



August 15, 2025To: Techforum@bpa.gov

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PGE's feedback on BPA's Grid Access Transformation (GAT) preliminary draft language

PGE appreciates the opportunity to comment on BPA's Grid Access Transformation (GAT) Project. PGE recognizes the significant effort BPA has invested to modernize its transmission service processes and PGE is supportive of developing solutions that will help facilitate a more efficient use and expansion of BPA's transmission system to serve customer needs. These comments are intended to provide BPA staff with feedback to the concepts presented thus far and an appraisal of those reform concepts that have the potential to introduce additional complexity. In general, the proposal and preliminary draft language lack sufficient clarity for PGE to determine the conclusive impacts to planning and procurement efforts, and most importantly customer affordability. As such, PGE strongly encourages BPA to devote two days in September for discussion and responding to stakeholder comments and questions prior to moving forward with their next iteration of a proposal. Likewise consider customer workshops after the next round of redlines for customers to explain the impacts to their existing business models. PGE has also introduced several proposed suggestions to the LTF Queue Management requirements for BPA staff to consider.

PGE's comments and questions are focused on the following key areas (with additional detail available in subsequent sections):

1. BPA's readiness criteria

- a. The readiness criteria is RFP-centric and doesn't account for other scenarios more common to LSE requests for transmission service.
- b. The readiness criteria require additional clarification to the following:
 - i. PPA
 - ii. Letter of Intent
 - iii. Notice of Award
 - iv. Other

2. MIDCREMOTE/NWH Scheduling Point Changes

- a. PGE does not oppose BPA's proposal to conform MIDCREMOTE to NWH, but limiting NWH to only Reassessment CFS reduces deliverability certainty.

3. Long Term Firm Queue Management

- a. PGE Proposals
- b. Clarification to Financial Security

4. The terms associated with Interim CFS lack sufficient detail and introduce open questions and concerns related to:

- a. Product questions
- b. Financial cost obligations



- c. Impacts to existing CFS and LTF rights holders
- d. Clarity needed regarding deferrals
- e. Impacts to major paths of congestion

1a: Readiness Criteria lacks LSE criteria

PGE supports BPA's objective to improve the quality and readiness of transmission service requests; however, the proposed *FTSR/TSR Data Validation Readiness Criteria* introduce procedural and commercial requirements that could limit flexibility in meeting resource and load service needs.

- Requiring executed interconnection agreements, completed Phase 2 studies, signed power purchase agreements or letters of intent, or posted security prior to accepting a request in the queue moves the process toward a "ready-to-build" standard. While this may reduce speculative requests, it creates challenges for utilities managing multi-year planning horizons, where procurement, customer negotiations, and BPA timelines do not always align.
- The elimination of extensions for service commencement, location-specific restrictions such as reducing the ability for flexibility scheduling points like NWH to obtain 7F for long-term requests, and simultaneous upstream/downstream transmission rights requirements for external generation further compress timelines and increase coordination complexity.
- The proposed GAT language is unclear with **respect to requests from a load serving entity** that is acquiring service with the intent to serve load through market access.
 - PGE requests that BPA clarify within its proposed business practice what documentation or requirements are needed when **transmission requests are not directly tied to a specific resource** for stakeholder feedback. For example, please clarify how the readiness criteria apply to the following: 1) existing load for a PPA, 2) A purchase to offset a carbon resource, 3) Requests to deliver firm service from an existing resource with NF rights.

1b: Readiness Criteria requires additional clarification

- I. Power Purchase Agreement (PPA). While PGE does not object to the inclusion of this as a readiness criterion, it is only reasonable to include as an option so long as it does not end up being the sole method to prove readiness. There are many situations in which PGE would need certainty to the quality, amount and timing of when transmission service will be granted for a project prior to the execution of a PPA, however, it is understandable that this could be a good solution for other parties.
- II. Letter of Intent. PGE encourages BPA to adopt the Readiness Criteria that calls for a customer in BPA's transmission queue to share a "letter of intent signed by both parties" as acceptable evidence to remain in the queue.



