Grant County
PUBLIC UTILITY DISTRICT
Excellence in Service and Leadership

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Submitted via BPA's Tech Forum (techforum@bpa.gov)

The following comments are subdivided to conform to the Tech Forum notice of July 11.

Non-firm Transmission Service and Roll-Over Rights (§3.b., p. 1 of Preliminary Draft)
Grant asks BPA to clarify the role of existing rights to renew transmission service in its planning studies, to ensure that ROFRs, roll-over rights and rights to extend are all undisturbed due to the offer of new nonfirm transmission services. BPA has stated that forecasted NITS load growth (other than New Network Load above 13 MW) and forecasted new non-federal NITS resources lead to future encumbrances of transmission capacity under current tariff provisions and business practices. Grant understands that existing TSAs, both PTP and NITS, are assumed to be renewed in studies of future conditions, irrespective of the reason for the study (e.g., economic dispatch, available transmission capacity, or reliability). However, Grant is concerned that the full extent of existing TSA rights may not be part of the standard assumptions in BPA's studies, and requests that BPA ensure that future FTSR encumbrances not interfere with PTP roll-over or ROFR rights that were established prior to the subsequent requests that create such encumbrances. BPA should regularly update its assumptions and forecasts regarding roll-over rights and FTSRs by asking relevant customers to update their expectations. Grant requests that BPA identify the circumstances, if any, in which forecasted encumbrances could have priority over then-current long-term PTP roll-over or ROFR rights; Grant expects that no such circumstances exist. Accordingly, Grant asks how PTP Interim service and enhanced NITS will be incorporated into planning studies. Grant also asks BPA to provide FERC standards that support BPA's current and proposed practices in this area.

Combinations of NITS and PTP Service (§5.e., p. 2)
Grant asks BPA to clarify that it follows existing FERC standards that generally prohibit some combinations of PTP service and NITS at a given customer POD. More specifically, which combinations of PTP and NITS service are currently permitted by BPA? How will BPA's discretion on including/excluding "portions of the load at a POD" ensure compliance with FERC standards on combined service?

FTSR/TSR Readiness Criteria (§1.a. , pp. 5-8) and LTF Queue Management (pp. 9-11)

Both Readiness Criteria and Queue Management address commitments by applicants during the process of obtaining new transmission service. Grant generally supports BPA's efforts to increase the financial commitments of entities and the documentation of progress toward offers of service in the TSR queue, to help ensure that BPA's analytical resources can focus on requests that are most likely to result in accepted offers. Applicants should be prepared to provide reasonable demonstrations that their requests for transmission service are increasingly likely to be successful throughout the queue management process based on documented progress on several fronts (e.g., site conditions, financing, and off-taker agreements). Grant encourages BPA to implement all FERC standards in this area (e.g., Order 1920). BPA should remain open to accepting forms of security that provide equivalent assurances to BPA and its customers but are less expensive for applicants.

Service Quality and Service Priorities

Grant requests that BPA clarify how the proposed Interim PTP Service and Enhanced NITS 6NN Service will fit into the existing ranks of service priorities (e.g., ranking of curtailment priorities). More specifically, how will the overall ranking of transmission service qualities change due to the offer of PTP Interim Service and enhanced NITS 6NN service with respect to (a) planning, including queue management prior to commencement of service, and (b) operations, including curtailments and redispatch (choice of locations, amounts of curtailed and redispatched service, durations of such events, and the implications for balancing accounts and/or liquidated damages)? How might the current ranking of service qualities change after the adoption of PTP Interim Service and enhanced NITS 6NN service? How will the planning and operational priorities for Interim PTP Service interact with the corresponding priorities for Conditional Firm PTP Service? How do the priorities for access to short-term firm (STF) during curtailments and redispatch differ across all service types, both currently and after the proposed changes involving PTP Interim Service and enhanced NITS 6NN service? What is the operational priority of Interim PTP Service relative to enhanced NITS service during curtailments and redispatch and for access to available STF? Is that proposed relationship consistent with FERC standards and existing reliability standards, and if so, which specific standards? How will the new enhanced NITS 6NN rights to STF ATC compare with other rights to short-term firm ATC? What is the ranking of new/existing types of transmission service (both PTP and NITS) in all time frames: planning (during queue management) and operations (during curtailments and redispatch)? What rights and obligations do the various types of transmission service, including newly proposed variations, have with respect to the opportunity to fund expansion (e.g., Bridge PTP vs. Assessment PTP vs. existing NITS vs. enhanced NITS), and how do those rights and obligations change under a new paradigm? How will BPA ensure that system conditions that trigger curtailments and redispatch are comparable and not unduly discriminatory across all affected service types?

