

NITS CUSTOMER GROUP COMMENTS IN RESPONSE TO BPA’S PROPOSED REVISIONS TO THE NETWORK INTEGRATION TRANSMISSION SERVICE BUSINESS PRACTICE

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I. Introduction and Summary

The NITS Customer Group¹ appreciates BPA’s extensive Response to Comments issued July 22, 2026, and the Agency’s decision to extend the comment period for Version 16 of the Network Integration Transmission Service (NITS) Business Practice (BP).

By accepting many of the recommendations made by the NITS Customer Group in our comments of June 9, 2026, BPA materially improved the proposed BP and provided much needed clarity for NITS Customers.² Notwithstanding such improvements to the initial draft BP, when taken as a whole, the NITS Customer Group continues to view the proposed NITS BP as an overall degradation of BPA’s NITS product. This is due in large part to BPA’s continued inclusion of the Non-Trended Load Growth threshold, which effectively bifurcates NITS customer load for planning purposes in manner that will (i) make it difficult to enable a common interpretation of the BP among BPA and its customers, (ii) create confusion and new hurdles for end-use consumers whose investment decisions will depend on it, and (iii) likely have foreseeable and unforeseeable negative impacts on load growth and economic development in the service territories of BPA’s NITS customers.

That being said, our overall objectives have not changed since our June 9th submittal. Like BPA, and notwithstanding our concerns regarding the BP, we urgently need BPA to resume processing load and resource forecasts (LaRCs), a process now paused for approximately two years.

¹ The NITS Customer Group includes: Benton PUD, Benton REA, Big Bend Electric Cooperative, City of Forest Grove, Clark Public Utilities, Clatskanie PUD, Columbia River PUD, Eugene Water and Electric Board, Klickitat PUD, Lewis County PUD, Mason PUD 3, McMinnville Water & Light, Northern Wasco PUD, Northwest Requirements Utilities, PNGC Power, Snohomish PUD, Umatilla Electric Cooperative, and the Western Public Agencies Group.

² We explicitly note our appreciation for BPA agreeing to: (1) change the NTLG determination from BPA’s “sole discretion” to “reasonable discretion”; (2) remove proposed section E.6.c regarding subjecting 13-MW or greater increases at any Point of Delivery to potential NTLG review; (3) add clarifying language to note that CONFIRMED FTSRs will not be subject to additional commercial review; (4) restore collaborative forecasting language in section B.1.b; (5) extend the deficiency cure period from 5 to 10 business days; (6) remedy the circular definition of “Non-Trended Load Growth” and “New Network Load”; (7) strike proposed section O.5; and (8) add clarifying language in Section E specifying that residential and commercial load growth should not be treated as NTLG. These are meaningful enhancements that clarify BPA’s provision of NITS.

Despite all parties’ interests in making the proposed NITS BP effective as soon as possible, we nevertheless submit the remaining concerns below for the sake of both future reference and possible improvement by BPA of the BP before it is finalized.³ The NITS Customer Group intends to follow these comments with a separate letter in the near future that further highlights our concerns with the overall trajectory of BPA’s NITS offering.

II. Remaining Concerns

1. Codify and Clearly Articulate How BPA Will Apply Existing Encumbrances to LaRCs

BPA stated in its comments that there are “a multitude of ways” existing firm transmission encumbrances can be attributed and that “BPA is concerned that attempts to capture every possible load and resource encumbrance and designation scenario in the business practice will do more harm than good” (BPA Response 7). BPA’s updated NITS Business Practice also makes clear its intent to tie specific resources to Non-Trended Load Growth (NTLG), which signals further degradation of the underlying purpose of NITS.

The NITS Customer Group does not understand BPA’s response since currently there are only three discrete options for using existing firm transmission encumbrances: CONFIRMED FTSRs; existing designated Network Resources (DNRs); or forecasted Behind-The-Meter resources codified in a LaRC Close Out Letter. BPA’s proposed business practice (Responses 7; 8; 20; 32) fails to address existing DNRs even though its New Network Load form already contemplates that existing DNRs may be applied to New Network Load (of which NTLG is a defined element) as shown in the table below.

