

700 5th Ave. | P.O. Box 34023 | Seattle WA 98124-4023 TEL (206) 684-3000 TTV/TDD (206) 684-3225 FAX (206) 625-3709

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BONNEVILLE POWER ADMINISTRATION PO BOX 14428 PORTLAND OR 97293-4428

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

Comments Concerning Grid Access Transformation

Seattle City Light (City Light) appreciates Bonneville Power Administration (BPA) engagement with customers regarding reforming BPA's Grid Access Transformation Program. Please accept the following comments.

#### **General Comments:**

Transmission Requestors are rational actors reacting to business needs or perceived opportunities for high-return investment in an uncertain future. BPA providing immediate interim service that cannot be delayed and will eventually lead to firm permanent service will allow those rational actors the opportunity to re-evaluate their requests and business choices. This choice will be clearer if BPA additionally requires a 5-year service deposit. Those requestors with mature business needs will execute their interim service agreements.

#### Setting the Stage – What BPA Heard

Seattle City Light thanks BPA for accepting, understanding and applying customer comments concerning the desired outcomes and principles in the Grid Access Transformation.

City Light suggests BPA consider that Tx Expansion Delivery, Customer Interconnections, and Reliability Projects should not be separate siloed transmission planning processes. These are all parts of meeting customers' needs and have interlocking dependencies. They should be coordinated and transformed together. In the future state, it is likely that there are redundant steps and tasks that can be streamlined.

#### **Engagement Schedule**

City Light believes BPA has struck the right balance between the need to rapidly reform and "get off pause" for transmission planning processes and allow for collaboration with customers. The schedule is aggressive, forces real time collaboration, and will require large commitments by both BPA and customers.

City Light suggests that moving this fast will require an iterative review after a likely upcoming tariff process.

### **NITS Forecasts**

BPA Objectives and Principles – City Light supports the stated objectives and principles for treating NITS customer load growth in a transparent, equitable, and consistent manner.

Annual New Large Load Threshold per POD – City Light suggests BPA reconsider having a single value threshold per POD for delineating commercial load growth from trended load growth. Using a single value instead of a *Larger of percentage or MW threshold* penalizes larger NITS customers.

A POD designated as a New Large Load will generally remain so for the life of the POD - City Light recommends BPA considering that a POD designated as a New Large Load should only be so designated until the transmission projects needed to firm up the interim service to that POD are completed.

## NITS Planning Model (slide 40) -

City Light recommends the NITS Forecasts Evaluation for Trended-or->13WM NITS portion of the graphic could apply to all transmission service requests in the future.

City Light requests BPA develop a policy mechanism to discourage entities from over-forecasting their LaRC load to build up a bank of unused, encumbered transmission capacity that would never be considered commercial for transmission planning purposes. Encumbered transmission capacity has a cost, and BPA should have a mechanism to recover that cost regardless of product type. NITS customer organizations are rational actors and would maximize value and future savings for their customers if they overschedule to build up encumbered capacity for future economic development.

#### **Readiness Criteria**

Objective – City Light supports BPA's main objective to prioritize requests that reflect uses of the transmission system that will occur and align them with transmission system encumbrances and system need by establishing a consistent information protocol for entry to its long-term firm transmission queue.

City Light requests BPA consider that in Readiness Criteria, PTP customers with their own resources may need new transmission requests that are not only source to load. These may be needed for access to market hubs, in combination with existing rights for load service, and/or future intertie opportunities for load service and resource balancing.

<u>Principles –</u> City Light thanks BPA for acknowledging that virtual paths and new-point requests have been affecting NWACI capacity usage. We support BPA addressing the issues by recognizing impacts when planning physical infrastructure that impacts NWACI facilities.

City Light supports BPA no longer allowing information uncertainty in the transmission queue if BPA expeditiously transitions to the future state where requests are granted initial service upon request.



Customer Comments – City Light supports and applauds BPA proactively reaching out to State regulatory bodies regarding the shift to interim service and a proactive transmission planning model.

### Readiness Criteria Areas for Focus -

Bilateral Transaction Requirements – These should be equitable for both NITS and PTP requests as applicable.

