

BP-26 Settlement Workshops

August 31, 2026



Agenda

- 9:00 am Welcome and Introduction
- 9:10 am NITS Short Distance Discount (SDD)
 - Damaris Reyes, Jared Lacambra
- 9:50 am Break
- 10:00 am NITS Billing Determinant
 - Mark Tucker, Erin Jensen, Kevlyn Baker, Jim Bennett
- 10:50 am Break
- 11:00 am New Generation Technology Pilot Program
 - Ross Ponder, Nancy Morales

Meeting Norms- Webex

- BPA will utilize the Webex meeting format to the extent practicable.
 - Participants joining via Webex are expected to include their full name and affiliated organization when joining the meeting. Please use the “raise hand” feature and chat in Webex to limit interruptions.

Meeting Norms

- Participants are encouraged to speak respectfully, be mindful of the limited time for discussions, and allow other participants and BPA staff to share their feedback.
- BPA will facilitate the conversation to ensure all participants have the opportunity to provide their input.

BP-26 Settlement Commitment

- Bonneville will hold at least one public workshop during FY 2026 to discuss the short distance discount and the billing determinant for Network Integration Transmission Service as related to behind-the-meter resources.
- Bonneville will hold at least one public workshop during FY 2026 to provide clarity on the scope, eligibility, and costs of the New Generation Technology Pilot Program.

Workshop Scope

- The scope of this workshop is limited to Short-Distance Discount, NITS Billing Determinant, and New Generation Technology Pilot Program.
- Out of Scope
 - Markets+
 - Large Load/ Data Center
 - TC-27
 - Current Business Practice updates

Process for Engaging on Issues

- Most issues are presented according to the following process at workshops (multiple steps might be addressed in a single workshop):
 - Step 1: Introduction and education
 - Step 2: Description of the issue
 - Step 3: Data and/or analysis that supports the issue
 - Step 4: Discussions on possible alternatives to solve issue
 - Step 5: Discussion of customer feedback to alternatives and BPA's response
 - Step 6: Staff proposal for solution

Feedback & Comments

- Please submit any feedback regarding this workshop to techforum@bpa.gov
- CC your Transmission Account Executive
- Comments will be accepted until Sept 25, 2026
- BPA will not be providing responses to comments received
- All comments will be posted on the [BP-26 Rate Case Page](#)

NITS Short Distance Discount

Bill Hendricks- TSQR Supervisor

Damaris Reyes- Rates Analyst

Jared Lacambra- TPC Electrical Engineer



SDD AGENDA

- **Overview**
 - **SDD Definition, Background and Tariff and Rate Schedule**
- **SDD Mechanics**
 - **Eligibility Criteria and Monthly NITS Bill Credit Formula**
- **BTM Resources**
 - **Distance, Discount Eligibility Criteria, Compliance**
- **SDD Business Process**
- **Cost & Rate Impact**

Overview

Definition

In the BPA transmission system, the **Short Distance Discount (SDD)** is a rate adjustment designed for customers who locate generating resources close to their load centers that use the Federal Columbia River Transmission System (FCRTS) for a short distance (less than 75 circuit miles).

Background

- **Effective Date:** October 2011 (established in BP-12).
- **Historical Intent:** Encourage customers to locate resources close to load centers, reducing the need for costly federal transmission expansion.

Tariff and Rate Schedule

- **Not pro forma:** The SDD is not a standard product or service defined within the pro forma Open Access Transmission Tariff (OATT).
- **Rate Schedule Adjustment:** The SDD is a billing adjustment defined within the Rate Schedule.

NITS Short Distance Discount Mechanics

Eligibility Criteria

- **Designation:** Must be a Designated Network Resource (DNR).
- **Duration:** Scheduled for 12 months or more.
- **Distance:** Transits fewer than 75 circuit miles over the Federal Columbia River Transmission System (FCRTS).
- **40% SDD Cap:** BPA caps the discount credit at 40% to balance system-wide cost equity. This ensures BTM and 0-mile resources continue contributing to shared grid operations and infrastructure overhead—rather than receiving a 100% rate exemption—which maintains baseline revenue recovery and prevents excessive cost shifting onto long-distance transmission customers.

Monthly NITS Bill Credit Formula

- **NITS Billing Determinant:** Monthly billing base is determined strictly during the single hour of the coincident monthly system peak load.

$$\text{NITS Bill Credit} = \text{Average Generation on Peak Hour} \times \text{NT Rate} \times \left(\frac{75 - \text{Tx Distance}}{75} \right) \times 0.4$$

SDD for Behind-the-Meter Resources

Distance

- Behind-the-Meter (BTM) Resource (a generator located directly on the customer's side of the Point of Delivery), the transmission distance is assumed to be 0 miles.