BPA New Network Load Form — Fourth Table

NETWORK RESOURCE(S) TO SERVE LOAD
Resource Name:
☐ New Network Resource DNR Aref:
☐ Existing/Modified Network Resource DNR Aref:

Additionally, existing DNRs, including Behind-The-Meter resources, are superior to CONFIRMED FTSRs since both alternatives are already contracted for or owned by the NITS Customer — in other words, the likelihood of the NITS Customer using these resources to serve an NTLG is significantly more likely than a forecasted resource.

The NITS Customer Group also does not understand BPA’s reluctance to bypass a commercial evaluation for an NTLG that is explicitly tied to a resource that already has an

³ BPA’s Response to Comments alternates between the section numbers in BPA’s draft and the renumbered sections in the NITS Customer Group’s redline. Unless otherwise indicated, references in these comments are to the section numbers in BPA’s posted draft of Version 16. Where ambiguity is possible, we identify both.

existing firm transmission encumbrance. As noted above, BPA's response states that articulating the ways that customers can apply existing firm transmission encumbrances to an NTLG will "do more harm than good"; but the real harm will actually result from BPA's inability to clearly establish these procedures. For example, if a NITS Customer is deemed to have a 100 MW NTLG, then BPA's proposed business practice would require the creation of a new FTSR for the NTLG. If that customer had a CONFIRMED FTSR or existing DNR of an equal or greater amount and elected to assign that existing firm transmission encumbrance to the NTLG, then BPA will unnecessarily evaluate and potentially study an additional 100 MW for the NTLG FTSR in addition to the CONFIRMED FTSR or existing DNR that has already gone through a commercial evaluation via BPA's Commercial Technical Panel. If BPA were to run the newly created NTLG FTSR through its commercial evaluation process, then BPA may ultimately build unnecessary facilities or over-encumber its transmission system by 100 MW under this example, which would result in undue costs or forgone transmission revenue for all customers.

An acceptable alternative would be for BPA to discuss with the NITS Customer its then-current portfolio of CONFIRMED FTSRs, existing DNRs, Behind-The-Meter resources, and PTP service arrangements before defaulting to pushing the customer into the queue for an unnecessary commercial planning evaluation. We strongly encourage BPA to seek planning efficiencies in this manner and revise the NITS BP accordingly.

2. Behind-The-Meter Resources

BPA's comment (Response 7) that Behind-The-Meter (BTM) resources are identified in the generation integration processes and thus will not provide further articulation of how NITS Customers may apply these BTM resources to Network Load is irrelevant, especially given that the proposed Business Practice specifically references BTM resources in Section H.8 for the purpose of specifying requirements for designating Network Resources.

It is understood that BTM resources do not encumber FTSRs, or require TSRs, as the resources do not use the Network. Nevertheless, there is no reason why the LaRC process, including LaRC Close Out Letters, should exclude BTM resources. In fact, excluding BTM resources undermines the assurance that a NITS Customer has adequate resources to serve its Network Load. Further, BPA states that "BPA's review of a NITS Customer's LaRC does not verify behind-the-meter resource forecasts submitted by the NITS Customer" (BPA Response 8). This is factually incorrect — for at least one customer, BPA has analyzed BTM resources via its Commercial Technical Panel, including data exhibits, and included BTM resources in that NITS Customer's LaRC Close Out letter. We urge BPA to continue this practice, and revise the NITS BP accordingly.

Furthermore, in addition to BTM resources, many large loads are beginning to develop the capability to reduce load under certain conditions. We encourage BPA to include consideration of load flexibility as well as BTM generation in the LARC process and in the planning process.

