Brookfield Renewable Comments on BPA Grid Access Transformation Proposal

Transition to Future State

Brookfield Renewable Trading and Marketing LP (BRTM) and Brookfield Renewable Energy Marketing US LLC (BREMUS), collectively, Brookfield Renewable, appreciate the opportunity to provide these comments on the Bonneville Power Administration's (BPA's) developing Grid Access Transformation proposal.

BRTM is a power marketer authorized by the Federal Energy Regulatory Commission to engage in wholesale electricity sales at negotiated, market-based rates throughout the United States, including the larger Western bilateral market. In support of such sales, BRTM secures transmission service over multiple transmission systems in the West, including BPA's. BREMUS provides service in various retail markets across the U.S., including Oregon, where it is a certified Electricity Service Supplier. Brookfield Renewable, together, through its parent, Brookfield Renewable Partners, LP, owns and operates one of the world's largest publicly traded, renewable energy power platforms. Brookfield Renewable's global portfolio consists of hydroelectric, wind, solar and storage facilities in the United States, Canada, South America, Europe and Asia. Brookfield Renewable has over 2GW of renewable generation under development in the Pacific Northwest (PNW).

Brookfield Renewable supports BPA's efforts to reform its existing transmission service request (TSR) study and expansion process (TSEP). Brookfield Renewable has submitted a number of TSRs in BPA's 2025 TSEP study process, each of which is critically important in progressing the company's above-noted development pipeline.

Brookfield Renewable strongly supports BPA's long-term vision of establishing a proactive load and resource forecast- and scenario-driven transmission planning process and establishing a viable transition process whereby existing queued transmission requests can be quickly processed and authorized.

Per BPA's July 11th Tech Forum notice, Brookfield Renewable's comments focus on BPA's "Transition to Future State" proposal, including its readiness criteria, interim service, planning for virtual points, and self-build option proposals.

<u>Readiness Criteria</u>

Brookfield Renewable supports BPA's proposal to establish and quickly implement some form of commercial readiness criteria; criteria that will help cull BPA's 68 GW transmission

request queue into something more manageable and that prioritizes commercially viable and ready projects and transmission requests.

BPA proposes the following readiness criteria (see slide 49 of presentation):

- Mature line and load interconnection/generator interconnection plans of service with any necessary agreements to initiate the project signed/funded
- Acceptable evidence of readiness for bilateral requests:
    - Power Purchase Agreement;
    - Notice of award from Request for Proposal (possibly conditional on final execution);
    - Letter of intent signed by both parties (possibly conditional on final execution);
    - Other formal indications that the transaction will be used to serve load that exists or will exist during the period of the contract

Brookfield Renewable understands that the intent of the above criteria is to validate the point of receipt (POR) and point of delivery (POD) associated with transmission service requests. The first bullet point above is to confirm that there is an electrical plan of service that is defined (no longer subject to change) and that that plan of service is moving forward, i.e., that there is an established POR and POD and that the POR/POD is either online or in construction. The second bullet confirms there is a known off-taker who is purchasing the resource associated with the POR or that is party to a power transaction.

Brookfield Renewable supports these requirements, as it will necessarily exclude from service qualification more speculative generation projects (projects that are not yet commercially viable) or where no off-taker and/or load service contract exists or is likely. Brookfield Renewable presumes that long-term firm bilateral system and/or resource-specific sales would qualify under their proposal. Brookfield Renewable requests that BPA confirm and clarify the treatment of such bilateral sales/purchases, i.e., those not associated with a specific generation project under development, both with respect to their treatment under both BPA's transitional and future state proposals. Similarly, Brookfield Renewable requests that BPA clarify the treatment and impact of Western Resource Adequacy Program (WRAP) and day-ahead market (CAISO extended day-ahead market or EDAM and Southwest Power Pool (SPP) Markets+) related transactions. While Brookfield Renewable acknowledges that both WRAP and the aforementioned day-ahead market transactions are more likely short-term in nature, to the extent they are, or have to be accommodated, BPA should clarify whether and how such sales could impact the validation/award/provision of long-term service.

