



Serving our customers

Planning for BPA preference Point to Point Customers

By: Leslie Almond, Tacoma Power

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Problem Statement

BPA is unique in that it has statutorily-mandated power preference customers. These customers use both NITS and Point to Point transmission to serve retail customer loads. BPA has announced in its GATS proposals a mechanism to encumber a specific amount of load growth for NITS Preference customers and grant it outside of queue order to NITS projects in the queue. BPA Point to Point transmission preference customers should also have transmission reserved for load growth, to ensure consistency in application of its preference obligations regardless of customer transmission rights.

- **THERE ARE DIFFERENCES BETWEEN NETWORK AND POINT TO POINT TRANSMISSION SERVICE, BUT BPA'S POWER PREFERENCE RESPONSIBILITIES SHOULD TRUMP THOSE DIFFERENCES**
- BPA's Assertion - "Pro forma open access transmission service is based on customer choice between PTP and NITS, and customers must choose the attributes that best suit their needs. We agree there should be no undue discrimination, but disparate treatment between customers that are not similarly situated does not constitute discrimination."
- 832c. Distribution of electricity; preference to public bodies and cooperatives 832c(a). In order to insure that the facilities for the generation of electric energy at the Bonneville project shall be operated for the benefit of the general public, and particularly of domestic and rural consumers, the administrator shall at all times, in disposing of electric energy generated at said project, give preference and priority to public bodies and cooperatives. [Bonneville Project Act, §4(a), 50 Stat. 733.]
 - When disparate treatment affects a native load customer's ability to plan and serve load, it has the potential to become discrimination.

BPA's Preference Point to Point customers

- BPA's Preference Point to Point customers are served by BPA Tier 1 and Tier 2 power (federally-generated power).
 - Risk of not being able to deliver firm power to load.
- BPA's Preference Point to Point customers have been Native Load customers since the 1940s and have paid equivalent amounts to BPA's Preference NITS customers to build the federal system.
 - OATT 1.57 Native Load Customers: The wholesale and retail power customers of the Transmission Provider on whose behalf the Transmission Provider, by statute, franchise, regulatory requirement, or contract, has undertaken an obligation to construct and operate the Transmission Provider's system to meet the reliable electric needs of such customers.
- Load growth for Preference Point to Point customers is critical for these customers, but it has a small impact on BPA.
 - According to Tacoma's review, there are four applicable customers with a total monthly load of ~3000 MW
 - For reference, BPA's monthly PTP total long-term load is over 31,000MW (BP-26-FS-BPA-08 p. 117)

BPA's Planning responsibilities - NERC TPL Standard

B. Requirements and Measures

R1. Each Transmission Planner and Planning Coordinator shall maintain System models within its respective area for performing the studies needed to complete its Planning Assessment. The models shall use data consistent with that provided in accordance with the MOD-032 standard, supplemented by other sources as needed, including items represented in the Corrective Action Plan, and shall represent projected System conditions. This establishes Category P0 as the normal System condition in Table 1. [Violation Risk Factor: High] [Time Horizon: Long-term Planning]

1.1. System models shall represent:

1.1.1. Existing Facilities.

1.1.2. New planned Facilities and changes to existing Facilities.

1.1.3. Real and reactive Load forecasts.

1.1.4. Known commitments for Firm Transmission Service and Interchange.

1.1.5. Resources (supply or demand side) required for Load.

- **BPA has stated numerous times that it has a planning responsibility for NITS customers. This is certainly true under 1.1.1 and 1.1.2.**
- **However, BPA is unique in having Preference Point to Point customers who use the service to meet retail load and not for commercial purposes and that PTP service should be included under 1.1.4.**
 - We recognize that Industry-wide, Point to Point is not often included in TPL studies because of the nature of firm Point to Point.
 - More is sold than is actually used at any given time.
 - There is no prohibition on BPA including PTP in its planning studies, especially as it already receives PTP load forecasts.

A proposal that would allow BPA to calculate and encumber Point to Point transmission

Planning

BPA will calculate in its TPL report a 2-5% per year load-growth margin for Preference Point to Point customers, subject to certain restrictions.

- Load growth would only be calculated on inbound TSRs (from BPA to the Preference Customer) used for retail load, not commercial.
- This load growth will be added to BPA's overall system needs.

Use

When a preference PTP customer with long term firm (with rollover rights) submits its renewal TSR for its in-bound BPA service, per OATT rules and BPA Business Practices, it would have the option to increase the TSR by 2-5% annually for the rollover period (a total of 10-25%)

- The TSR will be submitted as a Renewal, but with a potentially new amount.
- The TSR will reference the previous AREF.
- Service will remain long term firm with rollover.

When the Preference Point to Point customer's long-term firm TSR comes up for renewal, BPA will allow the customer to add this two to five percent growth margin to its renewal TSR.

- Example: LTF PTP TSR is 100 MW with rollover.
- BPA would include 2-5MW in its annual planning.
- The LTF PTP customer could submit a Renewal TSR for up to a total of 110-125MW of LTF PTP with rollover rights.
 - 2-5% a year x five years
- If the customer opts not to add the additional LTF to its rollover, BPA will be able to sell the additional transmission as LTF to any entity and will have the additional to sell in the short term before the renewal.

Any questions?

Leslie Almond
Tacoma Power
lalmond@tacoma.gov