3. Point-To-Point Service and Discrete Points of Delivery

BPA continues to ignore the inherent flexibility that NITS Customers enjoy from being able to use Point-to-Point (PTP) transmission service in addition to Network Resources. As permitted by BPA's Open Access Transmission Tariff (OATT) (1.60) and consistent with FERC policy, NITS customers may serve load with PTP service which does not involve FTSRs. More specifically, while a NITS Customer may include all load served with Network Resources designated by the customer in the calculation of its "Network Load", a NITS customer may instead "elect to designate less than its total load as Network Load" as long as the non-designated load is "*at discrete points of delivery...*" (emphasis added) and secures PTP transmission service that may be necessary for the non-designated load. In the latter case, the NITS Customer's Network Load is reduced by the non-designated load being served with PTP service.

The proposed business practice (Response 19) (1) does not clearly articulate the ways that NITS Customers may use PTP transmission to serve loads at discrete points of delivery, and (2) erroneously imposes double charges on NITS Customers that choose this arrangement. Thus, we request that BPA revise the NITS BP to ensure consistency with BPA's OATT, and work with NITS Customers to develop a definition for "discrete points of delivery", which addresses the fact that all loads meeting the NTLG definition will be discrete; i.e., separately metered and clearly distinguishable from Network Loads.

4. Deficiency Notification Timeline Remains One-Directional

BPA's response (BPA Response 12, Section B.7 of the NITS Customer Group Proposed BP) notes that it declines to commit to notifying customers of LaRC deficiencies within 15 Business Days of receipt of the LARC, stating that the OATT's 15-day period attaches to a completed application and that the LaRC falls outside that provision, and that it will continue working to improve response times.

Although we appreciate the distinction, we disagree with BPA's interpretation. Both sections 30.2 (Designation of New Network Resources) and 31.2 (New Network Loads Connected with the Transmission Provider) of BPA's tariff contemplate that such actions (designating new resources and designating new Network Loads) must be made through a modification of service pursuant to a new Application. Each of these sections also require that the NITS Customer provide BPA with as much advance notice as practicable. Further,

section 31.6 (Annual Load and Resource Information Updates) notes that the annual updates of Network Load and Network Resource forecasts must be consistent with those included in its Application.

BPA's NITS Customers provide such advance notice via the LaRC. We therefore maintain that the LaRC contains the forecasted designation of new Network Resources and new Network Loads requiring evaluation by BPA, which constitute a modified service Application that should be processed consistent with section 29.2.

Moreover, BPA itself relies on Section 29.2 as the source of the LaRC information. Invoking a provision for the obligation it imposes on customers, while declining its reciprocal notification timeline, is difficult to explain to our members and regulators.

The practical result is a BP in which every deadline runs against the customer and none runs against BPA. A customer must return the LaRC within a window of not less than 30 Calendar Days; must remedy a LaRC within 10 Business Days; must remedy a Data Exhibit within 5 Business Days; must return an NTLG Facility Evaluation Form within 10 Business Days; must submit a NITSDNR the same Business Day the TSR is QUEUED; and must remedy NITSDNR deficiencies the same day. BPA's own notification obligations carry no deadline. A customer may wait months, receive a deficiency notice, and have ten days to respond.

BPA's concern that extending cure periods delays evaluation is well taken, and it answers its own point. A customer given timely, particularized notice of deficiency reduces the need for latitude for the customer to respond, and significantly reduces the likelihood of extending the LaRC evaluation period as a whole.

The NITS Customer Group identifies two changes that would address this concern:

- A stated objective in B.7 that BPA will endeavor to notify a NITS Customer of LaRC deficiencies within 15 Business Days of receipt, and that it will notify the customer if it will miss that objective.
- A provision that the customer's cure period begins upon BPA's notice specifying with particularity the information that is deficient, which BPA has already said is its practice.

5. Documentation of BPA's Intent

The following concerns share a common structure: BPA has explained through its Response to Comments certain intentions with its NITS policies (which we largely accept and support). However, BPA has not specified these provisions within the BP itself. This raises concerns where the passage of time or staff turnover will eventually obscure these

underlying intentions. We believe BPA can make significant improvements by documenting in its BP the intentions it included in its responses.