Finally, Brookfield Renewable supports aspects of the comments and proposals included in the comments jointly submitted by the Northwest and Intermountain Power Producers

Coalition (NIPPC) and Renewable Northwest (RNW). Specifically, Brookfield Renewable agrees that a PPA should not be the "sole, primary, or preferred" means to establish the commercial readiness of a transmission request. While, as stated by NIPPC/RNW, a PPA can be a means to establish readiness, Brookfield Renewable agrees that it should not be the only means to establish readiness. As stated above, Brookfield Renewable generally supports BPA's proposed criteria because we interpret it as more flexible than just requiring an executed PPA.

NIPPC/RNW also raise concerns with respect to the interaction between BPA's readiness criteria and the existing and established utility request for proposal (RFP) resource procurement processes in the PNW. While, to date, the utility procurement processes in the PNW have not been a focus of Brookfield Renewable itself, we agree with NIPPC/RNW that BPA should work with utility commissions in the PNW to ensure that the utility procurement processes work in conjunction with BPA's rules and processes for securing transmission service. Brookfield Renewable acknowledges that utilities, as load-serving entities, are subject to state clean energy standards and thus are an important and critical piece to renewable resource development in the PNW; development that will not otherwise occur if BPA does not align its transmission request processes to work in concert with utility RFP requirements.

Brookfield Renewable also supports further discussion of the alternative proposals included in NIPPC/RNW's comments, including consideration of open or reverse open season processes that may include enhanced term-of-service, or other requirements. Such mechanisms could be a means to release transmission capacity to those customers who need it first and whose requests are commercially ready and viable. Brookfield Renewable cautions, however, that requirements such as higher deposits or security requirements may not be sufficient to deter speculative transmission requests that many clog the queue. In addition, while Brookfield Renewable supports further discussion and further refinement of the concepts outlined by NIPPC/RNW, we recommend and caution BPA to delineate between those mechanisms that can be implemented in the near term (Transition State) and those that may have to be implemented on a long-term basis (Future State). As noted above, Brookfield Renewable supports application of some form of BPA's proposed readiness criteria now, in the transition, so as to measurably reduce BPA's existing and overloaded 68GW transmission queue.

<u>Interim Service</u>

As part of its “Future State” proposal, BPA proposes to offer interim service to those that request long-term transmission service. As understood by Brookfield Renewable, BPA would offer some form of interim service in the period between the time a transmission service request is submitted and the anticipated 5-6 year to plan-in-service date (i.e., start date of long-term firm service). Specifically, as shown in the slide below (see slide 30 from BPA presentation), BPA outlines three possible types of interim service. At the July 10th

meeting, BPA clarified its intent to offer interim service during the transition period as well, i.e., for those existing queued requests that pass readiness validation.

As noted in the slide below, provision of firm service on an interim basis would likely result in a lower quality firm service for both customers taking the interim service, as well as existing customers. Since BPA proposes to offer interim service without degrading existing customer's rights, provision of firm interim service appears unlikely. In addition, while BPA proposes to possibly offer some form of new interim product (third option below) on a long-term basis, such a new service would require a tariff change. Since BPA has stated that it will not contemplate tariff changes during the transition period (BPA states that it plans to hold to its policy that it will only make tariff changes as part of a change in rates; which is not planned prior to October 2028), provision of any form of new interim service is also unlikely during the transition period. Therefore, based on the above, it appears that with respect to the provision of interim service during the upcoming transition period, BPA will only be able to provide conditional firm service (Priority 6).

NERC Priority Code	Pros	Cons
Priority 7	• NITs and PTP both are firm • NITs and PTP both have Congestion Rent (CR) • Would not require a tariff change to implement	• If the new service was offered at level 7, it could result in more curtailments then have historically occurred which may impact all customers taking service at priority 7
Priority 6 (CF, 6NN)	• CF and 6NN are less than firm • CF for PTP is eligible for CR • Would not require a tariff change to implement	• 6NN is ineligible for CR. BPA has committed to engage with customer regarding the treatment of CR in the next rate case when we implement the market implementation • Could degrade quality of service using priority 6
Potential other new products (could be lower priority)	• Treats both NITs and PTP equitably	• Limited to a duration no longer than 365 days • Would require a tariff change to implement

