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Via email

U.S. Department of Energy
Bonneville Power Administration
techforum@bpa.gov

RE: Comments on Proposed Changes to Transmission Business Practice on Commercial Readiness

NewSun Energy Transmission Company LLC (“NewSun”), and the Pacific Northwest Renewable Interconnection & Transmission Customer Advocates (“PRITCA,” together the “Commenting Parties”) provide the following comments on the BPA’s proposed changes to its Transmission Business Practice on Commercial Readiness.

About Us

The Commenting Parties together represent more than 100 BPA Interconnection Customers. Collectively, the Commenting Parties comprise more than a quarter of the current BPA interconnection queue. The Commenting Parties are signatories to well over 100 study agreements, and have participated in hundreds of BPA scoping and study report meetings involving wind, solar, geothermal, battery storage and pumped storage projects ranging in size from 20 to 600 MW. The Commenting Parties also include BPA Transmission Customers with thousands of MW of confirmed long-term firm transmission rights on the BPA transmission system and many thousands of MW more of transmission requests for future long-term firm service. Collectively, the Commenting Parties have provided tens of millions of dollars to BPA over the past ten years for environmental studies, engineering and procurement of network upgrades, deposits for Large Generation Interconnection Agreements (“LGIAs”), and other study agreements. The Commenting Parties’ members have successfully developed hundreds of megawatts of generation that are provided to both public power and IOU loads.

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Summary

PRITCA is deeply concerned about several changes proposed in BPA's Commercial Readiness Business Practice, which would allow only one shot at proving Commercial Readiness in each Customer Review Period, and would result in automatic ejection from the queue if BPA finds the demonstration to be inadequate, even if BPA is in error. This materially changes the cure period allowed in BPA's OATT, and therefore cannot legally be included in a Business Practice. In addition, BPA proposes changes to the Business Practice that do not reflect commercial reality and will, if adopted, prevent project developers from taking advantage of newer, more efficient equipment that becomes available during the years-long interconnection process.

Comments

Initially, we believe many of the changes proposed in this and other BPA Business Practices belong in BPA's OATT and not in its Business Practices. The determination of what must be included in a tariff is governed by the "rule of reason," which "requires that tariffs include practices that "affect rates and service significantly," "are realistically susceptible of specification," and "are not so generally understood in any contractual arrangement as to render recitation superfluous."¹ At least some of the provisions proposed for the Commercial Readiness Business Practice, notably including provisions that would allow BPA to eject Interconnection Customers from the queue for what BPA deems to be errors or omissions from their Commercial Readiness showing, are contrary to BPA's OATT, which provides for a period of 15 days to correct any deficiencies in the Commercial Readiness showing and also allows the Interconnection Customer to invoke the tariff's dispute resolution procedures. Those changes can only be properly made in the tariff because they will significantly affect access to transmission service, and are also "susceptible of specification," not "generally understood in any contractual arrangement" and are "not clearly implied by the existing Tariff."²

Accordingly, these changes should be adopted only after careful consideration in a ratemaking process that results in a Record of Decision and amendments to BPA's OATT. We are concerned that the many changes proposed by BPA in its Business Practices, particularly when their combined effects are considered, will create substantial and unintended barriers to regional transmission access, and the abbreviated process for adopting BPA's proposed changes is inadequate to allow careful consideration of all of these effects.

¹ *Cometa Energia, S.A. De C.V.*, 191 FERC ¶ 61,089 at P 19 (2025).

² *Id.*; see *Bonneville Power Admin.*, 145 FERC ¶ 61,150, P 56 & n. 66 (2013) (applying rule of reason to BPA tariffs).

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In addition, BPA's current Phase I cluster study is not due to be completed until January 30, 2026, the first date on which the proposed Business Practice changes would come into practical effect. BPA should therefore extend the comment deadline and hold additional workshops to ensure that its proposed changes will not upset settled investment expectations or otherwise create unintended consequences.

PRITCA's specific concerns are:

1. *No BPA Commitment to Review Commercial Readiness Demonstration Within Customer Review Period.*

BPA proposes to amend Section C of the Business Practice, which governs BPA's review of Interconnection Customers' commercial readiness submittals by changing its commitment that it "will review Commercial Readiness for validity within 15 Business Days of the close of the Customer Review Period" to a mere promise to "endeavor" to complete review within that time period. While we recognize that the Trump Administration's reckless approach to reducing the federal workforce has exacerbated BPA personnel constraints at a time when BPA was already facing a large backlog of transmission requests, a review of commercial readiness that extends beyond the 15 days allowed in the current Business Practice may have severe consequences, both for the particular Interconnection Customer involved and for other customers in the same cluster study. For example, if BPA did not notify the Interconnection Customer until 90 days after the Customer Review Period ends that its Commercial Readiness demonstration is incomplete or otherwise insufficient, that customer could be forced to withdraw from the interconnection queue after the subsequent study phase has already started, potentially forcing that study phase to restart, with concomitant delays for all customers in that cluster. That could be true even if BPA found only minor deficiencies that the Interconnection Customer could easily have remedied prior to the commencement of the next cluster study phase.

