

Shell Energy North America US, L.P. (“SENA”) is a current BPA transmission customer with existing transmission rights on BPA’s Network and the Southern Intertie. SENA is an active participant in the Pacific Northwest wholesale market for energy and capacity and relies on BPA to provide transmission service to deliver energy to its customers across the Western Interconnection.

SENA understands the magnitude of the challenge BPA faces in processing queue numbers as described in the workshop on February 11. Shell looks forward to working with BPA and other stakeholders in the Pacific Northwest to develop a suite of reforms that will ultimately allow BPA and other transmission providers to meet the growing demand for energy from existing and new load customers.

SENA, however, is concerned with the scope and duration of the processes that BPA has proposed to suspend. First, SENA is concerned with BPA decision to suspend processing of transmission service requests submitted after August 15, 2024. BPA provided no notice to customers that it was considering any suspension of queue processing. Instead of providing customers with notice that BPA would have to suspend nearly all of its transmission queue processes at some point in the future giving customers time to adapt, BPA simply suspended processing of requests; even worse, the suspension was not effective on the date of the announcement but retroactive and would apply to requests that customers submitted months ago. This retroactive lock of the transmission service request queue – dating back six months – raises significant obstacles for transmission customers like SENA who are attempting to finalize wholesale energy transactions in the coming months. Aggravating this retroactive suspension is the lack of any timeline by which BPA will resume processing of transmission service requests.

Second, SENA is concerned that the retroactive suspension applies even when to those transmission service requests that have a de minimis impact on the ATC on BPA' system.

BPA anticipates that these suspensions will last at least through November of 2025 – perhaps longer depending upon how long it may take BPA to implement the reforms identified in this process. SENA is concerned that the scope and duration of these suspensions will result in significant disruption to the market for wholesale energy and capacity in the Northwest. If BPA's customers cannot request new transmission service or redirect existing transmission service reservations even if the redirect has a de minimis impact, then BPA is effectively locking down existing commercial arrangements between wholesale sellers of energy and their customers for the duration of the suspension. Neither a marketer, like SENA, nor a load serving entity, like SENA's customers, would be able to explore alternatives to their existing contracts for the duration of BPA's suspension its processing of transmission service requests.

SENA appreciates the problem identified by BPA in managing its long-term transmission expansion process. SENA also agrees with the overall need for BPA to explore reforms to those planning processes. SENA also appreciates that reforming complicated processes takes time and even more time to get those reforms right. SENA, however, disagrees with BPA's decision to suspend all processing of transmission service requests after August 2024. While it appears that BPA will not suspend processing of requests for short term service, BPA does propose to suspend the processing of new transmission service and redirects even when those requests have a de minimis impact on BPA's system.

SENA recognizes that a successful reform mechanism likely requires a formal and lengthy tariff revision process that will begin only after BPA and stakeholders have identified the reforms to include. SENA encourages BPA to identify changes that it can implement within the existing

tariff structure that will allow BPA to resume as many processes as possible as a transition process pending development and implementation of more comprehensive reforms on a durable basis. In particular, SENA urges BPA to resume processing requests that customers submitted months ago in expectation that those requests would be timely processed. SENA does not believe that BPA should suspend all processing of the transmission queue from August 14, 2024 until the completion of a tariff revision process at some time in 2026. BPA must move swiftly to limit the number of processes it must suspend and the duration of those suspensions.

Accordingly, SENA asks BPA to reverse its decision and continue to process transmission service requests, including redirect requests, and grant redirect requests that meet BPA's de minimis criteria. SENA also encourages BPA to explore adopting interim reforms on an accelerated timeline that will allow customers to access new transmission service – perhaps on a temporary or provisional basis – while BPA and the region continue to explore more comprehensive and durable reforms necessary to meet BPA's obligations to expand the transmission grid.