At the July 10, 2025, meeting, BPA clarified that while it does not plan or intend to make any tariff changes to support the transition period, it does propose to make changes to certain business practices. BPA stated that it may change certain "attributes" of conditional firm service in order to provide interim service to qualifying existing queued transmission requests. BPA plans to discuss potential changes to identified business practices at upcoming workshops on July 29-30, 2025. BPA stated that while it has not yet posted draft changes, one possible change could be removal of the study requirement for conditional firm service. Removal of the study requirement could expedite awarding and provision of interim service. However, as noted by BPA, awarding conditional service without study could degrade the quality of service for Priority 6 customers.

Recognizing that many details have yet to be discussed and worked out with stakeholders, Brookfield Renewable supports BPA providing conditional firm service on an interim basis,

while existing and qualifying queued transmission requests await the provision of long-term firm service based on an approved plan-in/to-service date.

As acknowledged by BPA (see slide 33), Brookfield Renewable also understands that by providing interim service to qualifying requests, that:

- Congestion may increase (both because of the provision of interim service and increased flows in the markets);
- BPA may need to limit the ability of customers to extend their commencement of service;
- Transmission service requests (TSRs) with a "newpoint" request that impacts Northwest AC Intertie (NWACI) facilities may be ineligible for interim service; and
- There could be possible market settlement impacts from the extension of interim service to more customers.

Brookfield Renewable recommends that BPA facilitate further discussion and dialogue with stakeholders on these and other issues regarding the provision of conditional firm interim service. While Brookfield Renewable understands there may be difficult to predict outcomes regarding the level of congestion and market settlement impacts from the provision of interim service (risks that must be assessed and managed by transmission customers), Brookfield Renewable needs to better understand the limitations BPA may impose with respect to deferral of service rights and possible impacts on NWACI facilities.

Specifically, Brookfield Renewable requests that BPA provide more information on the timeline and requirements for commencement of transmission service based on approved/validated plan-in-service dates for planned generation projects and how deferral of service requests could impact the provision of conditional firm interim service. In addition, while Brookfield Renewable recognizes that certain requests could impact the rights/service to existing NWACI rightsholders, under flow-based system modeling, many TSR requests could feasibly impact NWACI flows/facilities. The question is, to what degree and whether that impact is material. Further discussion of this point is warranted.

<u>Planning for Virtual Points</u>

BPA states that planning for and studying long-term transmission requests at the virtual reservation points at Northwest Market Hub (NWHUB) and Mid-C Remote (MIDCREMOTE) create significant complexities. Therefore, BPA proposes to modify the treatment of these hubs in evaluating requests for long-term service. Specifically, BPA proposes to continue to allow long-term service requests at NWHUB, but to deactivate MIDCREMOTE as a requestable point in the long-term firm market (MIDCREMOTE would remain available in the short-term market). In addition, BPA proposes that while long-term redirects *away* from MIDCREMOTE would be permitted, long-term redirects *to* the point would not be permitted. Finally, BPA states that previously submitted transmission service requests (not existing reservations or renewals of existing service) involving MIDCREMOTE that are otherwise eligible to remain in the queue for long-term firm service (presumably because they satisfy the readiness criteria) would be conformed to NWHUB. BPA states that, going forward, new

long-term customer transactions that would have otherwise used MIDCREMOTE would be accommodated by redirecting the long-term NWHUB POR/POD to the Columbia Market point in the short-term market, prior to scheduling.

Brookfield Renewable does not oppose BPA's proposed treatment of the virtual planning points. That is, Brookfield Renewable does not oppose BPA eliminating MIDCREMOTE as an available point for long-term firm transmission reservation requests so long as, as proposed, it remains available in the short-term market. In addition, Brookfield Renewable does not oppose retaining NWHUB as a point available for long-term transmission reservations, with existing queued requests at MIDCREMOTE transferred to NWHUB. As long as these rules are generally applicable to all customers, Brookfield Renewable does not oppose BPA's proposal.