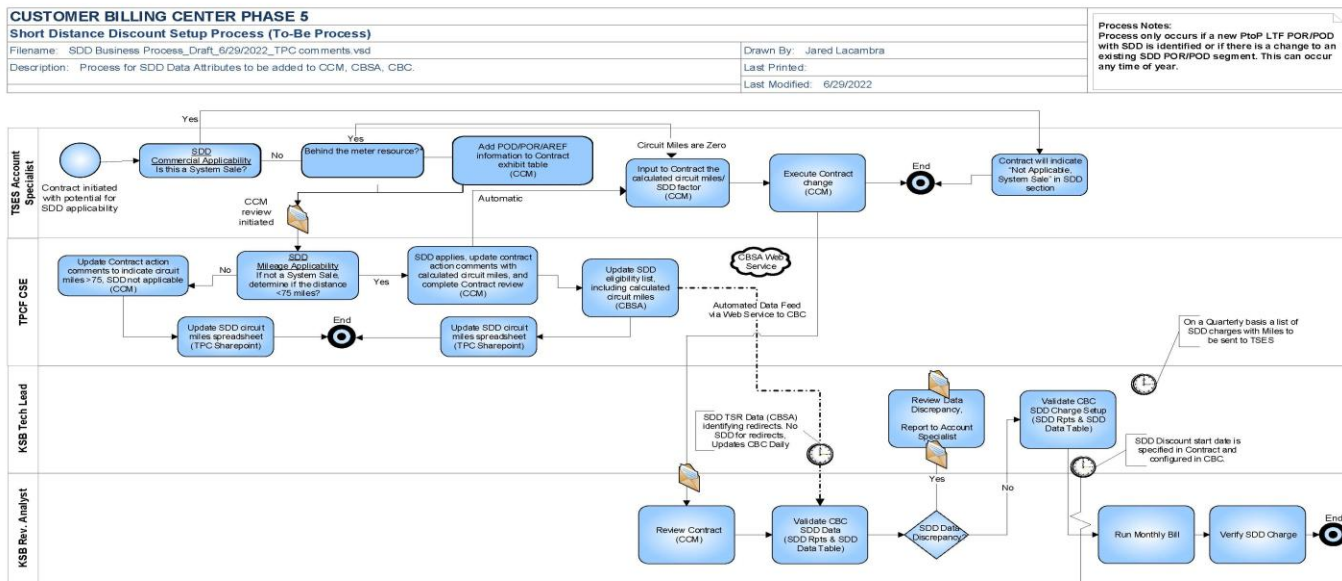
Discount Eligibility Criteria

- The resource must be formally designated as a DNR in the NITS Service Agreement and must be continuous for at least 12 months.
- The resource path must utilize FCRTS facilities for less than 75 circuit miles.

Compliance

- A 0-mile BTM resource does not bypass standard tariff rules.
- To receive the SDD credit, the BTM resource must be formally designated to serve local Network Load.
- Customers must meet all OATT obligations, including scheduling, metering, reporting, and third-party sales restrictions.

SDD Business Process



Behind the meter resource:

A resource that is used solely to serve the NT Customer's Network Load and is internal to the NT Customer's system

Cost & Rate Impact

- **Rate Impact:** Any credits given through the SDD are recovered from customers who are not receiving the discount.
- **Annual System Cost:** The annual cost of the SDD represents approximately 1% to 2% of BPA's NITS revenues.
- **Adjustments:** If an adjustment is made to the SDD, NITS rates would also change. If a larger discount is given, NITS rates will increase. If a small discount is given, NITS rates would decrease.

(\$ millions)	2020	2021	2022	2023	2024	2025
NITS Revenues	\$141.46	\$143.04	\$174.41	\$183.49	\$202.15	\$199.26
SDD Credits	\$2.22	\$2.37	\$2.42	\$2.57	\$2.42	\$3.39
Percentage	1.6%	1.7%	1.4%	1.4%	1.2%	1.7%

Thank you!



