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August 15, 2025

Via email

U.S. Department of Energy
Bonneville Power Administration
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RE: PRITCA Comments on Proposed Language for Grid Access Transformation Project

The Pacific Northwest Renewable Interconnection & Transmission Customer Advocates ("PRITCA") provide the following comments on the BPA's working draft of proposed language for the Grid Access Transformation Project ("GAT"). PRITCA opposes both BPA's overall approach to addressing the large queue of projects that have filed Transmission Service Requests ("TSRs") with BPA and much of the specific language proposed by BPA. The overall approach is flawed because BPA has yet to articulate how or whether the proposed GAT changes will allow its engineering software to "solve" so that it can resume processing queued TSRs. In addition, BPA's proposal, if adopted, will arbitrarily change the rules for projects already in the queue, forcing abandonment of large and badly-needed investments in the region's renewable power supply, and undermining the regulatory stability needed to support future investments.

PRITCA's initial comments, dated July 29, 2025, are posted on BPA's GAT website. These comments supplement those initial comments. While we do not repeat those comments here, they are incorporated into these comments by reference. For the sake of emphasis, we briefly restate the following points:

1. A more deliberate process is needed to fully vet BPA's proposal and to minimize its unintended consequences.
2. The proposal improperly imposes new requirements on existing TSRs, violating fundamental rules against retroactive ratemaking and retroactive application of new laws, and thereby undermining investment in the regional grid by creating new, inherently unpredictable risks of future arbitrary rule changes.
3. There is no evidence that the proposal will solve the problem BPA intends for it to solve.

4. BPA's proposal discriminates against smaller entities such as small IPPs and smaller LSEs that cannot afford the enormous security deposits BPA will require. It also discriminates against merchant generation and other business models that cannot operate under the BPA model requiring long-term bilateral PPAs, and against other customers who BPA deems to fail its arbitrary "transaction maturity" requirements. It discriminates in favor of players with large balance sheets, who can more easily meet excessive deposit requirements, and in favor of traditional IOUs, who can meet the PPA and Letter of Intent requirements by entering into such documents with themselves, thus avoiding highly burdensome security deposits.
5. BPA proposes to punish BPA's most loyal counterparties, who have met all requirements, for BPA's own failures.
6. The proposal undermines the critical flexibility in the transmission system. For decades, a party could request changes in PODs or PORs essentially as it desired. BPA proposes to fundamentally attack these basic rights and common uses, which improve competitive outcomes and allow users to maximize the value of the system. System flexibility allows requested paths to be used for multiple purposes, including by accessing different parts of the system where redirects can use abundant short-term capacity efficiently, to its assets, or to counterparties with which it does business. This improves competitiveness by allowing market participants such as power markets to use the transmission system flexibly, just as incumbent utilities may own or request rights from certain areas or specific locations they believe are useful. Hence, reducing flexibility is both anticompetitive and discriminatory.

I. BPA Must Reconsider Its Overall Approach

For most industries, a rapid increase in demand for their product would be cause for celebration. Ironically, the rapid increase in demand for transmission services has caused BPA (like nearly all transmission providers) not to celebrate, but to panic. BPA's overall approach is flawed because:

- *The approach attacks the wrong problem*: BPA's engineering software has stopped working because the TSR queue has grown. To solve this problem, BPA proposes to take a chainsaw to the queue to chop it down to a size that fits its constrained software. BPA presumes inappropriately that BPA must treat customers discriminatorily to deal with backlog issue by retroactively changing the rules by which queued projects were to be processed. BPA's approach will have a wide range of deleterious effects, including undermining competition, destabilizing investment expectations, and calling into question whether BPA's OATT is a sound platform on which investments can be made in our region.