Self-Build Option

Brookfield Renewable strongly supports BPA's intent to accelerate transmission expansion by increasing both its capital execution capacity and redesigning its processes to prioritize schedule (see slide on next page). In this period where BPA's customers face the need to satisfy both state clean energy standards and pressing capacity needs, robust and timely transmission expansion is critical and, unfortunately, at present, a very real roadblock to meeting those goals. Combined with new and evolving tax rules with pressing deadlines, it is imperative that BPA reinvent its processes to expedite expansion.

To that end, Brookfield Renewable also supports BPA's intent to establish an effective customer-build option for needed new transmission infrastructure. The BPA tariff already includes and permits a customer build option – what is needed now are revisions to BPA's business practices; revisions that will ease the path toward an effective self-build process by removing unnecessary steps and roadblocks. Ideally, BPA would establish clear specifications and standards and let customers execute the necessary permitting, equipment procurement, and construction, with appropriate, and as necessary, checks along the way. The process can be as simple as:

(a) BPA issues off-the-shelf generic design and equipment specifications;

(b) BPA issues a list of approved engineering and construction companies (EPCs) and environmental consultants;

(c) The developer contracts with EPC/consultant to advance surveys, design, permitting and long-lead equipment order;

(d) The EPC completes design, obtains final BPA approval (must be subject to time limit), and proceeds with construction at developer cost; and

(e) Once constructed and accepted by BPA, but prior to being placed in service, assets are transferred to BPA ownership.

Brookfield Renewable, along with many other developers, has hands-on experience constructing stand-alone network facilities in other markets. Attachment A to these comments provides an overview of some of the rules and processes in place in other regions; regions where Brookfield Renewable has successfully executed a self-build of transmission facilities.

Brookfield Renewable recommends that BPA move forward immediately with the necessary revisions to its business practices to facilitate the self-build option. Based on the discussion at the July 9-10th workshops, and the scope of transition plan business practices up for discussion at the planned July 29-30th workshops (see slide below), it is unclear whether BPA views discussion of the self-build option as part of the "Future State" or the "Transition to Future State." Brookfield Renewable strongly recommends that it be part of latter. Brookfield Renewable recommends that BPA either include it for discussion at the upcoming deep-dive workshops or schedule a separate workshop shortly thereafter.

Conclusion

Brookfield Renewable appreciates the opportunity to provide these comments on BPA's Grid Access Transformation proposal. Brookfield Renewable generally supports "Future State" proposal and will provide comments on that proposal in August. As detailed in the above comments, Brookfield Renewable also generally supports BPA's transition proposal,

including its proposed readiness criteria, provision of interim service, planning for virtual points, and creating an effective customer self-build option.

Business Practices needing updates for processing the LTF TSR Queue:

1. NT Transmission Service
   - Add New Large Load treatment.
2. Line and Load Interconnection Procedures
   - Align with NT Transmission Service changes.
   - Other updates to align with current process.
3. Requesting Transmission Service
   - Provide clear list of readiness criteria.
4. TSR Study and Expansion Process (TSEP)
   - Adjust language throughout the TSEP BP to enable implementation of the transition process.
   - Add language to enable issuing different types of agreements at different points in the process.
5. Conditional Firm Service
   - Add Interim Service implementation details.
   - Address treatment of virtual long-term reservation points.
   - Note: this BP update may be on a later timeline.

Attachment A

Option to Build in Large Generator Interconnection Agreements

Executive Summary

The presence of the Interconnection Customer's "Option to Build" stand alone interconnection facilities is a common feature in the interconnection processes of most system operators. The option allows the Interconnection Customer to take responsibility for the permitting of the site, procurement of major equipment and construction of the facility, transferring ownership to the Transmission Owner upon completion of construction. Throughout the process, the Transmission Owner typically maintains several key rights, including the right to provide a list of approved contractors, vendors and equipment manufacturers for the Interconnection Customer to use, as well as required design standards for the Interconnection Customer to meet. The Interconnection Customer is, however, generally granted the ability to request that a Transmission Owner evaluate additional contractors, vendors or equipment manufacturers for acceptability. Overall, the Option to Build facilitates an efficient interconnection of projects to the grid via a strict schedule, and reduces backlogs and delays caused by the capacity constraints of Transmission Owners. Guidance for this process is given in the tariffs of each ISO, and the definition of "stand alone" interconnection facilities was recently clarified in FERC Order 2023-A.

