

Appendix A

TC-24 Tariff Proceeding

Initial Proposal

TC-24 Settlement Agreement

December 2022



This page intentionally left blank.

TC-24 SETTLEMENT AGREEMENT

Bonneville Power Administration TC-24 Tariff Terms and Conditions Proceeding

THIS TC-24 SETTLEMENT AGREEMENT ("Agreement") is among the Bonneville Power Administration ("Bonneville") and parties to the TC-24 Tariff Terms and Conditions ("TC-24") proceeding as provided for in section 3 of this Agreement (such parties in the singular, "Party," in the plural, "Parties").

1. Bonneville initiated settlement discussions and developed a proposal for settlement with respect to modifications to generally applicable terms and conditions for transmission service in Bonneville's open access transmission tariff ("Tariff"). Bonneville and a majority of stakeholders in the settlement discussions agree that Bonneville's proposal for settlement, without additional litigation or dispute, is in the interest of the region.
2. This Agreement, which includes Attachments 1 and 2, documents the terms of settlement and settles all issues within the scope of the TC-24 proceeding. Attachment 1 describes the modifications reflected in the Tariff in Attachment 2 and other transmission service related commitments. Attachment 2 is the Tariff.
3. Bonneville will file this Agreement in the TC-24 proceeding and move the Hearing Officer to (a) require any Party that does not sign the Agreement to state any objection to the Agreement, including the specific issues in the Agreement that the Party objects to, by the date established by the Hearing Officer; (b) specify that any Party 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 this Agreement; and (c) if no Party objects to the Agreement, then to enter the Agreement into the TC-24 record and to issue a decision recommending that the Administrator adopt the Agreement.
4. If in response to the Hearing Officer's Order made pursuant to section 3(a), any Party objects to the Agreement, Bonneville will promptly schedule a meeting with the Parties and provide notice and an opportunity for Parties to participate to discuss whether to continue with the Agreement. Following the meeting with the Parties, Bonneville will notify the Hearing Officer on whether Bonneville and the Parties will continue with the Agreement.
5. If the Administrator adopts the Agreement in the Final Record of Decision, the Tariff in Attachment 2 will supersede and replace Bonneville's prior open access transmission tariff in its entirety effective on October 1, 2023. If the Administrator does not adopt the Agreement in the Final Record of Decision, the Agreement will be void *ab initio*.

6. If the Administrator adopts the Agreement in the Final Record of Decision, the parties agree not to contest the Agreement either before FERC, 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 or join any litigation which 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. Bonneville and the Parties agree not to contest this Agreement or the implementation of this Agreement in the TC-24 proceeding or any other forum through the end of the Term. 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-24 proceedings with respect to any issue within the scope of the Agreement, except in response to issues raised by any Party that objects to this Agreement in response to the Hearing Officer's order made pursuant to section 3(a).
8. Statements Not Admissible as Evidence. Conduct, statements, and documents disclosed in the negotiation of this Agreement will not be admissible as evidence in the TC-24 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 open access transmission tariff, or to pursue any claim that a particular term, condition, charge, methodology, practice, or rate schedule for transmission service, has been improperly implemented. No Party waives any of its rights under such Party's open access transmission tariff.
 - b. Except as provided in Attachment 1 section 3, 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 service pursuant to the requirements in the Tariff, including Bonneville's ability to initiate a tariff proceeding and adopt tariff modifications before September 30, 2025 after consideration of a Federal Energy Regulatory Commission final rule modifying the *pro forma* tariff. 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 in Attachment 2, and to any filings, protests, or claims, by Bonneville or others; however,

during the term of this Agreement, the Parties will not support a challenge to any specific terms and conditions, if unmodified by any proposal, or other matters 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 September 30, 2025, except for sections 6, 8, 9 and Attachment 2, which shall survive this Agreement in accordance with their provisions.

11. Attachments. Attachment 1: Terms and Attachment 2: Bonneville's Open Access Transmission Tariff are 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.

ATTACHMENTS

Attachment 1: Terms

Attachment 2: Bonneville's Open Access Transmission Tariff

This page intentionally left blank.

Attachment 1:
Terms

This page intentionally left blank.