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- PGE requests that BPA provide a form letter with all required components as a means of standardizing and accelerating the process.
- PGE does not support the disclaimer provided by BPA in the proposal which states 'Offer of transmission service may be contingent on final execution with X period of time'. Consistent with PGE's comment under the readiness criteria for PPAs, it will be common that PGE require certainty of transmission service prior to the execution of definitive agreements. PGE understands that BPA does not want to continue to hold a queue position for a resource that ultimately fails to enter a contract. PGE encourages BPA to accept the request, with a requirement that Parties submit to BPA over a specified period – such as one hundred and eighty (180) days - either (1) an additional letter to confirm parties are still in discussion or (2) an attestation to the execution of a definitive agreement.
- PGE also suggests that readiness demonstrated via a letter of intent between PGE and a third party not be considered sufficient should that third party ultimately seek to enter a contract with an entity other than PGE. In such case, the third party would need to provide a new letter of intent with the new offtake counterparty.
- The schedule for PGE's 2025 RFP anticipates publication of an initial shortlist by November 13, 2025. This timing appears to offer reasonable alignment with BPA's GAT timelines, which supports a process in which PGE can offer Letters of Intent for shortlisted bidders. Noting that PGE's RFPs do not operate on a standard annual cycle, PGE requests further information from BPA regarding timing alignment between the GAT process and utility procurement cycles, if it is an ongoing process, no longer a cluster study, and requests must meet this new readiness criteria to get in BPA's queue.

III. Notice of Award from a Request for Proposal (RFP). PGE is supportive of the inclusion of this readiness criteria, however, would like to seek clarity as to (1) the intent of the word 'Award' within its proposal; and (2) the use of the phrase 'Request for Proposal'.

- With respect to (1), PGE would like to clarify if 'award' counts as being included on an initial shortlist, a final shortlist, selected to enter a negotiation, or some other point in a formal RFP process.
- With respect to (2) PGE's clarifications with respect to 'award' assumes that BPA is referring to a formal competitive solicitation, for example in Oregon would be under Oregon Administrative Rules (OAR) 860-089 and not any bilateral solicitation a Utility may perform. PGE would only be likely to offer



an award, through an RFP process or otherwise, if there was a very high degree of certainty that the project would be awarded a rollover-eligible CF product of reasonably forecastable curtailment risk that would not face exposure to estimated upgrade costs.

IV. Additional suggestions and clarifications needed:

- Regarding accepting a PPA as a form of evidence, PGE suggests that this should be expanded to other transaction types – such as Build-Transfer Agreements or Asset Purchase Agreements – as acceptable types of definitive agreements between counterparties, especially considering any requirement to provide evidence of an executed arrangement in any options provided to demonstrate readiness.
- PGE suggests BPA allow for a **grace period** for the readiness requirement, which would allow bidders to submit a request, but not have to demonstrate readiness, until a shortlist is published. At the point in which the shortlist is published requests could be removed or the condition is satisfied.
- PGE seeks additional clarification on several of the proposed requirements listed under Generators/Load Outside of BPA Balancing Authority Area (BAA) (Page 7 of BPA's draft GAT document).
 - Section 2(f)(ii) – please clarify what might qualify as 'The information must reflect electrical feasibility'. If possible, provide examples.
 - Section 2(f)(iii) – please clarify what might qualify as 'path must be electronically valid'. If possible, provide examples. In addition, PGE has concerns with the phrase that 'the timeframe must match'. It is feasible that a project located outside of BPA's BAA may get service on another transmission providers (TP) transmission system that starts before or after the requested service to BPA. That may be due to when the third-party TP can start to provide service or possibly by design (e.g. there could be plans to sell into other markets, other parties, use other transmission rights in the near-term, etc. prior to getting additional service from BPA). PGE encourages BPA to consider that the party just must demonstrate service or requested service which will ultimately align and deliver to the matching BPA POR/POD being requested.
 - Section 2(f)(v) – similar concerns around matching and timeframe as noted in Section 2(f)(iii). In addition, PGE would like



to clarify that if it intends to use existing NITS service when the generator exists BPA's POD (i.e. BPAT.PGE), that is sufficient to meet this criterion.