A. The “reasonable discretion” standard for NTLG determinations lacks a procedural hook (Sections E.6.b.iii and C.5; BPA Responses 3, 13, 14, 16)

We appreciate that BPA agreed to change determinations of NTLG from BPA’s “sole” to “reasonable” discretion. BPA’s response states that NTLG determinations will in most cases be self-evident from the MW amount; that a group of subject matter experts will review the information; that no question on the NTLG Facility Evaluation Form is weighted more heavily than another; that BPA “will continue to provide response letters to NITS Customers detailing the reasons for decisions”; and that the OATT Dispute Resolution Procedures are available to a customer who disagrees.

We accept each of those statements as a description of BPA’s intent; however, none of them appears in the BP itself. As drafted, a customer receiving an NTLG determination has no stated entitlement to know which of the Facility Criteria drove it, no identified decision-maker, and no step between disagreement and formal dispute resolution.

Routing every disagreement to Dispute Resolution, an adversarial and post-hoc mechanism poorly matched to an annual forecast cycle, converts routine forecasting friction into formal disputes that needlessly consume BPA and customer legal and staff resources. Lastly, and most practically: if BPA is in fact going to explain its determinations in Close Out letters, as it says it will, then declining to say so in the BP gains BPA nothing while forfeiting the credibility such commitment would earn.

We therefore suggest the following modifications:

- In Section C.5, provide that BPA’s response letter will identify each facility determined to be NTLG and state the basis for the determination, including which Facility Criteria BPA relied upon.
- In Section E.6.b, state that a designated group of BPA subject matter experts makes NTLG determinations, and that BPA will communicate with the customer before making a final NTLG determination.
- Add a defined reconsideration step: within 10 Business Days of a determination, a NITS Customer may request review, which BPA will address through the Transmission Account Executive within 20 Business Days, without prejudice to the OATT Dispute Resolution Procedures.

B. The zero-MW baseline continues to lack clarity (Sections E.6.a.iii and O.3; BPA Responses 21, 31, 32)

BPA declined to adopt a carve-out for existing facilities not previously itemized in a LaRC. BPA explains that “[w]hen a NITS Customer submits LaRC information for a Possible New and Growing Load or a NTLG, it is for the forecasted increase that they are requesting, not the total peak for a facility that is already in existence,” and that comparing the forecast increase against zero allows accurate identification of NTLG.

However, BPA’s explanation and the drafted text describe two different operations. Section E.6.a provides that “[a] comparison is made of each year of the NITS Customer’s load forecast to the same year of the load forecast for the prior accepted forecast (the baseline forecast),” which is a forecast-to-forecast comparison. Section E.6.a.iv then provides that where a facility “has not been previously identified in the LaRC, the baseline forecast is assumed to be 0 MW. This provision will not apply to any existing Network Load taking LTF service.” Although we appreciate BPA’s acknowledgment that existing Network Load should not be identified as NTLG, it is unclear what baseline forecast it will use instead.

The NITS Customer Group therefore requests that BPA provide additional clarification regarding what baseline forecast it will use for existing Network Loads taking LTF service. We continue to recommend a baseline forecast for existing facilities that considers historical operation, for example by metered load history.

C. Deficiency consequences should be confined to the deficient element (Sections B.7.a and C.2; BPA Responses 10, 11, 29)

BPA declined to delete the language in B.7.a, stating it needs to retain the original language “to make clear what forecast BPA will use if a NITS Customer does not remedy deficiencies in their LaRC” and to preserve a record of the requested change. BPA declined the proposed change to C.2, noting a Data Exhibit may be required to enable review. BPA added language to C.2.b providing that where a Data Exhibit is not timely provided, “the request will receive no further consideration” while “BPA will continue to review the LaRC without the request.”

