine if Bonneville can manage the constrained paths or sub-grid areas to award service to customers for each Transition Planning Request under their CFSA Agreement.

1. Factors for evaluating constraints. Bonneville will use sound engineering judgment to evaluate constraints and will consider, but will not be limited to, the following factors: operational and reliability considerations, impacts or need for system updates, level of complexity, time for mitigating constraints, and the MW of service that would be enabled.

1 **iii. Awards of Conditional Firm Service in the Transition Planning**
2 **Process**

3 **1. Timing of Awards of Conditional Firm Service and Queue**

4 **Priority.** Bonneville will offer awards of conditional firm service
5 based on the following priority:

- 6 a. First, the Transition Planning Requests must have a
7 requested service start date in the applicable Service
8 Award Window.
- 9 i. Transition Planning Requests with a requested
10 service start date prior to the Service Award
11 Window will be deemed to be within that current
12 Service Award Window.
- 13 b. Second, awards will be contingent on completion of work in
14 the Phase Two CFSA, if necessary.
- 15 c. Third, if a Transition Planning Request with a requested
16 service start date in the applicable Service Award Window
17 is determined to have a constraint that cannot be mitigated
18 at that time, Bonneville will proceed to analyze and award
19 service, if available, to the next highest-queued Transition
20 Planning Request with a requested service start date in that
21 Service Award Window.
- 22 d. Fourth, if a higher queued Transition Planning Request has
23 a requested service start date beyond the end of the
24 applicable Service Award Window, then Bonneville will
25 proceed to analyze and award service, if available, to the
26 next highest-queued Transition Planning Request with a
27 requested service start date in that Service Award Window.

- 28 **2.** After completion of the conditional firm analysis for a Transition
29 Planning Request, Bonneville will, from time to time and using
30 commercially reasonable efforts, revisit constraints that
31 Bonneville determined could not be mitigated at the time of such
32 analysis. If after revisiting such constraints Bonneville determines
33 a constraint can be managed, then it will tender an award for a
34 Transition Planning Request at that time, so long as the requested
35 start date was within or earlier than the current Service Award
36 Window and there is sufficient remaining conditional firm service
37 capability. In addition, consistent with Section 2.d.iii.3 below in
38 this Term Sheet, Bonneville will continue to evaluate Transition
39 Planning Requests and Exempted Transition Applications to
40 identify an award of Long-Term Firm Service during the
41 Transition Planning Process.

1 **3. Awards of Long-Term Firm Service during the Transition**

2 **Planning Process.** Consistent with Section 2.a.ii.3 of this Term
3 Sheet, Bonneville may award Long-Term Firm Point-to-Point and
4 Network Integration Transmission service without constraints (at
5 NERC Priority 7 or 7fn) consistent with Sections 13.2(i) and 29.2
6 of the Tariff. The award of service under this section will be
7 subject to limitations on deferrals as described in Section 2.e.ii
8 (“Limitations on Extensions for Commencement of Service
9 (“Deferrals”) during the Transition Planning Process”) below in this
10 Term Sheet. In addition, if a customer has executed a CFSA
11 Agreement, the customer must continue to meet the Security
12 requirements in the CFSA Agreement and in Section 2.c.vi
13 (“Security Obligation Under the CFSA”) of this Term Sheet even
14 when awarded service as described in this section.

15 **iv. Cumulative Demand Actions Following the Conditional Firm**

16 **Analysis.** Following the completion of the Conditional Firm Analysis but
17 before issuing an award for service, if there continues to be a cumulative
18 demand issue for a source, then the customer must take actions the
19 customer agreed to in the validation process, described in Section 2.b.x
20 above, or Bonneville will take actions to decline the Transition Planning
21 Request(s) on OASIS, as described above in such section.

22 **v. Need for a Remedial Action Scheme (RAS) to Award Conditional**
23 **Firm Service**

- 24 **1.** If during the Conditional Firm Analysis, Bonneville identifies RAS
25 requirements for a resource outside of Bonneville’s Balancing
26 Authority Area necessary to award conditional firm service, then
27 the customer must provide the RAS resource and implement RAS
28 capability to receive an award for their Transition Planning
29 Request.
- 30 **2.** If during the Conditional Firm Analysis, Bonneville does not
31 identify RAS requirements for a resource outside of Bonneville’s
32 Balancing Authority Area necessary to award conditional firm
33 service, then the customer will not be required to provide a RAS
34 resource to enable an award of conditional firm service. However,
35 Bonneville may identify and require RAS as part of identifying the
36 plan of service for long-term firm service without conditional
37 curtailment.

