



August 15, 2025

Bonneville Power Administration
By e-mail to: techforum@bpa.gov

Re: NIPPC/RNW Comments on BPA's proposed GAT Transition Business Practices

I. BACKGROUND

The Northwest & Intermountain Power Producers Coalition ("NIPPC") and Renewable Northwest ("RNW") submit the following comments in response to the Grid Access Transformation ("GAT") workshops on July 29 and 31, 2025 ("the Workshops").

NIPPC and RNW offer these comments on the understanding that the materials discussed during the Workshops are intended to enable BPA to resume processing transmission service requests. In August 2024, BPA "paused" processing of all transmission service requests because of unprecedented participation in the Transmission Service Expansion Planning ("TSEP") process. The sheer volume of requests that customers submitted into the 2025 TSEP precludes BPA from conducting a cluster study on any reasonable timeline. To avoid processing requests out of queue order, BPA has had to pause processing of all long-term transmission service requests, including redirects. NIPPC and RNW fully support the near-term development and rapid implementation of a mechanism that will allow BPA to resume processing of transmission service requests, especially redirects with *de minimus* impacts. NIPPC and RNW appreciate the urgency with which BPA has approached the development of the transition mechanism described during the Workshops. NIPPC and RNW recognize that to quickly resume processing of transmission service requests, BPA is limited to implementing near term reforms through business practices that are consistent with the language of the existing transmission tariff and transmission rates. The resulting transition business practices may not be ideal, but likely represent the best possible short term solution pending formal reforms to the tariff and rates as part of the Future State of GAT. NIPPC and RNW thank BPA for offering creative solutions to fill near-term transmission service needs while working towards a Future State that improves upon the existing paradigm.

II. GENERAL COMMENTS

NIPPC and RNW continue to support a rapid timeline for development of a transition mechanism through business practices as a preliminary step towards a Future State that implements further reforms through tariff and rate modifications. Much of this urgency stems from members' desires to resume processing of redirects with *de minimus* impacts as soon as practicable.

NIPPC and RNW understand that the draft business practices discussed during the workshops are intended as a temporary solution and will be replaced as new tariff terms and conditions and rates become effective. Once those new provisions become effective, NIPPC and RNW anticipate that BPA will terminate these transition business practices and conform service granted under them to the new tariff terms and conditions and rates developed for the Future State. NIPPC and RNW also agree that the changes embodied in the GAT transition business practices, including offers of Interim Service, must be non-discriminatory and consistent with FERC's open access requirements. As BPA and customers gain experience operating under these transition business practices, NIPPC and RNW anticipate that BPA will revisit these business practices – especially the readiness criteria – to ensure that they are meeting the needs and expectations of BPA and customers and align with the reality of resource procurement processes in our region.

NIPPC and RNW continue to agree with BPA that a fundamental shift in how BPA expands the transmission system is necessary to meet customer, constituent, and market needs while being responsive and aligned with BPA's obligations. NIPPC and RNW strongly support many of the reforms BPA has proposed. NIPPC and RNW support the proposal to require customers to demonstrate commercial readiness as part of a completed application for transmission service under these transition business practices. NIPPC and RNW suggest BPA format the language presented during the Workshops as a single business practice. We also recommend that the title of this consolidated business practice reflect that the language represents a transition from TSEP to GAT. In addition, NIPPC and RNW make the following general recommendations:

- Describe which transmission service requests will be subject to these transition business practices. Currently, applicability of the readiness criteria and eligibility for Interim Service use different language in different locations. If BPA intends to apply readiness criteria and offer Interim Service to the same requests, BPA should use the same language;

- BPA should clearly state that these transition business practices will apply only on an interim basis and that upon implementation of new tariff terms and conditions and revised rates, BPA intends to conform service offered under these provisions to the provisions developed for the GAT Future State.

Some stakeholders have urged BPA to extend the timeline to implement the GAT transition business practices. NIPPC and RNW note that these comments are in response to “pre-draft” business practices that BPA has provided well in advance of kicking off the formal business practice review process. NIPPC and RNW are confident that the standard business practice review timeline (which has not yet begun) will provide sufficient remaining opportunity for customers to raise any additional concerns with the proposed business practices. If a stakeholder does raise specific issues that BPA agrees warrant additional stakeholder engagement (including any concerns or counterproposals raised in these comments), NIPPC and RNW encourage BPA to establish a revised timeline that is no longer than necessary to address the discrete issue(s) that BPA feels need to be addressed.