- *The approach is unproven*: BPA has not offered any assurance that its proposal will actually solve the problem. Nor has BPA made clear how large a queue its engineering software could handle or whether there are fixes available (such as batch processing, discussed below) that could solve the problem without attacking validly-filed TSRs.
- *The approach won't stem the tide of TSRs:* BPA apparently bases its proposal on the old canard that the queue is filled with "speculative requests." The claim is unfounded. All generation development is speculative in the sense that it faces multiple risks that can force abandonment of development and loss of investment. There is nothing to separate project developments with ordinary risk from developments that are unacceptably "speculative." More importantly, the fundamental drivers for rapid expansion of the queue in recent years are aggressive state-level policies driving rapid decarbonization of the regional electric system, the explosive growth of data centers driven by a technological revolution in artificial intelligence, and strong interest from major Northwest industries in decarbonizing their production processes, also in response to state-level policies. BPA's solution does not address any of these fundamental drivers of demand for transmission services and therefore will not stem the demand for these projects. But, by forcing the abandonment of projects that are already in development, BPA's solution will force delays in how rapidly these demands can be met, while driving up the cost of meeting these demands by destabilizing BPA's OATT as a platform for investment, thereby increasing the risks generation developers, and their financial backers, face in this region.
- *The approach won't address BPA's staffing and resource problems:* PRITCA recognizes that BPA faces limits on staffing and resources that might be employed to help solve the problems underlying the freeze on processing TSRs. In fact, PRITCA members advocated strongly on BPA's behalf to limit the impact of the Trump Administration's DOGE initiative which, in BPA's case, sought to arbitrarily reduce the size of the agency without any consideration of the region's needs, the critical nature of BPA's functions in the Pacific Northwest, the fact that BPA-Transmission staff was already stretched thin, or the fact that BPA is not a taxpayer-funded agency. PRITCA members will continue to advocate for better salaries for BPA employees with specialized expertise, greater resources, and greater federal support.
- *Alternative solutions must be explored*: Before taking steps that will destroy investments in renewable energy projects across the region, BPA should explore alternatives that would solve its software problem, including:
    - Running batched cluster studies on a subset of queued projects starting with senior queue positions. This would include an option for projects that are no longer viable to withdraw from the queue without cost and for projects that face regulatory or other delays to defer being studied until they are ready to move forward.
    - Correcting assumptions underlying the study models. The available evidence demonstrates that:

- transmission constraints on the BPA system are largely chimerical, based on the invalid assumption that renewable projects operating under PTP contracts will generate at maximum capacity at all times, including periods of extreme system stress. As a result, even supposedly constrained paths on the BPA system operate with much of their available transfer capability unused in all but a few hours per year. [1]
- BPA's model must incorporate planned Evolving Grid transmission projects.
- BPA's model must include all planned load additions such as data centers, all loads reflected in LaRC submissions, and all LLIRs at 100% probability.
- The model greatly overstates threats to transmission reliability. In fact, even on paths where BPA considers transmission to be constrained, actual curtailments are rare. Between 2008 and October 2024, during high demand conditions, curtailments occurred only in 0.17% of hours and resulted in an average curtailment of 414 MWh. In short, "transmission curtailments are both rare and small under typical operating conditions and are no more likely or severe during regional peak load conditions."[2] Overly conservative planning assumptions make it appear that the transmission system is in crisis but actual operations show that it is not.

- Acquire and use advanced software to maximize the capacity of the existing system. For example, AI-powered non-hardware dynamic line rating software has been used to successfully squeeze up to 40% more capacity out of existing lines than was available using traditional approaches to line ratings.[3]
- Solutions used by other transmission providers, ISOs, and RTOs to address transmission congestion should be explored. In particular, BPA should look to the "connect and manage" approach employed by ERCOT, which has resulted in a much faster interconnection process as well as interconnection of considerably more capacity than in BPA or other ISOs/RTOs.[4] Under connect-and-manage, there is no requirement that Network Upgrades be completed before transmission service is offered. As a result, interconnection occurs in a much shorter period than in

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1 E. Hart, *Toward a More Holistic and Adaptive Treatment of BPA Transmission Rights in Northwest Utility Planning and Procurement Processes,* GridLab & Sylvan Energy Analytics at 9 (Table 3) (available at: Sylvan-and-GridLab_Renewables-Transmission-Rights.pdf).

2 *Id.* at 6-7.

3 G. Rute, *Why Texas' backup plan is a warning sign for grid operations nationwide: We can operate smarter with software-based operational intelligence to reduce curtailment, ease congestion and lower consumer costs,* Utility Dive (Aug. 14, 2025) (available at: https://www.utilitydive.com/news/ercot-texas-backup-plan-warning-sign-grid-operations-nationwide/757658/) .

4 Tyler H. Norris, *Beyond FERC Order No. 2023: Considerations on Deep Interconnection Reform,* Nicholas Institute for Energy, Environment & Sustainability, Duke University (August 2023) (available at: https://nicholasinstitute.duke.edu/publications/beyond-ferc-order-2023-considerations-deep-interconnection-reform).

comparable systems. Generators and their customers are required to address the risks and costs of transmission constraints contractually but there is no reason to believe that this will constitute an impediment to interconnecting new generation to the BPA transmission system.