38 **e. Additional Terms for the Transition Planning Process**

39 **i. Mid-Term Offers of Service**

- 40 **1.** Bonneville may offer a mid-term award of Reassessment
41 Conditional Firm Service if Bonneville is unable to offer service for
42 the full term of a Transition Planning Request, provided the
43 following:

- a. The customer must request that Bonneville consider a mid-term award of service for a Transition Planning Request after the customer receives the Phase One CFSA Close-Out Package for the request.
- b. The requested service start date must be within the Service Award Window from the time of the award.
- c. The term of service awarded may be no more than two years.
- d. The service will not have reservation priority under Section 2.2 of the Tariff (i.e. roll-over rights).
- e. The Transition Planning Request cannot be to a POD or POR that is designated as “Newpoint” unless the Newpoint has been conformed as specified in Bonneville’s business practices.
- f. Available Transfer Capability (ATC) on 1:1 paths must be available if required.
- g. Customer may submit a remainder request on OASIS for the unoffered portion of the available service term that will retain the same queue time and reservation priority under Section 2.2 of the Tariff as the original Transition Planning Request.
- h. Such offers are not subject to a sub-grid check.

ii. Limitations on Extensions for Commencement of Service (“Deferrals”) during the Transition Planning Process. For any award of service during the Transition Planning Process (before November 1, 2029), a customer may elect to defer the conditional firm service no more than two times for up to one year each. The customer must pay a non-refundable fee equal to one month’s charge for each deferral.

iii. Individual Studies. Bonneville will not perform any individual studies during the Transition Planning Process.

3. Workshop or Other Commitments

- a. **Battery Policies.** Bonneville commits to monitoring industry, regional or other policy development and practices regarding the use of batteries as loads for long-term transmission planning. Before September 30, 2027, Bonneville will host at least one workshop to discuss industry and regional standards and practices and to consider potential changes to transmission planning policy for batteries, including long-term firm transmission service requests for use of a battery cited as the load at the POD on an Application for long-term transmission service.

- 1 **b. Use of Virtual Hubs for Long-Term Firm Transmission.** Before September
2 30, 2027, Bonneville commits to hosting at least one workshop for customers
3 and stakeholders to share proposals regarding sound planning assumptions that
4 could be used to reliably define plans of service for long-term firm transactions
5 at virtual hubs. Prior to this workshop, Bonneville will provide written materials
6 describing how Bonneville has historically modeled long-term transactions
7 associated with virtual hubs. In addition, Bonneville will also discuss the impacts
8 of day-ahead markets on long-term transactions at virtual hubs.
- 9 **c. Revisiting the Non-Trended Load Growth Policy.** Before November 1, 2029,
10 Bonneville will report on the implementation of the Non-Trended Load Growth
11 policy and discuss any potential changes to the Network Integration
12 Transmission Service Business Practice in a workshop. Bonneville additionally
13 commits to monitoring industry development and/or regional or national policy
14 development regarding non-trended load growth.
- 15 **d. Transmission Product Conversions.** Bonneville will open a window for
16 customers to request to convert their long-term firm transmission product
17 designations (Network Integration Transmission Service and Point-to-Point
18 Transmission Service) between June 1, 2027 through June 1, 2031. Before
19 opening the window, Bonneville will host a workshop to discuss the process for
20 customers to request a conversion of their product designation.
- 21 **e. Customer Build Option.** Bonneville commits to having a business practice in
22 place to implement a Customer Build Option no later than September 30, 2027.
23 Bonneville will provide an update on the Customer Build Option no later than
24 the end of May 2027 and initiate Bonneville's Business Practice Process to
25 establish a business practice to implement a Customer Built Option no later than
26 August 1, 2027.
- 27 **f. Future State Policy and Transition Planning Process Updates.** Bonneville
28 commits to the following timelines for developing a Future State policy for a
29 future transmission planning process that provides a path for new long-term
30 firm transmission service and includes consideration of concepts, such as an
31 Open Season approach: (1) by September 30, 2027, Bonneville will outline a
32 conceptual approach to implementing a Future State policy that provides a path
33 to new long-term firm transmission service; (2) by September 30, 2028,
34 Bonneville will provide a draft of proposals for a Future State policy, including
35 any proposals for Evaluation Criteria, and draft Tariff or business practice
36 language as applicable, for customer consideration; and (3) by November 1,
37 2029, Bonneville will sunset its Transition Planning Process adopted in TC-27
38 and implement a Future State policy. Nothing in this commitment precludes
39 Bonneville from accelerating the development of a Future State Policy.
40 Bonneville will provide quarterly updates to customers on progress made during
41 the Transition Planning Process until November 1, 2029.

- 1 **4. Out of Scope for TC-27.** Bonneville will not propose the following:
- 2 **a.** Revisions to Bonneville’s Tariff that would require a new transmission rate.
- 3 **b.** Revisions to Bonneville’s Tariff related to Bonneville entering or participating in
- 4 a day-ahead market.
- 5 **c.** Revisions to the Large Generator Interconnection Procedures (LGIP).