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via email (techforum@bpa.gov)

Bonneville Power Administration
Transmission Services

Re: Comments of Avangrid on Changes Regarding Access to Transmission Capacity

Avangrid Power, LLC ("Avangrid") appreciates the opportunity to provide comments to Bonneville Power Administration ("Bonneville") staff responding to the issues discussed at the informal workshop on March 7th regarding initial alternatives to potentially change Network Integration Transmission Service ("NITS") customers' access to transmission capacity ("Workshop").¹ We also want to express appreciation for Bonneville staff bringing this issue to the attention of its customer base. We recognize the region, and indeed country, has a need for more transmission capacity. The question of how to utilize existing transmission assets prior to expansion is complex and may have unintended consequences. These comments generally highlight key considerations to help promote fairness among customers.

In these comments Avangrid provides four main recommendations to guide Bonneville's next steps in addressing this issue: (1) Bonneville should consider other alternatives, such as expanding transmission capacity or analyzing drivers and modifying policies that are more directly targeted to the drivers; (2) Avangrid strongly urges Bonneville to refrain from moving forward with any alternatives that might minimize the value of Avangrid's long-term transmission rights, including potentially limiting rollover rights for new Point-to-Point ("PTP") contracts and reassessing existing conditional firm ("CF") service biannually; (3) Avangrid also recommends that Bonneville discuss these alternatives as part of the Transmission System Expansion Process ("TSEP") reform project² to accommodate a more holistic, transparent discussion with stakeholders than was possible given the notice constraints ahead of the Workshop; and (4) Avangrid reiterates its longstanding view that Bonneville should follow Federal

¹ Additional details regarding the NITS Access to Transmission Capacity Initial Alternatives meeting, including the slide deck for Workshop ("Workshop Slide Deck") are available at <https://www.bpa.gov/energy-and-services/transmission/nt-service/additional-resources>.

² On February 5, 2025, Bonneville announced it was pausing the 2025 TSEP indefinitely and planning to evaluate new ways to provide transmission capacity to PTP customers.

Energy Regulatory Commission (“FERC”) policy unless inconsistent with the agency’s unique statutory framework. Additional considerations on each recommendation are provided below.

I. BACKGROUND

Bonneville is evaluating three near-term and two short-term options to better accommodate NITS load growth *without* requiring any new additional capacity on the federal system. Bonneville’s potential near-term solutions include: 1) Expanding the use of 6NN service; 2) Offering LTF service to NITS customers without commercial study in certain instances; and 3) Limiting PTP renewal/rollover rights for new service and reassess existing CF service offers more frequently. Bonneville’s potential long-term alternatives include: 1) Reevaluating *pro forma* NITS elements; and 2) Modifying the agency’s OATT to again offer CF service to NITS customers.

Bonneville is currently unable to award and/or encumber Long-Term Firm (“LTF”) transmission service for both new PTP requests and/or NITS forecasts due to lack of Available Transmission Capacity (“ATC”). Moreover, while PTP customers have access to CF service, which grants LTF transmission service with specific provisions, NITS customer agreed to relinquish CF service during the TC-20 Settlement to conform with FERC policy and *pro forma* Open Access Transmission Tariff (“OATT”).³ As explained at the workshop, Bonneville is considering whether to revise its OATT, Business Practices (“BPs”), or both, to provide the agency additional flexibility for NITS customers to access CF service to meet NITS customer transmission needs.

II. COMMENTS

Avangrid is still working to understand the impact the potential changes discussed at the Workshop might have on its business operations and transmission portfolio. We would appreciate the opportunity for additional discussion with the agency to fully analyze the proposed actions and their impact on the entirety of Bonneville’s transmission customer base.

1. Bonneville Should Consider Other Alternatives that Avoid Benefiting One Customer Group to the Detriment of Another Customer Group

As a general matter, the agency appears to be considering changes that would clearly or possibly benefit one customer group to the detriment of another customer group. Avangrid urges Bonneville to find ways to accommodate NITS load growth without degrading the value of its PTP transmission products. In order to eliminate the zero-sum nature of this issue, Avangrid encourages Bonneville to consider the drivers more extensively of NITS load growth. If the drivers of NITS capacity concerns are large data center load identified as New Large Single Load (“NLSL”), Avangrid recommends identifying whether there are other mechanisms that might more directly address the issue. Two alternatives include expanding the capacity of its transmission system or updating the NLSL policy to

³ Workshop Slide Deck at 2 (citing Bonneville’s TC-20 Settlement and 2017 Pro Forma Gap Analysis).

identify proper treatment of transmission for NLSL served by non-federal resources. Avangrid anticipates through further discussion these alternatives or other alternatives might address the issue without negative impact on some parts of Bonneville's customer base.

