

August 15, 2025

Submitted via techforum@bpa.gov

**Re: Northwest Requirements Utilities Comments in Response to BPA's July 29-30 GAT
Project Deep Dive Workshops**

Northwest Requirements Utilities ("NRU") appreciates the opportunity to provide these comments in response to BPA's July 29-30 deep dive workshop ("Workshop") to discuss certain reforms BPA has proposed as part of its Grid Access Transformation ("GAT") project. NRU represents the interests of 58 Load-Following preference customers and one generation and transmission cooperative, all of whom depend on Network Integration Transmission Service ("NITS") contracts with BPA for reliable load service. NRU and its members have a vested interest in the underlying policies and process that BPA uses to plan its transmission system in response to NITS customer load and resource forecasts.

General Comments

Before addressing substance, we first wish to express appreciation to BPA staff for their time and commitment to the GAT project. The scope is vast, and the pace is swift. We commend BPA for allocating the necessary resources to execute such an impactful initiative. Developing content to support multiple robust, full-day stakeholder meetings in the span of a single month demonstrates BPA's prioritization of meaningful engagement, and so we reiterate our thanks to BPA for its commitment to addressing transmission customer needs.

Along these lines, NRU supports the current pace of the GAT Project and encourages BPA to continue to proceed quickly to implement the near-term reforms. NITS customers, including NRU members, must have certainty as to how BPA will plan its transmission system in response to current and forecasted loads and resources. We therefore disagree with calls for BPA to slow the GAT Project and would oppose BPA delaying implementation of its proposed near-term reforms, at least as they relate to NITS, absent additional justification from BPA.

In addition, NRU respectfully requests that BPA establish and communicate the metrics it will use to determine success of the GAT Project. Given the regional significance and BPA resources committed to its execution, we submit that the region as a whole would benefit from transparency regarding how BPA intends to measure success. Additionally, metrics can help course correct along the way, to the extent necessary.

Below, we describe the aspects of BPA's proposals that we support and those for which we have concerns or seek additional clarification, under the same general topic headings as BPA presented them.

NITS Forecasting

NRU does not oppose BPA's proposal to modify its current definition of "New Network Load" to include increases of 13 MW or greater than the previously submitted LaRC forecast for that same year. We acknowledge that BPA has indicated that establishing this New Network Load definition would enable it to more quickly process and encumber firm transmission capacity for load growth that does not meet the definition of New Network Load. Doing so would meet a significant portion of NRU members' needs on a long-term basis and would also free BPA resources to prioritize more urgent transmission planning issues.

However, we have concerns with BPA's proposal to apply this New Network Load definition at the Point of Delivery (POD) level. We agree with comments submitted by the NT Customer Group regarding the varied circumstances that NITS customers face with their respective PODs, and support the concerns raised over the application of a broad-brush policy of identifying such discrete loads. Specifically, BPA's proposed reform (section 6.b.i of the NITS New Network Load section) indicates that BPA may use its discretion to exclude "a portion of the load at a Point of Delivery" based on a variety of factors such as "the types of load served by the Point of Delivery, available metering, and any material change to the load or types of loads served."

Though we appreciate and support BPA's interest in allowing for nuanced evaluations, we suggest that applying the definition on a more granular basis—such as at the meter or facility level—at the outset will enable BPA to avoid case-by-case evaluations of various POD situations and potential challenges over BPA's use of discretion. It is also our understanding that any loads that meet the New Large Single Load definition under the Northwest Power Act, which we would generally expect to also qualify as New Network Load under BPA's proposal, are already metered at the individual facility level. To the extent BPA can leverage this existing dynamic to narrow the New Network Load definition, we would be in complete support.

We also request additional clarification on the applicability of the New Network Load policy to forecasted resources. For instance, section 1 of BPA's proposed NITS New Network Load section states that a forecast for a new resource would subject to a Needs Assessment review. Beyond the lack of a definition of "Needs Assessment", we seek clarity as to the scope of this provision. In previous stakeholder meetings, BPA staff indicated that all forecasted load increases that did not qualify as New Network Load would be encumbered for and provided long-term firm transmission capacity (through BPA's System Assessment process or otherwise), *irrespective of the resource*. Accordingly, we request that BPA confirm whether these previous

indications remain valid, or, instead, whether BPA will subject the firm encumbrance of a non-New Network Load to an evaluation of the particular forecasted resources of the NITS customer.