NITS Billing Determinant

Mark Tucker- TSBM Supervisor

Erin Jensen- TSBM Program Manager

Jim Bennett- Attorney Adviser

Kevlyn Baker- TPC Supervisor



NITS Billing Determinant Agenda

- How the NITS Billing Determinant works
- Behind the Meter Resource definition
- Obligation to plan transmission
- FERC rationale for treatment of Behind the Meter Resources
- Future Efforts

How the NITS Billing Determinant works

- BPA determines the single hour of the month in which the overall BPA transmission system experiences its highest simultaneous megawatt load.
- BPA then looks at the NITS Customer's Network Load (in kilowatts) during that exact hourly window including the integrated generation.
 - This specific snapshot is used as the NITS Customer's billing determinant for the month, regardless of what the NITS Customer's individual non-coincidental peak load was during other times of the month.
 - The NITS Customer's Network Load is inclusive of integrated generation (200kw and greater) that is metered by BPA.
- Basic Monthly Charge Formula
 - Monthly NITS Charge = Billing Determinant (kW during Peak hour) x NITS Rate



NITS's Customer's Hourly Load (MW) coincident with BPA Transmission's Monthly Peak hour

Behind the Meter Resource Definition

Rate Schedule Definition

Only for the purposes of calculating Short Distance Discount: A resource that is used solely to serve the NITS Customer's Network Load and is internal to the NITS Customer's system.

BPA Glossary Definition

BPA defines a Behind the Meter Resource (BTM) as a resource used to serve the NITS Customer's Network Load that is internal to the NITS Customer's system or is transmitted over non-federal transmission facilities and is forecasted not to be transmitted over BPA's transmission system.

Current Application of BTM

- Behind the Meter is generation behind a retail customer meter, under 200 kW, not metered
 - Example: Rooftop Solar
- Integrated Generation Resource is generation within NITS customer service territory – over 200 kW is metered
 - Eligible for SDD

Obligation to Plan Transmission

The most critical way BPA accounts for resources in NITS billing is how it calculates the NITS Customer's peak load:

- **Network Load:** The Network Customer's Network Load shall include all load served by the output of any Network Resources designated by the Network Customer.
 - This OATT definition is consistent with FERC *pro forma* OATT
- **Metered Load:** Under standard conditions, BPA bills NITS Customers on metered load measured at the physical transmission meter including the integrated generation.
 - If a NITS Customer's metered delivery is 85MW during the system peak hour, and onsite integrated generation is simultaneously producing 15MW, BPA will add back in the integrated generation to reflect 100MW for the NITS billing determinant.
- **Planning Transmission:** BPA is still obligated to plan for all load behind a NITS Point of Delivery based on the 10-year load and resource forecast.
 - This ensures BPA can plan the physical transmission grid to support the full load in the event the BTM generator suffers an outage or NITS Customer utilizes a different resource.
- **Small Generator Integration:** Until BPA develops a separate process for generation integrations, requests to integrate small generation resources greater than 200 KW and no more than 20 MW nameplate into BPA's BAA, including Distributed Energy Resources and energy storage devices, must be submitted as Interconnection Requests under the SGIP. An integration occurs when a generation resource is operating within BPA's BAA but is not directly interconnected to BPA's transmission facilities.

FERC rationale for treatment of BTM resources

- FERC has not found a consistent way to net BTM resources for NITS billing purposes.
- A customer can either:
 - Choose to serve a portion of its load with point-to-point transmission service and the remaining load with its behind-the-meter generation; or
 - Choose network service in which the transmission provider will plan and provide for firm transmission capacity sufficient to meet the customer's current and projected peak loads, including integration of the customer's behind-the-meter generation as a network resource.

FERC rationale for treatment of BTM resources continued

- Implementation of BTM resources must:
 - Account for reliability and resource adequacy risks from large co-located loads.
 - Require transmission providers to procure reserves for BTM-netted loads.
 - Incorporate appropriate cost causation principles (e.g. prohibit cost of maintaining sufficient resources to shift to other customers).

RAPID

Current scope BPA is evaluating under the new GAT Program - Rapid Access Products and Interconnection Delivery (RAPID).



LLI Process Reform

Modernize the line & load interconnection process — benchmarking industry, integrating large loads, and evaluating whether study timelines can be reduced.



Fast Track via Co-location

A reliable interim path for large loads co-located with generation, while broader system expansion is constructed.



Behind-the-Meter Evaluation

Evaluate the generation levels and physical configurations BPA can allow — maintaining reliability and shielding normal ratepayers from rate impacts.



Dispatchable/Interruptible Load

Evaluate feasibility of large dispatchable load for system events and curtailments; explore products and matching rate design.

Thank you!