2. Bonneville Should Protect the Value of Long-Term PTP Transmission Products and Should Not Implement Any Changes That Might Degrade the Value of the PTP Products to Benefit NITS Products

Bonneville has not made a convincing case to limit renewal rights on new PTP requests and should refrain from entertaining this idea until after the TSEP reform process. As a threshold matter, it is difficult to understand how any new offers for PTP service could pencil out over solely the initial contract period. The removal of the rollover right is likely akin to an indefinite pause on transmission expansion for PTP customers, which is obviously untenable for customers that rely upon PTP service. Moreover, since Bonneville has already implemented an indefinite pause on PTP transmission expansion (by suspending the 2025 TSEP and instigating a TSEP reform project) it is also difficult to ascertain what, if any, impact limiting new PTP rollover rights could possibly have to improve the availability of capacity for NITS customers as an interim solution. Assuming there is a 2026 TSEP at all, new PTP agreements without rollover rights would likely have commercial operation dates a number of years in the future, which means that capacity (funded by PTP customers) would not be available for NITS customers for multiple years at the earliest.

As mentioned above, Bonneville also proposes to add more criteria to existing CF service offers that are reassessed biannually, among other possible modifications to provide more flexibility to NITS customers. Avangrid is concerned about this proposal as many utilities view CF service as a required power purchase agreement element. If existing CF service offers were reassessed and further limited, the impacts could extend to existing contracts between developers and utilities. Prior to pursuing this option, we would appreciate the opportunity to more thoroughly evaluate and discuss the additional criteria that may be proposed and explore the potential ramifications of this proposal. Above all else, we hope to ensure any modifications to the CF service retain the value and spirit of existing contractual agreements with customers.

Changes that increase the value of a product or otherwise increase the workability of some products should not be considered in a vacuum if they could also foreseeably decrease the value of other products. Bonneville should refrain from picking winners and losers and be transparent about its intentions if/when any such tradeoffs are needed. At bottom, Bonneville's PTP customers have made substantial investments to develop Bonneville's transmission system in exchange for LTF transmission rights that provide the agency revenue certainty. The proposal to limit rollover rights and reassess existing CF service would be a dramatic change in policy that warrants careful scrutiny.

3. Bonneville Should Discuss the Proposed Alternatives with Stakeholders More Holistically Before Making any Changes to NITS Customers' Access to Transmission Capacity

It is incumbent upon Bonneville to address any foreseeable impacts to PTP service or system reliability and to transparently discuss any give-and-take dynamics between customers groups before implementing changes to accommodate additional NITS load. While the information provided by Bonneville at the Workshop was helpful in understanding the agency's general direction and inclination, it raises questions that do not have a clear venue for follow up. For example, whether Bonneville has determined the agency cannot build ATC sufficient to meet NITS customers' base load served by the Federal Columbia River Power System ("FCRPS"), whether allowing monthly 6NN service without requiring an ATC check is consistent with prudent utility practice or might result in increased risk of reliability issues or curtailment of PTP service. Additionally, assuming Bonneville has determined the agency can provide LTF NITS service prior to reliability infrastructure being in place (without impacting other services),⁴ whether Bonneville has a plan if the agency's current staffing constraints⁵ and/or other unforeseeable federal policy changes delay the requisite construction timelines. Avangrid strongly recommends Bonneville address these potential NITS changes within the TSEP reform process—and consider adding an additional workshop to do so—and/or provide a meeting schedule in the ongoing Evolving Grid process to better understand the decisions the agency is weighing with respect to new transmission development.

4. Bonneville Should Follow FERC Policy Protecting Transmission Rollover Rights

Bonneville briefly noted FERC precedent, which has generally avoided permitting transmission providers to allow any such limits to PTP rollover rights, but did not address how FERC's guidance would inform Bonneville's decision in the instant case. Pursuant to the TC-20 Settlement Agreement mentioned above, Bonneville no longer needs to file its tariff changes with FERC, and FERC policy is generally not binding on Bonneville.⁶ That said, Bonneville has historically followed FERC policy as a matter of practice unless a statutory obligation or circumstance unique to Bonneville requires the agency to deviate from federal policy. Avangrid is still reviewing FERC guidance regarding transmission renewals and may file additional comments. As described by Bonneville, however, the agency's problem does not appear to justify a solution that would deviate from federal policy.

⁴ *Id.* at 4.

⁵ OREGON PUBLIC BROADCASTING, *Bonneville Power staff departures under President Trump raise concerns about Northwest electrical grid* (Feb 13, 2025) available at <https://www.opb.org/article/2025/02/13/bonneville-power-administration-workforce-donald-trump-resign-severance-hiring/>.

⁶ Additional details regarding the TC-20 Settlement Agreement, including the TC-20 ROD confirming BPA no longer files OATT changes with FERC or attempting reciprocity are available at <https://www.bpa.gov/energy-and-services/rate-and-tariff-proceedings/tc-20-tariff-proceeding>.

III. CONCLUSION

Avangrid appreciates Bonneville's consideration of these comments and the recommendations contained herein. As noted above, Avangrid may file additional comments to address FERC policy in more detail. Nothing in these comments constitutes a waiver or relinquishment of any rights or remedies provided by applicable law or under Bonneville's tariff or otherwise under contract.