Lastly, we request that BPA clarify whether, and if so how, the modification to the definition of New Network Load would apply to load served outside of BPA's balancing authority area ("BAA") (i.e., Transfer Service customers). We note that the proposed language appears to apply to all NITS customers, including Transfer Service customers. If this is BPA's intent, we note that a Transfer Service customer serving load in another BAA may have a single POD at the interface with BPA's transmission system and host utility but serve load at various PODs distributed across the host BAA's transmission system. Application of the New Network Load definition at a POD that serves as an interface with an adjacent transmission provider for Transfer Customer load service may present unanticipated impacts, both to Transfer Service customers and BPA.

Readiness Criteria

In general, NRU supports BPA's proposals regarding readiness criteria. Ensuring that BPA prioritizes planning for and serving those customers with service requests that are "mature" is a prudent use of BPA's scarce transmission resources and will ensure that those most ready to take service will be able to receive service in a timely fashion. This approach will ensure a more efficient integration of new resources and loads and minimize delays caused by waiting on parties that are not ready to move forward. Moreover, requiring requesting customers to demonstrate that they have secured a purchaser for their energy or are in active negotiations through a letter of intent will allow load serving entities to help influence the transmission needs for which BPA would construct new facilities.

However, we request BPA clarify the specific milestone of the line/load interconnection process that would be required for BPA to evaluate and encumber capacity on behalf of a NITS customer's forecast. Section 7.b of the NITS New Network Load proposal states that "BPA cannot evaluate long-term firm service needs without a valid line/load interconnection plan of service – result of a Line & Load Interconnection Facilities Study (LLIFS)", which would require that the customer has simply completed the Facilities Study. In section 2.ii of the Readiness Criteria proposal, however, BPA states "For line/load interconnections in BPA's balancing authority area, if the required facilities are new or involve expansion of existing facilities, and assuming customer contract execution is required, contract has been fully executed." NRU requests that BPA clarify which specific contract is required to have been executed in order to meet BPA's readiness requirements, as well as how that readiness criteria relates to the requirement above that only the LLIR Facilities Study must have been completed in order for BPA to evaluate the NITS New Network Loads for transmission capacity.

In addition, as noted above, we request that BPA clarify the applicability of the proposed readiness criteria to Transfer Service customers serving load outside of BPA's BAA. We note that section 2.a.ii of the Readiness Criteria proposal (regarding evidence of line/load interconnection

agreements) appears to apply only to “line/load interconnections in BPA’s balancing authority area.” Additionally, section 2.f.i of the same section states that for load outside of the BPA BAA, “the load location must be electrically connected to BPA’s POR/POD).” Additional details on these readiness criteria and their applicability to Transfer Service customers would be appreciated.

One additional observation, as it relates to the proposed readiness criteria, is that BPA appears to be placing the ability of transmission customers to secure transmission service directly on the effectiveness of its interconnection queue processes. Relevant to NITS, customers with New Network Loads will be unable to be evaluated for transmission service until such time as they have proceeded through the line/load interconnection study process and a plan of service has been identified (according to proposed section 7.b of the NITS New Network Load section). To the extent that BPA’s line/load interconnection queue becomes inundated with load interconnection requests that create delays in being studied, which we view as a legitimate risk, this could severely impede those NITS customers from being evaluated for transmission service or meeting the proposed readiness criteria, through no fault of their own. This is especially true as, to our understanding, BPA currently processes its line/load interconnection queue on a serial, first-come-first-served basis.

We want to call attention to this risk as BPA allocates its resources across the various queues that it manages. We note on the generator interconnection process, BPA recently announced a delay in completing its Phase 1 cluster study by approximately 5 months. Subjecting access to BPA’s transmission capacity to the outcomes of these other queues presents considerable risk if the processing of these other queues experiences delays or is not efficient. We urge BPA to consider this relationship as it establishes its readiness criteria and consider situations where a customer cannot meet the readiness requirements through no fault of its own.

Long-term Firm Queue Management

NRU generally supports BPA’s Long-term Firm Queue Management proposals, in that BPA should quickly move to contract those unstudied requests and LaRCs to interim service and/or required transmission upgrades, whether existing Evolving Grid projects or projects identified through prior cluster studies. Such an approach, following the implementation of the proposed readiness criteria, will allow BPA to efficiently provide the requested transmission capacity and reduce the size of its unstudied long-term transmission queue.