2. *Customers Face Sudden Death for Commercial Readiness Demonstrations Deemed Inadequate By BPA.*

BPA proposes to add: "BPA will only accept a single Commercial Readiness demonstration submission for each Interconnection Request during a single Customer Review Period." It also proposes to change the language concerning a Customer's failure to provide a Commercial Readiness demonstration that is correct in every detail so that any error, no matter how small, results in the Customer's ejection from the queue: "Interconnection Customer's failure to submit a demonstration of Commercial Readiness during the applicable Customer Review Period or failure to meet all applicable standards in a demonstration of Commercial Readiness will result in BPA deeming the request withdrawn." The upshot is that BPA proposes to allow Interconnection Customers one

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shot at demonstrating Commercial Readiness, and if BPA finds the demonstration insufficient in any way, the Customer is automatically withdrawn from the queue, no matter how small or inconsequential the error. In fact, there is not even any allowance for Commercial Readiness filings that are slightly late because of, for example, a power outage or internet malfunctions, or other factors beyond the Customer's control. In short, if BPA deems the one Commercial Readiness demonstration deficient in any way, the Customer's Interconnection Request is rejected without any ability to correct the demonstration. And the Interconnection Customer has no redress because the forced withdrawal is automatic, with no provision for invoking the OATT's dispute resolution procedures.

This result is obviously unfair since it punishes Interconnection Customers for even small, non-substantive errors and it provides no recourse if BPA rejects the Commercial Readiness demonstration incorrectly or even accidentally. This creates unnecessary risk for Interconnection Customers, and therefore drives needed investment away from the region. Finally, it is inconsistent with the LGIP, which allows the Interconnection Customer 15 days to cure any problems with its Commercial Readiness Demonstration and to invoke the OATT's dispute resolution provisions.³ These provisions materially change the OATT and including them in a Business Practice rather than in an amendment to the OATT is therefore a clear violation of the rule of reason.

3. *The Proposed Evidence Requirements for Commercial Readiness Demonstrations Are Overly Prescriptive.*

BPA proposes several changes in Section A of the Business Practice, which governs evidence requirements for demonstrating commercial readiness, that are likely to prove entirely unworkable, or at least highly problematic.

First, BPA proposes to change the requirement that the site address for equipment that has been purchased by the Interconnection Customer to be listed on equipment orders to a requirement that a purchase order must "identify delivery location as the site address as identified on the Interconnection Request." In many cases, especially for large projects, equipment may be delivered to a lay-down area that may have a different address than the project addressed in the Interconnection Request or the equipment may need to be stored in a warehouse until construction has progressed to the point that the equipment can be installed. BPA should withdraw this language and, where the delivery address and site address are different, allow the Interconnection Customer to make an alternative showing, such as a signed declaration of a corporate officer attesting that the

³ BPA OATT, Attachment L (LGIP) at § 3.7.

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address of a project's laydown area is different than the project's address listed in the Interconnection Request.

Second, BPA proposes to add language requiring that the equipment identified in the equipment order must "match the equipment Interconnection Customer has identified in the Interconnection Request, models, and diagrams." While this language is not entirely clear, the intention appears to be that the equipment order must match the make, model, and design identified in the Interconnection Request. This is unduly restrictive because it will prevent the Interconnection Customer from purchasing newer, better, less expensive, or more efficient models of equipment as they become available. And these improvements may be significant considering that the generator may not come online for many years after the Interconnection Request is initially submitted. BPA's real concern should be that the equipment matches the technical parameters assumed in its interconnection studies (equipment capacity, reactive power, etc.), not that the equipment is of a particular make or model. In fact, the proposed language in Section A(2)(e)(v)(4), which addresses the "technical parameters" of transformers, takes the correct approach. BPA should simply require that equipment delivered to site match the technical parameters of the equipment specified in the Interconnection Request.

Third, BPA's proposed language requires that transformers be sized to "allow for the full MW of requested Interconnection Service and reactive power." This language should be stricken as unnecessary because the point of the Commercial Readiness showing is to demonstrate that the Interconnection Customer has made substantial investments in a project, which shows that a project is commercially viable because the developer is willing to invest substantial amounts of scarce capital in purchasing equipment for the project, not that the equipment matches some detailed set of specifications. And it is redundant with language in the LGIA, which specifies the capacity, voltages, and other parameters that an interconnecting project must meet.

If BPA retains this language, it should be modified substantially. At least for solar projects, the amount of power that can be delivered to the grid is governed by the inverter, not the transformers. Accordingly, BPA should modify this proposal to make clear that the project should have a maximum capacity matching the maximum capacity identified in the Interconnection Request, and should clarify that this maximum may be governed by the project's inverters or other equipment limiting project output, which may include but is not limited to the project's transformers.

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Conclusion

We urge BPA to revisit and revise the proposals to modify its Commercial Readiness Business Practice discussed above. Some of the proposals would materially modify provisions of BPA's OATT and therefore cannot properly be included in a Business Practice. Other proposals depart from reasonable commercial practice and therefore should be modified if not dropped entirely.

Sincerely yours,



Eric L. Christensen
Attorney for Commenting Parties