Response to Comments – Conditional Firm Service

BPA Transmission Business Practice

Version 30 Posted 8/14/2025

Response to Comments - Conditional Firm Service

Version 30

This document contains comments and BPA responses regarding Version 30 of the Conditional Firm Service Business Practice. The business practice was initially posted for comment from May 30, 2025, to June 13, 2025. In response to comments received, BPA modified the proposed language and extended the comment period from July 14, 2025, to July 17, 2025, to provide stakeholders with the opportunity to comment on the modified language. This document contains responses to comments received during the extended period.

This is Bonneville's final agency action in regard to this version of the business practice.

For more information on business practices out for comment, visit the BPA <u>Proposed Business</u> <u>Practices webpage</u>.

Table of Contents

A.	Seattle City Light	. ′
B.	NewSun Energy	

A. Seattle City Light

Bonneville Power Administration Conditional Firm Service Business Practice v30

Seattle City Light (City Light) appreciates the opportunity to comment on the proposed amendments to the Conditional Firm Service Business Practice.

City Light understands and is supportive of Bonneville's intent behind removing the termination rights for customers whose Bridge CFS is converted to Reassessment CFS, where the customer has not continued participating in the necessary upgrades. This appropriately links termination rights to upgrade participation.

City Light recommends BPA consider customers who have met all their participation requirements but have not been awarded firm service due to actions or inactions by BPA. In this case, we suggest customers should retain the option to terminate their agreement upon conversion to Reassessment CFS. City Light supports BPA advancing policies for shared accountability while following cost causation principles.

City Light additionally recommends that this business practice should be part of the suite of business practices amended as part of the Grid Access Transformation. City Light requests that BPA extend the proposed business practice process for CFS v30 to align with the proposed Grid Access Transformation business practice process.

City Light thanks BPA for accepting and considering these comments.

BPA Response

BPA thanks Seattle City Light for their comments and support of the changes to the business practice.

In response to comments from Powerex, BPA proposed a revision to the draft business practice (Version 30) to allow customers the choice to terminate conditional firm service rather than converting to reassessment service if BPA has decided not to proceed with the plan of service underlying the conditional firm service. This appears to be consistent with the suggestion in Seattle City Light's comments.

BPA is finalizing this version of the business practice. Future updates may be discussed further through the Grid Access Transformation Project workshops.

B. NewSun Energy

RE: Comments on BPA Business Practices - Conditional Firm Service (CFS) Version 30

To: Bonneville Power Administration (BPA),

NewSun Energy appreciates the opportunity to provide comments on the proposed Conditional Firm Service (CFS) Business Practice Version 30. We submit these comments with a spirit of collaboration and shared responsibility for the future viability of the Northwest grid.

We are deeply concerned with this business practice and the proposed changes, particularly the removal of Bridge CFS as a viable path to Long-Term Firm (LTF) service. This poses a significant threat to the viability of project finance, long-term PPAs, market liquidity, and ultimately, the clean energy transition. These changes risk undermining the very foundation of investment certainty that BPA has historically provided well.

Bridge CFS has been the cornerstone of BPA's ability to flex existing system capacity into awardable service. It has enabled projects to begin delivering power, generating revenue for BPA, while long-term upgrades are pursued. The proposed elimination of this pathway and the introduction of new discretionary reassessment and cancellation rights introduce unacceptable uncertainty.

We urge BPA to integrate this business practice into the Grid Access Transformation (GAT) process, where it can be evaluated holistically alongside other major reforms being discussed in that forum. The current proposal risks fragmenting policy and undermining trust in BPA's long-term commitments.

Key Concerns:

- Loss of Bridge CFS Certainty jeopardizes the viability of TSRs that support resource
 development and load service in the region, including those that have been providing
 funding already, such as through PEAs. Furthermore, removing a product that
 provides funding for BPA projects.
- Reassessment language appears to grant BPA unilateral authority to terminate service, even after studies and funding are complete.
- No clear customer protection or refund mechanisms if BPA cancels projects after PEAs or ESAs are funded.
- Potential discrimination and market distortion, especially if BPA reallocates ATC to junior TSRs or removes queue order. Changes must consider investments with existing requests, whether having been through complete studies or not.
- Rolling policy risk: New language allows BPA to change terms midstream, undermining rollover rights and long-term service continuity.
- Unclear obligations: Customers should retain the right to continue CF service with known curtailment exposure, not be subject to BPA's sole discretion at reassessment intervals.

Our Request:

We ask BPA to:

- 1. **Pause the implementation of Version 30** and move it into the GAT process for full stakeholder review, along with the multiple other business practices being considered for change and solutions moving forward.
- 2. Preserve Bridge CFS as a viable, financeable, and certain path to LTF service.
- 3. Clarify and limit BPA's discretionary cancellation rights, ensuring fair treatment and investment protection.
- 4. **Guarantee rollover rights** for customers who accept curtailment risk under CF service.
- 5. **Ensure a CFS equivalent to a Bridge product** is offered through the GAT process with rollover rights.

This is not just a policy issue; it is a grid access issue impacting project viability. It is a clean energy integration issue. It is a regional economic issue. And it is a regional investability issue. We stand ready to work with BPA and other stakeholders to ensure that Conditional Firm Service continues to serve as a bridge, not a barrier, to the long-term stability of the region.

BPA Response

BPA thanks NewSun for their engagement and comments.

NewSun's comments appear to misunderstand the clarification in the proposed Version 30 of the CFS business practice and the revision BPA has made in response to Powerex's comments. Version 29 of the CFS Business Practice, which took effect October 28, 2024, established that the customer must take CFS for the entire term of service in the applicable agreement even if the plan of service underlying the Bridge CFS does not continue moving forward, and regardless of whether the plan of service does or does not continue moving forward because of a BPA or customer action. Version 29 of the CFS Business Practice established that if the plan of service underlying Bridge CFS was no longer moving forward, the Bridge CFS would convert to Reassessment CFS for the remainder of the term of the applicable agreement.

In the proposed Version 30 of the business practice, BPA clarified the language on this issue but proposed no change in policy. In comments on the proposed Version 30, Powerex suggested a customer should not be compelled to complete the term of service as Reassessment CFS if it was a BPA decision that resulted in not moving forward with the plan of service underlying the Bridge CFS. In response to Powerex's comments, BPA agreed to modify the business practice language to provide the flexibility Powerex suggested. Because of the proposed change, BPA offered an additional opportunity to comment on that change.

NewSun's comments in the additional comment period provided by BPA do not accurately reflect or address the clarification in the original proposed Version 30 of the business practice or the revision BPA has made in response to Powerex's comments. BPA has not proposed to eliminate Bridge CFS or adopt new "cancellation rights" for the product. BPA will continue to offer Bridge CFS and has always and will continue to retain the discretion to decide whether to complete a plan of service after completing environmental review.

NewSun's suggestion to pause the implementation of Version 30 of the business practice would result in eliminating the change that memorializes the flexibility Powerex suggested. Version 29 of the CFS business practice, which does not provide that flexibility, would remain in effect. That result appears contrary to BPA's understanding of the general themes in NewSun's comments.

BPA is finalizing this version of the business practice. Future updates to the CFS business practice may be discussed through the Grid Access Transformation Project workshops. Customers will have the opportunity to provide comments on any revisions proposed in the future in the business practice revision process.