Decision to Exercise Option to Build

In order for an Interconnection Customer to have the opportunity to elect the Option to Build the Transmission Owner must first define what the scope of the "stand alone" network upgrade will be. This definition of a Stand Alone Network Upgrade was clarified and expanded under FERC Order 2023-A, but the Option to Build still requires significant coordination and communication between the Interconnection Customer and Transmission Owner. In the event that a network upgrade is deemed "stand alone" and an Interconnection

Customer decides to exercise their Option to Build, system operators maintain a clear schedule of deadlines that must be met. If a deadline is missed by the Interconnection Customer, it is assumed that they have waived their Option to Build and the Transmission Owner will resume responsibility for the construction of the facilities. If an Interconnection customer elects to exercise the option to build, they shall have the right, but not the obligation, to construct the interconnection facilities. Alternatively, if an Interconnection Customer waives their Option to Build at any time, they do not have the right to later decide to exercise the Option to Build interconnection facilities.

Permitting

As with any construction project, all relevant local, state and federal permits must be obtained, with all efforts and surveys undertaken by whichever entity has ownership of the construction. In the context of the execution of an Option to Build, this would be the Interconnection Customer. In the case of construction for BPA, a federal entity, this would include the surveys, studies and draft documents for the NEPA review process. In this instance, BPA would presumably act as the lead agency, relying on the Interconnection Customer ultimately holding the pen and legal responsibility for the work. In cases where the Interconnection Customer maintains real estate control at the point of interconnection, the option to build could eliminate a duplication of permitting and survey efforts.

Procurement

Generally across all ISO's with an Option to Build, all procurement for major equipment is handled by the Interconnection Customer with guidance and commentary from the Transmission Owner. The Interconnection Customer must choose manufacturers from the list of approved manufacturers or based on clearly defined specifications given by the Transmission Owner, or request that the Transmission Owner evaluates potential alternatives.

Construction

First and foremost, a Transmission Owner must ensure that any entity authorized to perform construction under an Option to Build scenario will have access to their applicable construction standards. The Interconnection Customer is required to provide drawings certified by a professional engineer for any network upgrades being constructed under the Option to Build. Within a set period of time (PJM mandates 60 days from receipt), the Transmission Owner will review and comment on the requisite design submissions. In many instances Transmission Owners have on site representatives to review and/or inspect work throughout the construction process. BPA is presumably very familiar with overseeing independent contractors so this process should be quite similar to the manner in which BPA is operating already.

Transfer of Ownership

Prior to the energization of the site, the Interconnection Owner is obligated to notify the Transmission Owner of the transfer of operational control of the transmission facilities that have been constructed. After successful energization, the Transmission Owner will notify the Interconnection Customer of acceptance of the site and successful energization. At this point, the process to transfer title to the Transmission Owner begins, with various notices being shared, FERC filings, and record of title control ultimately being submitted. This concludes the Option to Build process.

Resources:

- PJM Manual 14C: Interconnection Facilities, Network Upgrades and Construction
    - Section 5: Option to Build
    - Attachment C: Notification Templates
- PJM Manual 14H: New Service Requests Cycle Process
    - Section 8.5.3: Upgrade Construction Service Agreement
    - Section 8.6.2: Option to Build Requirements
    - Appendix C: Notification Templates
- MISO Attachment X: Generator Interconnection Procedures (GIP)
    - Section 7.3.1.4: Interconnection Customer Decision Point I

    - Section 7.3.2.5: Scope of Interconnection Facilities Study
    - Section 7.3.3.5: Interconnection Study Procedures
- ISONE Schedule 22: Large Generator Interconnection Procedures
    - Article 5: Interconnection Facilities Engineering, Procurement and Construction
    - Section 5.1.3: Option to Build
    - Section 5.2: General Conditions Applicable to Option to Build
- FERC Order 2023-A