- PRITCA supports the idea of a customer-led workshop to explore these alternatives to GAT, as well as other alternatives that may be proposed by other customers and interested parties.

- *BPA's approach undermines regional energy investment:* Fundamentally, BPA proposes to take a chainsaw to queued TSRs by imposing arbitrary new requirements on projects that entered in queue in good faith and according to the then-existing rules. By undermining investment expectations, BPA's proposal threatens future investment in the regional electric grid. Repercussions will include lower power supply, higher prices, and reduced market liquidity, resulting in the region being unable to meet its clean energy, reliability, and capacity needs and policy mandates.
- *BPA's future state is undefined:* BPA asserts that GAT would implement near-term changes to get the region "off pause" and to transition to a future state under a different, yet-to-be-defined transmission study and expansion process. But it is unclear what this future state might entail and therefore impossible to determine if GAT will help or hinder the transition to the future state.
- *BPA's approach is unfair to customers who have long been in the queue.* Many TSR customers have been waiting in the queue for years, and have invested substantial sums to support transmission studies, PEAs, environmental studies, etc. On the other hand, recent TSR filers knew when they submitted their TSRs that BPA had a substantial backlog. It is fundamentally unfair to penalize those customers who have long followed the rules and stayed in the queue by making all required deposits and paying for required studies. And it undermines investment by indicating that BPA is willing to jettison customers who have followed the rules and made substantial investments in advancing through the queue in favor of new customers who have not.
- *BPA's proposal is counterproductive.* If implemented, GAT will force some of the most viable transmission requests to exit the queue in favor of transmission requests that are less viable and contingent upon a suite of transmission builds that will take many years, perhaps a decade or longer, to complete (as the last TSEP report demonstrates). Projects that may be forced from the queue include many TSRs that were submitted years ago that have been waiting for service offers and BPA transmission builds, often for five to ten years, all the while following the rules in place at the time the TSRs were submitted. This result is contrary to BPA's stated goal, ill considered, not properly analyzed, and therefore arbitrary and capricious.

- *BPA's approach will only compound restudy problems.* By compounding the risks that a TSR will be arbitrarily rejected from the queue, BPA will also increase re-study problems, which are caused by projects dropping from the queue. This is particularly true for GAT because it attacks NEWPOINT designations, increasing the risks that GI-associated requests will be forced from the queue. Longstanding practices focused on system locations, which made transmission service neutral (as it should be) to a specific generator association. If a party had a generator development delay or failure, it could still accept transmission service, commit to paying for it, and either use it for something other generation or resell, long-term or short-term, that transmission for use by other entities. BPA proposes to make such uses of the system impossible, or at least tenuous or unreliable, such that someone might rightfully believe that waiting years for service could just result in BPA either forcing TSRs from the queue based on new, retroactively-applied policies that could not be predicted or known at the time earlier investments were made. This makes it less likely, not more, that BPA will be able to fund transmission expansion.

PRITCA strongly supports BPA's Evolving Grid because it meets the fundamental need for new transmission infrastructure, which is planned proactively to anticipate regional needs, not reactively in response to requests for new transmission service under the traditional approach. PRITCA also strongly agrees that BPA must restart the interconnection study process expeditiously. However, GAT is a fundamentally wrong-headed approach to restarting the study process. GAT carries with it many obvious deleterious consequences without any assurance that it will solve the underlying problems. BPA should abandon CRC and start processing TSRs with updated model input assumptions and should give due consideration to the many alternatives noted above, as well as other alternatives that may be put forward by interested parties in the region.

II. BPA's Specific GAT Proposals Are Flawed and Must Be Rejected.

In addition to the flaws in BPA's overall approach noted above, PRITCA has multiple concerns about the specific language proposed by BPA to implement GAT. We set forth these concerns by reference to each section of the preliminary draft GAT language proposed by BPA and published on the GAT website.