Bilateral Agreements - City Light suggests BPA allows entities to prove readiness through proving business need and not just evidence of bilaterial agreements. BPA may additionally consider a long-term service deposit in lieu of bilaterial agreement.

Criteria for loads and resources outside the BPA balancing authority – City Light suggests requiring specific loads or resources outside of the BPA Balancing Authority Area to validate a transmission service request is not necessary and may negatively impact an entity's ability to participate in intertie bidding.

## Readiness Criteria: Foundational Concepts -

City Light requests that BPA define sub-grid transmission constraints as constraints on facilities that are less than 100kV.

City Light supports BPA limiting deferral of service and limitations on extensions for commencement of service rights. City Light believes there should be exceptions for cases where entities are not taking service due to a BPA delayed Generator Interconnection or Line/Load Interconnection.

# Readiness Criteria for FTSRs and TSRs -

City Light supports BPA using mature line and load interconnection/generator interconnection plans of service with any necessary agreements to initiate the project signed/funded as one method of proving readiness.

City Light supports BPA using evidence of a bilateral agreement or intent as one method of proving readiness.

City Light suggests BPA consider a deposit for long term service in lieu of proving readiness.

City Light recommends BPA consider that entities have transmission needs associated with connecting to existing transmission rights, strategically investing in transmission originating in areas of future resource development, balancing loads and resources, and participating in intertie bidding / markets. None of these transmission requests would necessarily have a bilateral agreement. City Light request BPA consider that a service deposit could be used to show readiness.

#### Planning for Virtual Points -

City Light supports Alternative 3; Allow NWHUB to continue to be requested in the long-term market and deactivate MIDCRemote as a requestable point in the LTF market (would remain available in the short-term market, but such requests would ONLY be eligible for reassessment CFS transmission).

#### Readiness Criteria Additional Concepts -

City Light requests BPA considers that entities have transmission needs that do not have associated existing bilateral agreement, specific generating resource, or specific load delivery point outside the BPA system.

## Requests for Feedback -

Is there any additional evidence of the two parties' intent to execute a specific transaction that BPA should explicitly add? – Yes, BPA should consider accepting an entity's attestation of business need and intent.

## Transition Plan for the Long-Term Firm TSR Queue

City Light supports BPA's approach to reorient the queue from a passive intake system to an actively managed pipeline.

## <u>Objectives -</u>

City Light supports there being a clean cut-off between transition state process and future state process.

City Light suggests that BPA consider the objective: All TSRs remaining in the queue are under an interim service agreement or post-study agreement.

#### Principles -

City Light supports the principle to avoid requiring customers to resubmit TSRs under the new policies. City Light suggests those requests in the queue with a plan of service that has deferred service or extended commencement of service should be subject to new policies limiting these time periods to one year or less and be subject to requirements for a service deposit.

#### Customer Comments -

City Light supports the NRU comment that "BPA could consider offering all unstudied transmission requests mandatory conditional firm service as a means to ensure it is planning only for those customers that are ready to take service."

City Light believes BPA should offer mandatory conditional firm service with a five-year service deposit for requests. This would incentivize less mature FTSRs and TSRs to withdraw their requests. These deposits would be credited back to customers on a monthly service cost basis.

#### Transition to Future State -

City Light recommends that BPA consider that the six steps to transition to the future state should be:

- 1. Update Business Practices (4 months)
- 2. Apply updated Policies & Criteria to LTF Queue (6-8 months)
- 3. Commit All TSRs with a plan of service to Interim Service (3-4 months)
- 4. TSRs that do not accept Interim Service are removed from the queue. (2 months)
- 5. Apply Capacity from EGPs to models, Conduct Study, & Tender updated Agreements **in queue order.** (10-12 months)



6. Future State where granting interim service occurs within 90 days of the request.

Seattle City Light thanks BPA for its effort and dedication to meeting customer transmission needs and for considering these comments.

Michael Watkins Strategic Advisor Seattle City Light

cc: Melanie Jackson, Bonneville Power Administration