However, we request that BPA modify its proposed financial security requirement as it pertains to NITS customers in three ways. First, we discourage the use of the NITS customer’s Network Load on the hour of the Monthly Transmission System Peak Load as the determinant for returning a NITS customer’s financial security, as BPA proposes in section 8.b of the LTF Queue Management document. Requiring that the NITS customer’s total load increases by at least 50% of the requested capacity of the FTSR(s) that drove the transmission upgrade may obfuscate the

actual activity of the specific New Network Load that drove the transmission upgrade, such that the customer will not receive its financial security when the New Network Load itself increases as forecasted. This could occur when load elsewhere on the NT customer's transmission system decreases at the same time that the New Network Load increases but would not be captured by BPA's proposed methodology. We request that BPA revise its proposal to rely on a more granular determinant to return financial security, such as at the facility or meter level of the New Network Load. This approach would mirror our request described above for BPA to apply its New Network Load threshold at a level more granular than at the POD.

Second, we request BPA revise its proposal and exempt NITS customers from the financial security requirement in circumstances where the NITS customer may require transmission upgrades driven not by New Network Load, but instead due to the forecasting of a new resource. We understand that such a situation would not necessarily result in new BPA revenues as would New Network Load, and so we are uncertain what BPA would be securing against. These situations could arise from an NT customer seeking to switch its designated resources, or in instances of resource retirements and replacements, and so we question the logic of applying a financial security requirement based on increased revenues.

Lastly, we urge BPA to consider circumstances where retaining the current financial security requirement, which corresponds to the customer's pro rata share of the project costs, would be prudent. Specifically, we would oppose the use of BPA's proposed financial security requirement in situations where the transmission upgrade(s) have a poor benefit-to-cost ratio and where security in an amount equal to 5 years of revenue would fail to equal the total cost of the network upgrade(s). For these situations we would encourage BPA to continue requiring the customer to provide financial security that is commensurate with the costs of the project, to avoid the risk of cost shifts to other transmission customers if the customer ends up not taking service.

Interim Service

We agree with the comments of the NT Customer Group regarding Interim Service. Most importantly we appreciate BPA's efforts to provide NITS customers with equal access to short-term firm transmission capacity as PTP customers. BPA's earlier proposal did not afford this parity, and so we again express our thanks to BPA for finding ways to improve access for NITS customers. Although NRU remains concerned about BPA's continued reliance on secondary network service for serving load in a day-ahead market given the related potential for increased financial risk exposure and lack of congestion rent allocation, we believe this service can satisfy the near-term needs of New Network Loads.

However, despite the meaningful improvement to the original proposal, we respectfully request that BPA continue to explore an additional enhancement to NITS customers' access to short-term firm transmission capacity, in the context of its tariff obligation to plan for the load growth reasonably forecasted by its NITS customers. Specifically, in Order No. 888 FERC stated:

“We conclude that public utilities may reserve existing transmission capacity needed for native load growth **and network transmission customer load growth reasonably forecasted within the utility’s current planning horizon.**” (emphasis ours)

In consideration of this principle, it is NRU’s understanding that BPA can reserve existing transmission capacity, including short-term firm transmission capacity, to meet NITS customers’ reasonably forecasted load growth. And under the GAT Project, BPA proposes to implement readiness requirements to ensure that NITS customer load forecasts are sufficiently mature such that BPA would plan its transmission system—i.e., reasonable.

We therefore encourage BPA to take whatever steps necessary to reserve existing transmission capacity (in this case short-term firm capacity) for NITS New Network Loads before releasing such capacity to others. Not only would this adhere closer to the abilities of a transmission provider to plan for its network transmission customers under the construct FERC set forth in Order No. 888, but increasing the opportunity of NITS customers to access short-term firm capacity would, in such instances, qualify for congestion rent in the proposed day-ahead market.

Conclusion

As we stated at the outset, we greatly appreciate BPA’s focus on and engagement with the GAT Project, and the detailed proposals that BPA staff shared at the Workshop. Subject to the concerns and requests for clarification above, we fundamentally believe BPA is headed in the right direction and generally support most of what BPA has proposed. We look forward to future engagements and remain committed to working with BPA as the GAT Project proceeds forward. If you have any questions related to these comments, please don’t hesitate to contact us.

Sincerely,

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