A. FTSR/TSR Data Validation Readiness Criteria

- *Section 1 (application requirements):* BPA proposes to require "valid" TSRs and Data Exhibits. PRITCA is concerned that the "valid" qualifier creates unjustifiable discretion for BPA to impose new and unanticipated data and other requirements on valid TSRs. BPA must clarify that it will not impose new data and other requirements on TSRs that did not exist at the time the TSR was filed. In addition, the "specified due date" language

in Section 1(d) is ambiguous. BPA must clarify where the due dates are specified or otherwise provide clear guidelines so that Interconnection Customers know precisely the deadlines they face.

- *Section 2(a) (plan of service requirements)*: The awkward phrasing of this provision creates ambiguity. The "not yet studied and have not yet signed agreements" combined with the "must be defined and moving forward" language makes it difficult to determine exactly how the data validation criteria would be applied. PRITCA re-emphasizes that BPA must make clear it will not apply new data validation criteria retroactively if they did not exist at the time a TSR was submitted.
- *Section 2(b) ("transaction maturity" criteria)*: The "transaction maturity" criteria are commercial readiness criteria by another name and must be rejected. These requirements are unacceptable for a number of reasons:
    - To start with, commercial readiness criteria are unacceptable in principle, regardless of the moniker.
    - They eliminate merchant generation and other business models that do not rely on long-term bilateral sales.
    - They enhance generator self-build bias because it is much easier for an integrated utility to create a PPA or Letter of Intent with itself than it is for IPPs to obtain a PPA or binding Letter of Intent.
    - BPA's transmission function, which is not a commercial entity, should not be in the business of picking and choosing which generation business models are commercially viable.
    - The requirements create a Catch-22: under these criteria, a project cannot obtain transmission rights until it has a PPA or has won an RFP but projects generally cannot compete in RFPs unless they have transmission rights in place. The most recent solicitation from Portland General Electric is a good example. It requires bidders to have transmission rights as a prerequisite to submitting a bid.[5] If BPA's criteria are adopted, the universe of projects eligible to bid into such RFPs will be

[5] For example, Portland General Electric's All-Source RFP, issued on July 31, 2025, requires bidders relying on BPA for transmission service to have either previously been granted transmission service or have an eligible and active OASIS status TSR participating in the 2023 or prior BPA TSR TSEP. PGE All-Source RFP (July 31, 2025), App. A at 5-7 (available at: https://portlandgeneral.com/about/who-we-are/resource-planning/procuring-clean-energy) (note that the Oregon Public Utility Commission added a new requirement in this solicitation to require PGE to evaluate transmission non-conforming bids for inclusion on the shortlist) . Similar requirements are typical of RFPs issued in the Pacific Northwest. PacifiCorp's Draft 2025 RFP currently pending before the Oregon Public Utility Commission seeks Long Term Firm Transmission for 100% of the project's output and has opposed requests from stakeholders to allow for Conditional Firm products to qualify. *PacifiCorp's 2025 RFP*, OPUC Docket No. UM 2383, PacifiCorp's Reply Comments at 20-21 (Jul. 24, 2025) (available at https://edocs.puc.state.or.us/efdocs/HAC/um2383hac338513035.pdf).

seriously constrained, and new projects interconnecting with the BPA system will likely be eliminated entirely.

- They focus myopically on the Investor-Owned Utility's procurement processes while failing to account for other common methods of acquiring generation, such as purchases from market hubs, from merchant generators, and through short-term transactions.
- Especially when combined with the huge security deposits that would be required by BPA's proposal (discussed below), these criteria are discriminatory because they favor large developers and large customers (like technology companies operating data centers) who can afford to tie up large amounts of cash for long periods. Smaller IPPs and LSEs, especially publicly-owned LSEs, simply don't have cash available that can be tied up for years with no interest.
- They are duplicative of site control requirements. If a developer has invested enough in the development process to obtain land rights, transmission rights-of-way, permits, etc., it has demonstrated a firm commitment to completing the development and has put substantial capital at risk. It is unreasonable for BPA to require more, especially where the new requirements are discriminatory and not reasonably attainable for the reasons noted above.