- Section 2f(vi) – Please clarify how and if this requirement would apply if resources were coming from the Eastern Interconnection.

2: MIDCREMOTE/NWH Scheduling Point Changes

PGE appreciates that BPA does not intend to change any granted service with the changes associated with NWHUB and MIDCRemote scheduling points. Regarding BPA's question on what "...functionality [would] be lost by requiring MIDCRemote to be conformed to NWHUB and utilizing short-term redirects to Columbia Market?", PGE did not identify any significant issues with this change in requestable points.

However, PGE understands from BPA's proposal under Section 2(d)(i) and (vi) that new service from NWH will only be granted as Reassessment CFS (or parallel NITS), with no ability for this service to be firmed up to long-term firm 7-F. If future transmission from NWH were only available as Reassessment CFS, PGE would lose deliverability certainty for long-term PPAs and owned resources at or through this scheduling point and reducing geographic diversity in the supply portfolio. PGE requests that BPA also allow a path to firm for virtual hubs such as NWHUB. Allowing a path for NT customers through 6NN service to get to firm, while not allowing PTP customers a path to firm is not equitable service.

Specifically, how future requests for 7F at MID-C could sacrifice the scheduling flexibility afforded to customers in their (continued) ability to redirect firm transmission from NWH to COLUMBIAMKT. BPA should evaluate its decision to carve out NWH from bridge CFS eligibility, or alternatively, provide a pathway to firmness for a strategic regional point like NWH.

3: Long Term Firm (LTF) Queue Management

The proposed *Long-Term Firm Queue Management* rules introduce concepts that could lead to significant financial and operational impacts that warrant refinement.

A. PGE offers the following proposals to address such financial and operating concerns:

- Phased in approach with Enforceable Timelines and Commitments: Utilize a phased or milestone-based approach to financial security that aligns clear, enforceable service commencement, timelines and transparency with each phase of advancing the TSR request through to line upgrade energization. For example, posting partial security at the cluster study stage and then increasing security as projects advance through environmental, permitting, and construction readiness milestones.



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- The proposed timelines for executing post-study agreements and funding associated security creates pressure to commit prior to internal procurement, planning, and customer arrangements are finalized forcing entities like PGE to make multi-million-dollar commitments without full clarity on project readiness, customer demand, timeline certainty, or alignment with integrated resource planning cycles.
 - The risk is heightened for projects requiring multiple concurrent agreements (e.g., Conditional Firm and Environmental Study Agreements), as default under one could jeopardize all associated queue positions and result in BPA drawing on posted security.
 - Reverse Open-Seasons: Given BPA's objective of ensuring removing projects lacking maturity or capability from the queue, PGE recommends that BPA incorporate reverse open season and customer-funded upgrades as mechanisms to fast-track service while managing their risk.
 - Reverse Open Season can act as an aggregation tool where BPA solicits binding commitments from multiple customers before committing to build an expansion.
 - Allows BPA to spread cost obligations across multiple committed customers and more efficiently process its queue.
 - Customer Funded Upgrades: BPA should allow customer-funded upgrades as many customers may be willing to directly fund targeted upgrades to accelerate project service date, assuming a well-defined process and financial structure exists and reduces or even waives the post-service financial security requirement.
 - BPA could create linkage between its interconnection queue and LTF queue management process.
 - Combining the current financial security framework with reverse open seasons and customer-funded upgrades, BPA has a better chance of achieving its goal of managing a committed and ready-to-build transmission queue while enabling faster access service for projects willing to direct invest in needed upgrades.
 - Process Map: PGE requests a process map that identifies the various stage gates in this proposed GAT queue management.
- B. Clarification to Financial Security Requirements: PGE understands the need to securitize the Plan of Service through appropriate collateral as the system is expanded to serve additional load and resources. PGE raises concerns and offers suggestions related to the posting of this security. Additionally, the proposed 5-year revenue financial security deposit could be cost prohibitive and ultimately increase the cost of