New Generation Technology Pilot Program

Russ Ponder- ACS Product Manager
Nancy Morales- TOOC Electrical Engineer



New Generation Tech Pilot Program Agenda

- What is the New Generation Technology Pilot
- How NGTP works – Example Process Steps 1-6
- Eligibility – Who Can Participate & How
- Price – Economic Benefit & Worked Example
- Additional Information

SCOPE

- **Reducing ancillary service costs for new technologies**
 - In place of normally applicable Regulation and Frequency Response (RFR), Variable Energy Resource Balancing Service (VERBS), or Dispatchable Energy Resource Balancing Service (DERBS) rates, BPA directly assigns the cost of balancing reserve capacity to the pilot project customer based on specific reserve capacity rate components.

Rates are applied to the Balancing Reserve Capacity that BPA determines is needed for the pilot, rather than the installed nameplate capacity of the project.

How it works: A Step-by-Step Journey

Step 4) Compare SCE from Baseline Error to Actual SCE	Step 5) Calculate the Reduction of Balancing Reserves	Step 6) Calculate NGTP Rate Based on NGTP Prices
BPA will compare the 99.7% SCE between what was studied with baseline data and 99.7% actual SCE. Comparison is calculated every three months.	From the comparison, BPA will calculate and hold fewer balancing reserves because of the new actual SCE.	Discount will be applied proportional to their reduced SCE.

Example of New Tech Pilot



Example of NGTP Process: Steps 1-3

Step 1) Customer brings to BPA the idea *of adding a 10 MW battery* to an already energized 100 MW solar generator called “Summer Solar”. The battery’s purpose is to help reduce Summer Solar’s BPA Variable Energy Resource Balancing Service (VERBS) bill.

Customer informs BPA how they intend to use the battery to lessen their *Station Control Error (SCE)*.

Station Control Error (SCE)

Station Control Error is calculated at BPA as the difference between the output of a generator and its schedule.

$$SCE_{gen} = Output - Schedule$$

→ For the New Generation Technology Pilot **Baseline**, SCE is calculated as the difference between the output of the generator and the hourly base schedule (when applicable).

Example of NGTP Process: Steps 1-3

Step 2) BPA performs an up to 6-year historical analysis of SCE for the solar. Then take the 99.7% of the error signal. The 99.7% SCE will be the **baseline error**.

*For this example, let's assume the 99.7% of the **Baseline SCE** is 20MW INC; 25 MW DEC for a 100 MW solar generator.*

Example of NGTP Process: Steps 1-3

Step 3) After three months of implementation, BPA shall run the 99.7% of SCE with the battery and solar. The new SCE will be calculated as:

Error = Actual Generation - Base Schedule.

For this example, let's assume the new 99.7% of the SCE with the battery is 10 MW INC; 15MW DEC

Example of NGTP Process: Step 4

Step 4) Comparison of the 99.7% based on SCE

	Baseline Based on Study (MW)	Results Based on Actual Data (MW)	Difference as a whole percent ($\frac{\text{Baseline}}{\text{Actual Data}}$)	Amount Saved (as a percentage)
INC	20	10	$\frac{10}{20} = 50\%$	$100 - 50 = 50\%$
DEC	25	15	$\frac{15}{25} = 60\%$	$100 - 60 = 40\%$

Example of NGTP Process: Step 5

- Calculate the Reduction in MWs
 - Reduction is calculated based on the Percent of Difference Saved based on the 99.7, the Average Percent of Nameplate for the applicable VER, and the Nameplate of the Generator
 - The reduction will be from the amount BPA holds for all generator type to facility's portion.

BR Reduced_{MW}

*= Nameplate * Percent of Nameplate for VER
* Percent of Difference Saved*

Example of NGTP Process: Step 5

- For this example, we'll continue with the results from slide 13. The reduction in MW will be calculated as:

BR Reduced INC_{MW}

*= 100 MW * 19 % of Nameplate for Solar INC*

** 50% of Difference Saved*

*→ BR Reduced INC_{MW} = 100 MW * 19% * X = 19 MW * X*

Where X = 50%

*→ BR Reduced INC_{MW} = 19 MW * 50% = 9.5 MW for INC*

→ BR Reduced INC (Rounded)_{MW} = 10 MW for INC

Meaning BPA can hold 9 MW less of reserves for Summer Solar.

Average Percent of Nameplate for VERS based on BP-26 Rate Case Results

Generator Type	REG INC (%)	REG DEC (%)	NON-REG INC (%)	NON-REG DEC (%)	TRR INC (%)	TRR DEC (%)
Wind	4.4	-4.7	7.3	-8.2	11.8	-12.9
Solar	11.2	-11.7	8.0	-8.5	19.2	-20.2

Example of NGTP: Step 6

- NGTP rates are specified in BP-26-A-01-AP02, Section G.
 - NGTP participants are not charged RFR, VERBS, or DERBS
 - \$0.317/kw-day for Reg INC, \$0.162/kw-day for Non-Reg INC, \$0.007/kw-day for Reg DEC

Eligibility



Participation

A customer and BPA may jointly develop a pilot program at the individual generation project level to integrate new technology or to integrate new uses of technology such as a solar project coupled with a co-located battery.