III. SPECIFIC COMMENTS

a. Network Integration Service New Network Load

No comments

b. Network Integration Transmission Service Line and Load Requirements

No comments

c. FTSR/TSR Data Validation Readiness Criteria

NIPPC and RNW offer the following recommendations related to Readiness Criteria:

- Add a separate section that describes the transmission service requests that will be subject to Readiness Criteria for the transition phase with as much specificity as possible.
- NIPPC and RNW support the proposal to apply readiness criteria to Forecast Transmission Service Requests (“FTSRs”) and Transmission Service Requests (“TSRs”) that have not been studied or have not yet signed agreements to support transmission projects. NIPPC and RNW understand that previously studied requests that have executed a Preliminary Engineering Agreement or an Environmental Study Agreement will not be required to demonstrate commercial readiness. NIPPC and RNW note, however, that some requests from earlier study cycles have not been

granted service due only to sub-grid constraints. NIPPC and RNW recommend that only transmission service requests queued for the 2023 TSEP (or later) should be subject to the new readiness requirements.

- NIPPC and RNW agree that transmission requests associated with new generation resources under development are likely not ready to take immediate service and that a customer should be able to demonstrate appropriate progress through the generator interconnection queue (assuming such generator is interconnecting on BPA's system) as a condition to requesting transmission service during the transition. We note, however, that BPA has proposed to require a customer to have completed Phase 2 of the generator interconnection transition cluster study in order to qualify to submit a valid request for transmission service. First, we recommend adding parallel language for customers in the serial transition process. We also note that by requiring a customer to have completed Phase 2 of the generator interconnection transition cluster in order submit a request, customers will lose one option under the recent interconnection reforms to avoid posting security for their interconnection Network Upgrades (reasonable evidence of transmission service reservation for the Generating Facility). BPA should consider whether customers who participate in Phase 2 of BPA's interconnection Transition Cluster should qualify to submit transmission service requests under these proposed transition business practices.
- NIPPC and RNW support the proposal to require customers to provide evidence of "transaction maturity".
 - We appreciate that BPA has proposed allowing customers the option to provide security in lieu of evidence of demonstrating a bilateral agreement. This addition, while imposing new costs on prospective customers, was essential for the support of independent power producers and marketers for the overall direction of this initiative. BPA repeatedly noted during the Workshops that the security requirements in this section to establish readiness are independent of the security requirements required to provide financial security for the expansion as described in the **LTF Queue Management** section at Page 9 of the materials. The security requirements in the LTF Queue Management section apply regardless of how a customer demonstrates commercial readiness and are intended to provide BPA with a guaranteed revenue stream to support construction of plans of service. In that context of LTF Queue Management, NIPPC and RNW do not oppose security in an amount representing five years of service, which may be reasonable depending on the Plan of Service the customer needs. BPA,

however, should consider establishing a lower security amount for purposes of establishing commercial readiness. For purposes of demonstrating commercial readiness through the posting of security, NIPPC and RNW suggest BPA require security representing the revenue from one year of service under the request. If BPA determines that a customer needs construction pursuant to a Plan of Service to enable the request under the LTF Queue Management section, BPA would provide the customer with notice that additional security was necessary.

- BPA should also consider establishing different tiers of security requirements based on BPA's actual exposure to risk. As BPA's risk increases, BPA could require more robust securitization commitments from customers. See the proposal below in the section related to Long Term Firm Queue Management.
- Given the challenges associated with executing a binding power sales agreement in advance of securing transmission service, NIPPC and RNW recognize that as buyers and sellers adapt to this transition, most customers will likely rely on security to establish commercial readiness.
- Accordingly, NIPPC and RNW are concerned that some of the proposed readiness criteria may be subject to manipulation and "gaming".
 - A letter of intent is generally not a binding agreement between the parties. A letter of intent is merely a framework for parties to work towards a binding agreement. To avoid submitting security for their transmission service request, customers will have an incentive to use a letter of intent to show commercial readiness even if they do not have a binding agreement. Accordingly, if BPA intends to allow customers to rely on a letter of intent, NIPPC and RNW recommend BPA impose reasonable limits on the duration of the letter of intent [90 days though possibly as long as one year]. Upon expiration of the term of the letter of intent, BPA should require the customer to provide either evidence of the binding agreement, post security, or meet separate criteria that BPA may adopt in this initiative (including those proposed below);
 - Similarly, a customer who participates in an RFP and makes the buyer's short list should be required to notify BPA of its progress towards execution of an agreement. In the event a customer on an RFP short list does not execute an agreement within a reasonable time, the customer should withdraw its request, or post security. NIPPC and RNW note that the execution of an agreement is

dependent on an offtaker's final decisions that are also influenced , in the case of a regulated utility, by the state regulatory commission.