- *Section 2(b)(vi)(4) (release of security):* The language is ambiguous. BPA must clarify that nothing in its proposal would override the security requirements, including release of security, in existing contracts or would change the rules for security for TSRs that have already been submitted.
- *Section 2(b)(vii) (evidence of transaction requiring "requested transmission path"):*
  - This test eliminates merchant generation because merchant generation in most cases does not rely on any one transmission path. BPA must not impose rules that arbitrarily eliminate otherwise acceptable business models.
  - The "particular transmission path" formulation doesn't work for Network service.
- *Asterisked statement ("Offer of transmission may be contingent on final execution within x period of time"):* The undefined "x" creates potential dangers to otherwise viable projects. If the time period for final execution of the offer of transmission is too short to allow the developer to ensure financing and other commercial arrangements are in place, otherwise viable projects will be forced out of the queue and forced to forfeit their deposits simply because they run out of time, not because project in non-viable.
- *Section 2(e)(ii) (MIDCRemote POR/POD):*
  - BPA's approach, by restricting requests to certain locations on the system, causes systematically inefficient use of the system, compounding its current problems by disfavoring, removing, or prohibiting certain broader request options, which then effectively compounds and worsens problems at already challenged PODs and

PORs and across constrained paths. Indeed, the last TSEP report demonstrates this problem clearly, by showing that essentially all the requests from PORs at Big Eddy or John Day to network PODs in numerous directions (PSE, PGE, NWH, UEC) triggered massive upgrades -- a half or full dozen of major, multi-year transmission projects in many cases -- such that service from those places would be unlikely to be confirmed for 10-15 years. BPA here proposes to amplify this problem, piling restrictions that limit to only (or predominantly) GI and market hub points, while also attacking the foundations and viability of GI associated requests, increasing their abilities to remove requests (especially if considered in combination with GI policies and BPA ill-fated and legally dubious TSR data exhibit policies).

- The proposal makes clear that "[c]urrent reservations with MIDCRemote points will not be impacted." BPA here recognizes that there are substantial reliance interests that make retroactive application of new rules to existing transactions unacceptable. BPA must extend that consideration to all existing transactions, especially to TSRs that were submitted with the expectation that the rules in place at the time of submission would remain in place.

- *Section 2(g) ("Other information"):* The proposed language would give BPA "sole discretion" to determine validity of "additional information required in the OATT." This is unacceptable because: (i) it opens up the possibility of BPA arbitrarily adding information requirements to existing TSRs that did not exist at the time the TSR was submitted, with no recourse for the Interconnection Customer; (ii) it invites arbitrary BPA action to knock projects out of the queue, which seems to be BPA's intention; and, (ii) it is contrary to the OATT, which provides dispute resolution process if customer disagrees with BPA conclusions or actions.

B. Long-Term Firm Queue Management

- *Section 1:* (*Evaluation of service offers on existing system)*: The section ends with the sentence *"*BPA will determine if a request needs further study." BPA must clarify what criteria will be used to determine if further study is needed. This language must be rejected if it is intended to allow BPA to add studies at will to those studies that are already required to obtain interconnection.
- *Sections 3(a)(i) & (ii) (Pre-cluster studies)*: The proposed language requires that, if BPA determines further study is needed, the customer must execute the relevant agreement and provide funding "by the due date(s)" to be eligible for next study phase or to accept offer of firm service. BPA must make clear what these due dates are so that there is no ambiguity about the deadline for the Interconnection Customer to act. Further, due dates

must allow a sufficient period for the Interconnection Customer to make a reasoned commercial decision about whether to proceed and to obtain necessary financing.

- *Sections 4-8 (financial security)*: BPA's proposals for financial security are unacceptable for a number of reasons:
    - They are excessive. The formula proposed by BPA (Section 5) would require a Customer to deposit cash or an equivalent equal to five years of revenue based on the current rate. BPA itself estimates that a $10 million deposit would be required for a 100 MW request, and we estimate that a $1 million deposit would be required for a modest 10 MW request. Hence, the proposal would require Customers to tie up tens of millions of dollars in cash (or equivalents), potentially for a period of ten years or more based on the time requirements set forth in Section 7. There is no reasonable basis for requiring deposits of this magnitude to ensure that queued projects are viable. Deposits a fraction of the required size would be sufficient to meet that purpose.
    - They are counterproductive. The huge deposit requirements create an unnecessary barrier to market entry. Worse, by imposing new requirements that will force TSRs that have long preserved their queue position by making BPA required deposits, paying the costs of studies, maintaining land rights, etc., out of the queue. This will diminish the value of these TSR positions and therefore discourage future TSR customers from moving forward by creating the possibility that their substantial investments in maintaining queue positions will also be diminished or destroyed by future BPA actions like GAT. Instead of solving the problem BPA itself created through under-performance on the prior TSR requests, its proposal, if adopted, will undermine market liquidity, reduce investment, and hobble competition
    - They are discriminatory. These excessive deposits arbitrarily favor developers and customers with large balance sheets who can afford to tie up cash for long periods of time. It also favors integrated utilities because they can easily make a PPA or Letter of Intent with themselves to satisfy the "transaction maturity" requirements, thus avoiding deposit requirements in a manner that is unavailable to their competitors in the generation market. Smaller IPPs and LSEs lack the wherewithal to meet these excessive deposit requirements, and the end result of imposing them will be to undercut the competitive forces in the generation market that drive lower prices for consumers, while reducing the number of transmission customers available to pay for BPA's Network Upgrades.
    - No interest on deposits makes the proposal unfair. As noted, the proposal would require Customers to tie up cash, or have cash equivalents in place, for long periods, likely ten years or more. At an inflation rate of 2.5%, a deposit held for ten years would lose approximately 22% of its value because BPA proposes that