Baseline (Solar)

To the right is a list of different configurations that make solar customers eligible for the NGTP

No	Existing/New	How Baseline is Calculated
1	Existing Solar with 1-6 years of historical data	SCE is calculated with historical data (SCE 1 – Baseline)
2	Existing Solar + Battery with 1-6 years of historical data	SCE is calculated with historical data (SCE 2 – Baseline)
3	New Solar that has been online for less than a year or still not operational	SCE is calculated based on rate case proxy (SCE 3* – Proxy)
4	New Solar+New Technology that has been online for less than a year or still not operational	SCE is calculated based on rate case proxy (SCE 3* – Proxy)

* SCE 3 is the same for new Solar and new Solar+New Technology since the baseline error is estimating **only** the solar portion of the project.

Baseline (Wind)

To the right is a list of different configurations that make wind customers eligible for the NGTP

No	Existing/New	How Baseline is Calculated
1	Existing Wind with 1-6 years of historical data	SCE is calculated with historical data (SCE 4 – Baseline)
2	Existing Wind + Battery with 1-6 years of historical data	SCE is calculated with historical data (SCE 5 – Baseline)
3	New Wind that has been online for less than a year or still not operational	SCE is calculated based on rate case proxy (SCE 6* – Proxy)
4	New Wind + New Technology that has been online for less than a year or still not operational	SCE is calculated based on rate case proxy (SCE 6* – Proxy)

* SCE 6 is the same for new Wind and new Wind + New Technology since the baseline error is estimating **only** the wind portion of the project.

Costs



Solar 100 MW Example

VERBS Solar	Nameplate	Rate	Amount
	kW	\$/kW-mo.	
SOLAR REG	100,000	1.04	\$ 104,000
SOLAR NON-REG	100,000	0.11	\$ 11,000
		SUM	\$ 115,000

NGTP Solar	Reserves		Rate	Amount
	kW	days	\$/kW-days	
NO DISCOUNT				
REG INC	10,731	30	0.317	\$ 102,051.81
NON-REG INC	2,238	30	0.162	\$ 10,876.68
REG DEC	11,192	30	0.007	\$ 2,350.32
			SUM	\$ 115,278.81

NGTP Solar	Reserves		Rate	Amount
	kW	days	\$/kW-days	
DISCOUNT				
REG INC (50%)	5,365.50	30	0.317	\$ 51,025.91
NON-REG INC (50%)	1,119.00	30	0.162	\$ 5,438.34
REG DEC (60%)	6,715.20	30	0.007	\$ 1,410.19
			SUM	\$ 57,874.44

Wind 100 MW Example

VERBS Wind	Nameplate	Rate	Amount
	kW	\$/kW-mo.	
WIND REG	100,000	0.43	\$ 43,000
WIND NON-REG	100,000	0.2	\$ 20,000
		SUM	\$ 63,000

NGTP Wind	Reserves	Rate	Amount
NO DISCOUNT	kW	days	\$/kW-days
REG INC	4,448.00	30	\$ 42,300.48
NON-REG INC	4,124.00	30	\$ 20,042.64
REG DEC	4,654.00	30	\$ 977.34
		SUM	\$ 63,320.46

NGTP Wind	Reserves	Rate	Amount
DISCOUNT	kW	days	\$/kW-days
REG INC (50%)	2,224.00	30	\$ 21,150.24
NON-REG INC (50%)	2,062.00	30	\$ 10,021.32
REG DEC (60%)	2,792.40	30	\$ 586.40
		SUM	\$ 31,757.96

Additional Information



Other Considerations

- Intentional Deviation Penalty (IDP)
 - IDP shall continue to be factored into NGTP participants.
 - The first three months when the facility is implementing and working out the control logic, IDP may be waived.
- Three Strike Rule
 - Participants of the NGTP will be subject to a three-strike rule to remain in the pilot.
 - To be detailed in the coming business practice for NGTP.

Thank you!



Feedback & Comments

- Please submit any feedback regarding this workshop to techforum@bpa.gov
- CC your Transmission Account Executive
- Comments will be accepted until Sept 25, 2026
- BPA will not be providing responses to comments received
- All comments will be posted on the [BP-26 Rate Case Page](#)