- Customers should have the ability to redact sensitive commercial terms from the evidence they offer to establish commercial readiness. BPA should also consider providing customers with a form non-disclosure agreement or confidentiality agreement that BPA will execute to assure customers that their confidential information will not be disclosed;
- BPA should expand the types of security BPA will accept in support of commercial readiness to include surety bonds;
- Additional Commercial Readiness criteria:
 - BPA should accept evidence that a customer has executed an LGIA as evidence of commercial readiness;
 - BPA should accept a Network Customer's attestation that it intends to identify a generator as a Designated Network Resource as evidence of commercial readiness;
 - BPA should accept evidence of an executed Long Term Firm Service Agreement (Point-to-Point or Network) with a non-BPA transmission provider that connects to the Point of Receipt or Point of Delivery of the Transmission Service Request on BPA's system;
 - NIPPC and RNW would consider supporting additional mechanisms for customers to demonstrate commercial readiness.
 - BPA should also consider adopting measures to eliminate "queue flooding" by customers. For example, BPA could implement a concurrent feasibility standard to eliminate duplicative requests submitted by a customer associated with a generation resource on BPA's system. The total long-term transmission service requests associated with a generator could be limited to the MW of the generator's interconnection service.
- Because they do not require the same level of commitment by the customer to take service, NIPPC and RNW would not support the following to be considered adequate demonstration of commercial readiness:
 - A longer term of service beyond 5 years without security;
 - Participation in a generator interconnection study process (short of execution of an LGIA);
 - Submission to a request for proposal;
 - Active negotiations towards a bilateral agreement;

- Early stage minimal construction activity (e.g., site control, equipment procurement, ground clearing).
- NIPPC and RNW support the proposal to require a customer who submits a request for point-to-point transmission service to a point of delivery that serves only Network Transmission Service customers to provide an attestation from the Network Transmission Service customer that it intends to use point to point service to serve a portion of its load. (Sec. 2.c).
- NIPPC and RNW generally support the proposals related to treatment of NWHUB and MIDCREMOTE (Sec. 2.d and Sec. 2.e), but do have concerns:
 - Customers should have the ability to request service with a start date more than 180 days in the future from the date of the transmission service request.
 - For requests that are longer than 180 days but less than 360 days in the future, BPA could request an increase in the amount of security (assuming BPA revises its proposal and scales the security requirement from customers as discussed below).
 - NIPPC and RNW may be able to support the limitations on service to and from NWHUB on a temporary basis for the duration of the transition period; NIPPC and RNW will probably not be able to support similar limitations if BPA proposes them as part of the Future State with particular concern regarding the limits on the start date and BPA's refusal to develop a plan of service to enable long term firm service from the market hub to support imports or exports.
- NIPPC and RNW support the proposal in Sec. f. to require customers requesting transmission service to enable imports, exports, or wheeling transactions to demonstrate upstream and downstream transmission rights on neighboring transmission systems. As noted above, NIPPC and RNW believe that evidence of upstream and downstream transmission service agreements should be acceptable evidence of commercial readiness.

d. Long Term Firm Queue Management

NIPPC and RNW offer the following recommendations related to Long Term Queue Management:

- NIPPC and RNW support the proposal in Sec.1. in which BPA will evaluate transmission service requests to determine whether BPA can offer service on the existing system. NIPPC and RNW also agree that if BPA determines a request for

service needs a project identified in a previous study, then the customer should execute the appropriate agreement.