no interest would be paid (Section 4(a)). It is unfair and unacceptable, and a notable deviation from generally-accepted business practices, to impose such deadweight losses on Transmission Customers.

- The 15-day deadline is far too short. BPA proposes (Section 6) that Customers be given only 15 calendar days written notice of the deposit requirement. This is far too short a time. If notice arrived during the summer vacation season or the Christmas holidays, it is doubtful that the necessary bank personnel could be assembled within 15 calendar days, let alone that they could consider and approve financing of millions or tens of millions of dollars to meet the deposit requirement. Even at other times of the year, it would be rare for a bank to act on financial requests of this size in 15 calendar days or less. The period must be extended to at least 45 business days.
- The proposal violates cost-causation principles. The deposit requirement effectively requires generators by themselves to finance generation expansion on the BPA system. This violates cost causation principles because it is well recognized that transmission expansion and Network Upgrades benefit all transmission customers, not just generation. As FERC has long recognized:

> [T]he Transmission System is a cohesive, integrated network that operates as a single piece of equipment, and that network facilities are not 'sole use' facilities but facilities that benefit all Transmission Customers. The Commission has reasoned that, even if a customer can be said to have caused the addition of a grid facility, the addition represents a system expansion used by and benefiting all users due to the integrated nature of the grid. For this reason, the Commission has consistently priced the transmission service of a non-independent Transmission Provider based on the cost of the grid as a whole, and has rejected proposals to directly assign the cost of Network Upgrades.[6]

These generalized benefits have also long been recognized by the federal courts[7] and have been confirmed by studies of the transmission system. For example, a

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[6] Order No. 2003-A, *Standardization of Generator Interconnection Agreements and Procedures*, 106 FERC ¶ 61,220 at P 585, *order on reh'g,* Order No. 2003-B, 109 FERC ¶ 61,287 (2004), *order on reh'g,* Order No. 2003-C, 111 FERC ¶ 61,401 (2005), *aff'd Nat'l Ass'n of Reg. Util. Comm'rs v. FERC,* 475 F.3d 1277 (D.C. Cir. 2007).

[7] *ESI Energy, LLC v. FERC,* 892 F.3d 321, 325 (D.C. Cir. 2018) ("While a new service request might be what prompts a network upgrade, the 'integrated transmission grid is a cohesive network,' and thus completed upgrades generally 'benefit all transmission customers.'" (*quoting Entergy Servs., Inc*., 96 FERC ¶ 61,311, ¶ 62,202 (2001) and Order No. 2003 at P 21); *Entergy Services, Inc. v. FERC,* 391 F.3d 1240, 1247-48 (D.C. Cir. 2004); *Entergy Services, Inc. v. FERC,* 319 F.3d 536, 542-43 (D.C. Cir. 2003); *Midwest ISO Transmission Owners v. FERC,* 373 F.3d 1361, 1369 (D.C. Cir. 2004); *Western Mass. Elec. Co. v. FERC,* 165 F.3d 922, 927 (D.C. Cir. 1999) (*citing Maine Pub. Serv. Co. v. FERC,* 964 F.2d 5, 8–9 (D.C.Cir.1992) (affirming FERC decision that Network Upgrades to

study of Network Upgrades in MISO concluded that its 17 "Muli-Value Projects" approved in 2011 will produce net benefits of $7.3 to $39 billion over 20 to 40 years, producing a benefit-to-cost ratio of 3.5.[8] Another study of transmission upgrades in the SPP and MISO regions demonstrates the Network Upgrades generate significant benefits for the transmission system and transmission users generally, and those benefits generally exceed the costs allocated to the shared transmission system.[9] While generation should bear a fair share of the costs of financing transmission upgrades, other transmission customers should also bear a fair share of those costs. By effectively placing the entire burden for financing Network Upgrades on new generation, the GAT proposal falls far short of meeting basic cost-causation principles.