While BPA’s addition to C.2.b approaches the right principle, we are unsure what BPA refers to by “without the request” in the context of the LaRC. A LaRC contains many different components – does BPA’s revised language suggest that it will continue to process the remaining satisfactory loads and resources but omit the single deficient element? Or, as in Section B.7, does BPA intend to not consider the entire LaRC for commercial planning because of a single deficient component?

The example we offered in first-round comments remains unanswered. A forecast of a new non-federal resource that satisfies every information and attestation requirement should not be prohibited from participating in a commercial study due to an unrelated informational deficiency concerning an entirely different resource.

NITS Customer Group therefore requests the following change: conform Section B.7.a to the principle BPA adopted in C.2.b. Specifically, the consequence of an unremedied deficiency will be limited to the discrete deficient load or resource element, with the balance of the LaRC processed as submitted, including in any necessary commercial evaluations.

D. The asymmetric treatment of non-federal resources should be narrowed and its basis stated (Section F.7; BPA Response 26)

In its response, BPA states the NTLG policy is resource neutral, that new resources introduced to the transmission system require commercial analysis regardless of their nature, and that the requirement reflects “the basic requirement to review anything that proposes to add a new incremental flow to the transmission system.” BPA further explains that transmission service for typical load growth served from the FCRPS “is assumed to be planned for through annual system assessments (i.e., Attachment K),” and that enabling integration of non-federal resources was a principal driver of the forecasting process.

BPA’s response confirms the asymmetry and leaves it undocumented. Under F.7.b, the same increment of trended load growth receives a different process depending on the resource serving it: served from the FCRPS, it runs on the customer’s existing AREF with no new FTSR and is handled through the annual reliability assessment; served from a non-federal resource, it generates a new or modified FTSR with potential STUDY status and a commercial study process.

BPA’s rationale, that a new non-federal resource could introduce incremental flow requiring analysis, has merit in many cases. That rationale supports a targeted trigger. Applied broadly, it loses much of its force: where a customer’s non-federal resource presents a POR already modeled, existing transmission rights already modeled, and a MW amount within a previously evaluated envelope, the incremental-flow premise falls away, and the commercial process becomes a procedural cost devoid of analytical purpose.

The NITS Customer Group asked BPA to document the basis for this asymmetry in the BP and to describe limited triggers. BPA supplied a rationale in the Response to Comments while leaving both the rationale and any narrowed trigger out of the text.

NITS Customer Group therefore requests two changes:

- State in F.7 the basis for the differential treatment that BPA articulated in its Response, namely that trended load growth served from the FCRPS is addressed through the annual system assessment process. A stated rationale gives customers something to plan against.
- Limit the STUDY FTSR trigger in F.7.b.i to defined circumstances: a POR not previously modeled or evaluated; existing firm transmission not demonstrated; or a MW amount exceeding a previously evaluated quantity. Where none applies, process the forecast through the reliability assessment as in the federal case.

III. Conclusion

At the end of the day, the NITS Customer Group and BPA desire the same operational outcome: a NITS BP clear enough to administer, and a LaRC process that is once again running after two years. On the specific provisions addressed above, the remaining distance appears to us to be manageable. For many of these issues, BPA has already articulated an intent we can accept. The question is whether that intent appears in the operative text, or whether it is limited to the Response to Comments.

More broadly, and as we stated in the outset, we continue to hold reservations with BPA's provision of NITS. And though we agree with the importance of BPA restarting its evaluation of LaRCs, the NITS Customer Group does not believe that this version of the NITS BP is a suitable long-term framework to ensure efficient, dependable load service. We intend to follow these comments with a separate correspondence describing these reservations in the near future.

Finally, we also support the request made by the Eugene Water & Electric Board in their original comments requesting that BPA consider convening a focused workshop on the final revisions.

We reiterate our appreciation for BPA's decision to extend the comment period and its engagement in response, and thank you for this subsequent opportunity to comment.