Attachment 1: Terms

- 1. TariffSection 13.2(iv).** Bonneville will change the conditional reservation deadline for (a) hourly firm point-to-point (PTP) service from 2:00 p.m. of the preschedule day to 12:00 p.m. of the preschedule day and, subject to section 7(d)(i) below, may implement the 12:00 p.m. conditional reservation deadline before October 1, 2023; and (2) daily firm PTP service from 1:00 a.m. to one preschedule day before the commencement of service. Section 13.2(iv) language is included in the Tariff in Attachment 2.
- 2. TariffSection 16.1(b).** Bonneville will make a ministerial change to clarify that the creditworthiness criteria are set forth in Attachment M instead of OASIS. Section 16.1(b) language is included in the Tariff in Attachment 2.
- 3. TariffSchedule 11, Real Power Loss Calculation.**
 - i. Bonneville will maintain seasonal loss factors for the Network segment. Bonneville will update the Summer and Non-Summer loss factor percentages in the Network Loss Factor table. Bonneville will not propose or support a proposal to change the seasonal loss factors before September 30, 2025.
 - ii. Bonneville will remove the Utility Delivery Segment loss factor and the DSI Delivery Segment loss factor.
 - iii. Schedule 11 language is included in the Tariff in Attachment 2.
- 4. TariffAttachment C, Methodology to Assess Available Transfer Capability.** Bonneville will replace Attachment C in its entirety as follows:
 - i. For the scheduling, operating, and planning horizon (0 to 13 months) and for the long-term planning horizon (beyond 13 months to 10 years) on the 1:1 ATC paths, Bonneville will include the available transfer capability ("ATC") methodology formulas, definitions, and a process flow diagram; and
 - ii. For the long-term planning horizon on the flow based paths, Bonneville will stop maintaining a long-term ATC methodology and will stop calculating and posting long-term ATC on OASIS. Beginning October 1, 2023, Bonneville will use commercial power flow studies to evaluate new transmission service requests for PTP service and new and forecasted network integration transmission service. Bonneville will

develop modifications to relevant business practices pursuant to the Business Practice Process.

iii. Attachment C language is included in the Tariff in Attachment 2.

5. **Tariff Attachment L, Large Generator Interconnection Procedures (LGIP) Appendix 1 to LGIP: Interconnection Request for a Large Generating Facility (Appendix 1).** Bonneville will change Appendix 1 to the LGIP to: (a) clarify that a request to increase generating capacity is for an existing Large Generating Facility, (b) include options for the selection of Surplus Interconnection Service, a Generating Facility Repower, or a Generating Facility Replacement; and (c) provide an area for the Interconnection Customer to provide additional information to facilitate the processing of their Interconnection Requests (e.g., Surplus Interconnection Service, Generating Facility Repowers and Replacements, and formats for models, etc.). Attachment L, Appendix 1 language is included in the Tariff in Attachment 2.

6. **Tariff Attachment Q, Energy Imbalance Market.** Bonneville will change Attachment Q to: (a) make a ministerial change to section 4.2.3 to clarify where BPA's outage information requirements are located; (b) will change section 4.2.4.1 to clarify that the 3 MW threshold for not submitting forecasts only applies to resources not included in the Market Operator's network model; and (c) will change section 10.3.1 to add language referring to the transmission rate schedules in cases of temporary contingencies. Attachment Q language is included in the Tariff in Attachment 2.

7. **Workshop Commitments**

- a. Before the TC-26 proceeding, BPA will hold a stakeholder workshop to compare BPA's Forecast Data submittal requirements in Attachment Q section 4.2.4.1 to other third-party EIM participant's requirements.
- b. Before the TC-26 proceeding, BPA will hold a stakeholder workshop to discuss BPA's line and load interconnection procedures and potential reforms to the load interconnection queue.
- c. No later than January 1, 2024, BPA will hold one stakeholder workshop to discuss BPA's transmission planning process.
- d. With regard to Tariff section 13.2(iv),
 - i. Bonneville will not implement the 2:00 p.m. conditional reservation deadline for hourly firm PTP service that is in section 13.2(iv) of the currently effective tariff. Following the issuance of the

Administrator's Record of Decision in the TC-24 proceeding, Bonneville will hold stakeholder workshops to discuss the implementation timeline for the 12:00 p.m. conditional reservation deadline for hourly firm PTP service that is in the Tariff in Attachment 2, including an implementation timeline before October 1, 2023 if no stakeholder opposes that timeline during the stakeholder workshops.

- ii. Following implementation of the 12:00 p.m. conditional reservation deadline for hourly firm PTP service, Bonneville will include its business process implementation in the agenda for Bonneville's Customer Business Process Improvement meetings at least once per quarter and provide customers an opportunity to provide feedback on the implementation. If any customers report unexpected impacts from the implementation, Bonneville and customers will work together to identify the cause and identify potential solutions for consideration in a future tariff proceeding.