energy supply in the region. To ensure equitable treatment of NT and PTP customers, PGE recommends that BPA's securitization requirements for interim service apply equally to both PGP and NT service.

- Timing of Providing Security: Per Section 4, it states 'A Customer with a TSR that will be enabled by the construction of an identified Plan of Service must provide BPA with financial security.'
 - PGE asks that BPA clarify at what point this will required? For example, is it after a Cluster Study is complete (assuming one is needed)?
 - Is it upon being tendered a transmission service agreement, including an interim CF Bridge agreement?
- Type of Credit. PGE strongly encourages BPA to consider alternative forms of security, such as parent guarantees or surety bonds. Given the potential magnitude and significant amount of time associated with posting such collateral, the carrying costs are likely to add up to a material amount of financial exposure.
- Interest-bearing account. PGE recommends BPA place security deposits in an interest-bearing escrow account, particularly given such deposits are retained for the required five-year period. While PGE acknowledges that this reflects BPA's current practice, it is inequitable to require customers to provide such substantial cash deposits without any return on those funds.
- Updated BPA's Tariff. Regarding the amount of deposit, BPA's Tariff suggests it's the Pro-Rata Share of the costs of the upgrade. PGE seeks clarity as to whether BPA plans to change the tariff to match the new deposit calculation.
- Customer Refunds. Given the potential magnitude of financial security required, PGE recommends that BPA credit back excess security in a timely fashion. PGE requests that BPA clarify the process and requirements for such refunds.
- Notice to Provide Security. PGE requests that BPA provide thirty (30) calendar days' notice to the Customer of the deadline for providing security or initial deposit, consistent with the existing TSR Study and Expansion Process (TSEP). Depending on the type of collateral allowed, fifteen (15) days could introduce challenges to arrange for such security.

C. PGE has identified the following questions requiring BPA clarification:

- What criteria are BPA applying to determine whether a TSR request can utilize an existing plan of service and be assigned a PEA or ESA, or when an additional study is requested, as outlined in in the Long-Term Firm Queue Management section 1 of BPA's proposal on page 9.



- Does the security deposit cover new study costs such as a PEA or ESA, or do those studies and agreements require additional costs/security?
- Does section 7.a.i. intend to suggest that a PTP customer who submitted a TSR and necessary deposit, with a requested start date two years in the future, that the 5-year clock, "commencement of transmission service," starts when the PTP customer starts taking Interim - CF-Bridge service? BPA should add a sentence that clarifies the definition of "commencement of transmission service." Does it refer to Interim CF or to Firm service only?

4: Interim Conditional Firm - Bridge

- A. Product Questions: PGE requests more detail to fully understand the attributes and risks of this product. Following are example questions intended to achieve clarity:
- Will interim CF have rollover rights?
 - Will customers have the option to defer interim CF-bridge service up to 5 times?
 - Can customers take interim CF bridge and later change to CF-reassessment?
 - What are the termination rights of the Interim CF-Bridge?
 - Is the security deposit refunding if the election is made to stop taking/paying for CF and removed from the queue?
 - What happens if a signed letter of intent with a customer is provided, security deposit is made, and the customer chooses not to move forward with the project?
 - Can a customer take their BPA TX to another utility? Or will they automatically be removed from the queue?
- B. Financial Cost Obligations Bridge CFS: The proposed requirement to post financial security for bridge CFS at the time of offer further shifts risk to customers by committing capital or credit early in the process, before a plan of service is finalized or construction decisions are confirmed. This creates an upfront capital obligation without commitment from BPA on certainty and timeline for upgrades. These limitations introduce both operational and financial risk that must be carefully managed to avoid stranded investment.
- PGE requests that BPA explore criteria more aligned with utility procurement practices.
- C. Impacts to existing LTF rights holders. While PGE appreciates BPA's efforts to offer interim service, PGE remains unclear how the implementation of BPA's proposal will impact existing (or Traditional) CFS service holders. The traditional CF holder, those who already have a CF contract from BPA based upon outlined curtailable hours in