- *Section 9 (security for data validation requirements)*: BPA proposes to allow a customer to make a security deposit to satisfy data validation requirements, but states that the customer must "take transmission service when tendered" or lose its deposit. This is an even more extreme version of the 15-day deadline since the "when tendered" language suggests that the transmission service must be accepted immediately. This is unacceptable for the same reasons that the 15-day deadline is unacceptable.
- *Section 10 (cross-defaults):* While the proposed language is not completely clear, BPA appears to propose that BPA can draw on any security deposited by a customer under any contract if the customer fails to "maintain all agreements in good standing." Hence, a failure by a customer under Agreement A would allow BPA to draw security deposited to support a completely unrelated Agreement B. If that is BPA's intent, it is unreasonable and must be rejected. BPA should draw on security deposits only if there is a failure of the specific obligation secured by the deposit. BPA's proposal, if accepted, would likely eliminate the possibility of obtaining letters of credit or other cash equivalents because the banks issuing those instruments would be unable to adequately assess the risk created by Section 10.

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accommodate QFs provide benefits to all system users, concluding that "[w]hen a system is integrated, any system enhancements are presumed to benefit the entire system); *City of Holyoke Gas & Elec. Dep't v. FERC,* 954 F.2d 740, 742–43 (D.C.Cir.1992)).

[8] J. Caspary *et al.*, Disconnected: The Need For A New Generator Interconnection Policy (January 2021), at 16 (available at: https://cleanenergygrid.org/wp-content/uploads/2021/01/Disconnected-The-Need-for-a-New-Generator-Interconnection-Policy-1.14.21.pdf).

[9] ICF Resources, LLC, *Just & Reasonable? Transmission Upgrades Charged to Interconnection Generators Are Delivering System-Wide Benefits,* Sept. 9, 2021 (available at: https://acore.org/wp-content/uploads/2021/09/Just-Reasonable-Transmission-Upgrades-Charged-to-Interconnecting-Generators-Are-Delivering-System-Wide-Benefits.pdf).

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

- PRITCA notes that these services are critical because grid congestion (which is largely an artifact of BPA's extremely conservative study assumptions rather than genuine constraints) means Conditional Firm service is generally the only option available to get generation online without a years-long wait.
- *Section 3(d) (Reassessment CFS):* As we understand it, BPA proposes to offer reassessment service only, including for rollover requests (which are subject to ROFR treatment and therefore covered by Section 3(d)(ii)). If this interpretation is correct, the proposal unacceptably compromises rollover rights because reassessment service is only for two years, whereas rollover rights are necessary to ensure the long-term availability of transmission so that LSEs are assured that their load can be met into the future. The same problem appears in the Conditional Firm and Generation Interconnection Business Practices, which allow BPA to terminate any confirmed or unconfirmed reassessment offer if: (a) BPA cancels the any project related to the plan of service; or (b) there isa failure to comply with any BPA requirement, including new ones that did not exist when TSR was submitted. These provisions must be rejected and BPA must clarify that it does not intend any element of its Conditional Firm or NITS Priority 6 service to undermine the ability of Customers to exercise transmission rollover rights in accordance with the terms of BPA's OATT.
- *Section 2(e) (Interim service offers):* BPA would require a Customer to accept the offer of interim service "within the specified timeframe." BPA must clarify what is meant by this language and must allow sufficient time for the Customer to make a reasoned commercial decision and arrange necessary financing before it is required to bind itself to the offer of service.
- *Section 3(c)(2) (financial security):* BPA proposes to incorporate by reference the financial security requirements discussed above. These are unacceptable for the reasons discussed above.

CONCLUSION

For the reasons laid out above, PRITCA respectfully urges BPA to: (a) withdraw its GAT proposal; and, (b) initiate a new process to assess all available alternatives to its GAT proposal that would not involve retroactive changes to the rules relied upon by Interconnection Customers when they submitted their TSR requests.

Sincerely yours,

Eric L. Christensen
Attorney for PRITCA