Transition to Firm Service

Grant requests that both Interim PTP and Enhanced NITS 6NN service be firmed up as possible over time based on future investments on the grid and other effects on flows, including both durations and conditions. Assuming that both PTP Interim Service and enhanced NITS service are nonfirm during all hours, Grant expects that both services' exposure to curtailment and redispatch could shrink over time as grid capacity grows, and that some hours or conditions would not trigger curtailments and redispatch even if all hours are not available on a firm basis. Grant requests that BPA update expectations regarding curtailments and redispatch of PTP Interim Service and enhanced NITS on a regular basis, with as much notice of change as possible, if such events could affect the operation of non-federal resources owned by or contracted to Interim PTP and enhanced NITS service. Grant asks that BPA clarify how PTP Interim Service and Enhanced NITS can mature into firm service in general as changes on the grid occur. As a general rule, the conditions under which Interim PTP service and enhanced NITS service can convert to firm service should be the same (e.g., both should retain placeholder positions in the queue for later studies that would enable a transition to firm service).

FERC Standards

Grant asks that BPA clarify how the proposed reforms are consistent with FERC standards. For example, which FERC standards apply to the creation by BPA of "placeholders" for enhanced NITS in the queue for later study? What industry standards already adopted in other regions and approved by FERC does BPA consider relevant to the topics addressed in the new language as of 7.29.25 (as may be enabled through business practices or tariff revisions)?

Pricing of Nonfirm Transmission Service

Grant asks that BPA reconsider the pricing of Interim PTP Service and Enhanced NITS 6NN Service. Charging rates for nonfirm service that are equal to the rates for firm service would interfere with efficient dispatch, because the marginal cost of transmission service is limited to line losses and is unrelated to the embedded cost of service. BPA should take this opportunity to reset rates for nonfirm transmission at levels that will minimize redispatch. Further, greater reliance on nonfirm transmission service (both interim PTP and enhanced NITS 6NN) means that customers will need back-up plans (e.g., local storage and/or demand response, the ability to rely on alternative power supplies during transmission curtailments and redispatch, and instruments to manage the financial risk of transmission curtailments/redispatch and reliance on secondary power supplies). BPA can support these management decisions by its customers to help minimize the cost to end-users, e.g., by improving information in advance (extent, timing, and duration of expected curtailments/redispatch).

Relationship to Redispatch in Day-Ahead Markets

BPA should adopt a system to minimize and recover any additional cost of generation redispatch driven by the curtailment of nonfirm transmission service. The addition and growth of Interim PTP and Enhanced NITS should be explicitly tied to redispatch in day-ahead markets, rather than relying on new and/or temporary tracking of redispatch costs. Day-ahead markets (DAMs) should help effectively manage the financial

consequences of curtailments and redispatch of Interim PTP and Enhanced NITS, given that market operators will be dispatching and redispatching generation anyway. Least-cost redispatch triggered by curtailment of nonfirm service may or may not cause incremental generation costs, and the recovery of any additional generation costs should reflect conditions in real-time on the grid, including congestion, not historical or contractual patterns of cost responsibility, and not traditional transmission rights. Given the prospective implementation of DAMs, BPA should avoid setting up a parallel or competing redispatch structure for Interim PTP and Enhanced NITS. In short, BPA should use the proposed offer of additional nonfirm service as a significant, meaningful and substantive step toward DAMs, which can and should provide price signals for customers and suppliers to manage curtailed and redispatched take-or-pay obligations on a non-discriminatory basis with growing reliance on congestion pricing and congestion rents that will eventually replace traditional transmission contracts and embedded cost, contract-based transmission pricing.

Thank you for the opportunity to participate in these discussions; we look forward to the continued exchange of ideas and perspectives during this process.

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