- However, if a customer needs only transmission upgrades identified in a previous study to enable its transmission service request and those upgrades have successfully advanced through the Evolving Grid process, BPA should consider whether it can release that customer's security. If BPA has already established a business case for a plan of service through the Evolving Grid process, then BPA should not need customers to securitize an incremental revenue stream to BPA. In the case where BPA has determined that the business case does exist to build facilities without full subscription, BPA should consider releasing the security posted by customers who need only service on Evolving Grid projects. If BPA determines that a customer needs a plan of service that has not been approved in the Evolving Grid process, NIPPC and RNW agree that BPA should retain security to support those non-Evolving Grid upgrades.
- NIPPC and RNW generally agree that BPA should draw on security posted by customers who submit requests, but do not fully execute agreements offered by BPA. In some instances, however, delays outside of the customer's control or that may be wholly within BPA's control may cause a customer to terminate its request. In those cases, customers should not face loss of their full security. Accordingly, NIPPC and RNW urge BPA to consider scaling the customer's risk of losing its security to the investment BPA has made in new facilities. For example, if the customer terminates its request, BPA would draw on the security only to the extent it has begun construction of upgrades identified in the customer's plan of service. Alternatively, the customer's security at risk could escalate at different benchmarks based on BPA's investment in the system. BPA should consider whether there are other circumstances in which it would be reasonable to refund security to customers who withdraw their requests.
- NIPPC and RNW encourage BPA to carefully evaluate the quantity of security a customer must post under Section 4.
 - BPA proposes to require customers to post security in the amount of five years of revenue from the customer's request. NIPPC and RNW urge BPA to consider whether it can accept a lower amount of security. Under BPA's proposal, customers would be required to post \$122,580/MW under BPA's current rates. Members have advised that this level of security is significantly higher than the amount of security that customers must post in other regions to provide security for interconnection upgrades. We understand that the highest security commitment in the country is currently \$24,000/MW for MISO's M2 process. If BPA adopted a requirement for customers to post

security in the amount of one year of revenue, the security amount would equal \$24,516/MW. Accordingly, we encourage BPA to consider requiring customers to post security in the amount of one year of service as demonstration of commercial readiness.

- BPA should also consider refining the quantity of security to be commensurate with the risk to BPA based on the preliminary plan of service;
 - If the plan of service is limited to service on existing facilities, on Evolving Grid projects, or requires only minor upgrades, then the security could be based on the revenue associated with one year of service;
 - If the plan of service requires major additional upgrades, the security could escalate based on the actual risk to BPA up to an amount equivalent to five years of revenue.
- BPA should also consider whether a customer should be required to post a minimum amount of security for purposes of meeting the commercial readiness requirement.
- BPA proposes to require customers to provide a deposit or letter of credit as security. NIPPC and RNW encourage BPA to accept oBPA other forms of security including surety bonds.
- NIPPC and RNW agree that a customer that has provided security in support of more than one contract or transmission service request must maintain all agreements in “good standing”;
 - BPA however, should consider providing more detail regarding its definition of “good standing” to eliminate any ambiguity;
 - BPA should also clarify that when a customer has provided security for more than one agreement, but falls out of “good standing” on one of those agreements, BPA will not draw on the security for all of the customers’ agreements but only on the security associated with the agreement that is no longer in “good standing”

e. Interim Service: Conditional Firm & Enhanced NITS Priority 6

NIPPC and RNW offer the following recommendations related to Long Term Queue Management:

- BPA’s proposed interim service represents a significant deviation from expectations in the current market related to the characteristics of Conditional Firm Service (“CFS”). Not all load serving entities in the region are willing to accept CFS even in

its current form; yet BPA is proposing a new flavor of CFS that is even more likely to be curtailed than “traditional” CFS.

- The proposed Interim Service is CFS but with no limitations to the number of hours or system conditions that may trigger curtailment. Many members of NIPPC and RNW share a concern that load serving entities in the region will not accept transactions based on Interim Service. At the same time, many members also recognize that offers of Interim Service prior to completion of a study may be the only mechanism that allows BPA to resume processing transmission service requests.
- The Interim Service product will be valuable to members of NIPPC and RNW only if load serving entities are willing to enter into wholesale energy transactions (either long term power purchase agreements or shorter-term merchant transactions) that rely on the Interim Service transmission product. At this point in time, there are no clear signals from load serving entities or commercial and industrial load customers whether they will find Interim Service acceptable. We anticipate that customers who are seeking dispatchable capacity resources are less likely to accept Interim Service than customers who are seeking a portfolio of geographically diverse lower capacity factor renewable generation.
- NIPPC and RNW understand that the current proposal for Interim Service represents the extent to which BPA can reform its product offerings under the current tariff and rate provisions; we anticipate that the stakeholder process for the Future State of GAT will include tariff amendments and rate provisions that may lead to further evolution of the Interim Service product.
- NIPPC and RNW urge BPA to confirm that BPA will conform the Interim Service product offered through the transition business practices to the Interim Service product(s) that are eventually developed for the GAT Future State.
- NIPPC and RNW also share concerns regarding the impact of an Interim Service offering to customers with existing conditional firm service agreements. BPA’s existing conditional firm service agreements contain specific terms under which BPA can curtail the customer’s service which can consist of either a specific number of hours of curtailment per year or congestion across specific flow gates on BPA’s system. Many members of NIPPC and RNW are concerned that sales of significant quantities of Interim Service will degrade their current conditional firm service. NIPPC and RNW understand that the magnitude of impacts to existing conditional firm service agreements will depend on how many customers submit transmission service requests into this transition process and how many customers are willing to accept the Interim Service product. Previously, BPA has shared high

level graphics demonstrating that CFS is rarely curtailed across many of BPA's flow gates. NIPPC and RNW encourage BPA to provide an analysis of how curtailments across those flow gates would change based on different levels of sales of Interim Service.