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their contract, will differ from new Interim CF contract holders with unlimited curtailable hours in their contract. PGE offers the following to drive clarity, consistency, and fairness:

- Please provide a summary of regional system studies and curtailment risk assessment BPA has conducted.
- What are BPA's metrics for measuring progress and ultimately success of this new product?
- How will BPA maintain the existing quality of service for existing contract holders, while making unlimited offers of interim CF-Bridge?
- When discussing the principles of interim service in the last GAT workshop, it's unclear what BPA meant by "acceptable and manageable congestion"? Please define.
- Are you including suspension of non-firm hourly sales and redirects as an indicator of congestion?
- How will customers be kept apprised of increased congestion?
- Will there be regular curtailment reports available?
- How will the curtailment order be handled between traditional CF and interim CFS-Bridge? (the new interim CF-bridge has 8,760 number of hours of potential curtailment, yet traditional CF was based upon your contract NOH).
- Willing existing LTF contracts be impacted by the new product? What assurances will be provided to do so?
- How many MW/GW of Interim CF-Bridge service will BPA add to the system?
- Has BPA defined success objectives as it pertains to reducing the existing queue?
- What will BPA do if you don't get smaller size batch queues as desired?

D. Clarity needed regarding Deferrals. PGE's RFP process, after evaluation, selection of a project, and ultimately execution of agreements can take several years, and does not account for the period of time for construction and integration which could take several more years. Hence, the importance of BPA continuing to offer a deferral option for CF-bridge service to protect customers from unnecessary financial obligations.

E. Impacts to major paths of congestion. PGE currently experiences significant congestion issues on the North of Pearl S>N and Cross Cascades South E>W paths. BPA recently acknowledged these constraints in the Short-Term Available Transfer Capability (ST ATC) Proposed Improvement meeting held on July 9, noting that current heavy load stress scenarios are not reflective of recent changes in system usage.



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BPA's proposed interim solution is to implement short term adjustments for 2026 summer months that will result in reduced ATC across five paths (including NOPE S>N and Cross Cascades South E>W). PGE maintains that the California import scenario driving BPA's proposal is not a short-term trend.

The evolution of the regions procurement efforts, specifically California's excess solar capacity and the addition of GWs of battery storage, has resulted in negative energy prices influencing PNW power flows on BPA paths and GWs of requests for new load service. Any reductions of ATC in the ST or LT market undercut the PNWs ability to serve its customers. While service bottlenecks may be remediated by accelerating awards of transmission, it remains unclear to PGE how offering more CFS wouldn't contribute to increased transmission congestion.

- PGE requests that BPA produce baseline reports and establish metrics to measure the impact CF is having on the system before implementing unlimited CF offers.
- PGE appreciates BPA staff's recognition that analyzing historical data on transmission curtailments has limitations in its usefulness, particularly as the system rapidly transforms. Therefore, PGE requests that BPA establish models, forecasting methods, and reporting to be available to customers that assesses system impacts including congestion.
- Full transmission optimization will be more challenging with multiple day-ahead markets, especially given the ability to withdraw transmission capacity from the market optimization.
 - PGE requests that BPA provide analysis and studies pertaining to how BPA's proposal to offer unlimited CF offers will impact market-to-market coordination between market operators and the ability to manage the physical transmission congestion on elements that are impacted by flows from Markets+ and EDAM?



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