- NIPPC and RNW understand that Interim Service would retain all the characteristics of other forms of transmission service (assuming other requirements are met), including rollover rights, and the ability to transfer or reassign the rights to other customers.

NIPPC and RNW also ask BPA to clarify specific elements of the proposed Interim Service:

- Sec. 2.c. states that all offers are for Bridge CFS (unless involving NWHUB); but Sec.2.d describes offers of CFS Reassessment. What transmission service requests would qualify for CFS Reassessment. Would this be limited to requests to or from NWHUB? Or are there other requests that would qualify for CFS Reassessment?
- Please clarify the consequences to customers in the event they fail to meet a requirement to continue to 7-F service. Are those customers removed from the queue pursuant to Section 2.e., or are those customers converted to Conditional Firm Reassessment? Similarly, please describe customers' options in the event BPA decides not to build. In that case, NIPPC and RNW encourage BPA to allow customers the option to terminate their service without penalty or convert their Interim Service from Bridge to Reassessment.
- In Section 3.b., BPA proposes that previously studied TSRs that can meet the "current validation criteria" will be eligible for Interim Service offers. Does "current validation criteria" refer to the proposed FTSR/TSR Data Validation Readiness Criteria set forth in these draft business practices or does it refer to some other validation criteria? Please clarify.
- In section 3.b., does BPA intend to allow (but not require) customers who have TSRs that have been studied to request consideration for Interim Service if they meet the "current validation criteria"? If so, what is the mechanism that customers would use to communicate this interest to BPA?
- In Section 3.c.2., BPA proposes to require customers to provide financial security for the expansion of the transmission system. NIPPC and RNW agree that in instances where a customer needs a new expansion of the grid to enable its requested service, then it is appropriate for BPA to request security. In cases where, however, BPA has already approved a business case to pursue an expansion of the grid based on its Evolving Grid criteria, BPA will have already committed to the upgrades without relying on revenue from additional customers. If a customer's identified

plan of service consists exclusively of projects that BPA has already decided to develop, NIPPC and RNW suggest that BPA should not require that customer to post financial security to secure revenue that BPA has not relied upon.

IV. QUESTIONS

If one of BPA's preference customers elects to serve a portion of its load through Interim Service, will curtailment of the interim transmission service expose the preference customer to Unauthorized Increase Charges (UAI) under the Regional Dialogue contract? BPA should consider explaining in the business practices the circumstances under which a BPA power customer will (or will not) be subject to UAI for curtailment of Interim Service.

Do the limitations and requirements for FTSRs/TSRs with a POR or POD of NWHUB (Sec. 2.d.) apply to FTSRs/TSRs associated with transmission service requests for generation facilities or load outside of BPA's balancing authority area (Sec. 2.f.)? Specifically, would a TSR from NWHUB to a load outside of BPA's balancing authority area be subject to the timing and other limitations of Sec.2.d? If so, why?

Would BPA consider reducing the amount of security required to demonstrate commercial readiness to the estimated revenue associated with one year of service?

Will BPA consider releasing customer security when the customer's request requires only plans of service that BPA has already decided to construct?

What, if any, deferral rights will a customer have to delay commencement of service of the Interim Service product? Or does BPA intend that requests for extension of the commencement of service are not available for the transition phase of GAT? Would BPA consider allowing customers to defer service in response to delays in construction of Network Upgrades or third-party upgrades identified in the customer's generator interconnection study?

How does BPA intend to manage sub-grid issues as part of the transition phase of GAT? Will BPA offer a customer Interim Service even if BPA identifies sub-grid issues? Or does BPA intend to include sub-grid issues among the system conditions that would trigger curtailment of Interim Service?

V. CONCLUSION

Thank you for the opportunity to submit these comments. NIPPC and RNW appreciate BPA's continued engagement with stakeholders and look forward to collaborating further on this important initiative.