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Re: Avangrid Comments on Parity and Principles in TC-27

Avangrid Power, LLC ("Avangrid") submits these comments to Bonneville Power Administration ("Bonneville") following the TC-27 Pre-Proceeding Workshop held on October 28, 2025.[1] Avangrid appreciates that Bonneville's TC-27 Principles confirm the agency's commitment to follow Federal Energy Regulatory Commission ("FERC") policy where practicable, and submits these comments to encourage staff to more holistically consider opportunities to improve parity between customer groups and product offerings to ensure any reforms ultimately adopted will promote nondiscriminatory access to the federal transmission system. As discussed in more detail below, the TC-27 process presents an important opportunity to improve upon the proposals discussed in the Grid Access Transformation ("GAT") workshops, including ensuring the agency adheres to federal guidance protecting nondiscriminatory access to the transmission system.

The key recommendations in these comments include: (1) Bonneville should strive to provide parity between customer groups and consider issuing a new Business Practice ("BP") to resume processing redirects as comparable to the anticipated BP allowing limited load growth for NITS customers; (2) Bonneville should maintain nondiscriminatory access to its transmission system, particularly for its new interim service and additional capacity provided by the Evolving Grid projects; and (3) Bonneville's should provide more information regarding its interim service product and expand on its security mechanisms supporting an eligible Transmission Service Request ("TSR").

I. COMMENTS

As a threshold matter, Avangrid strongly recommends that any reforms adopted in this proceeding should promote parity between customer classes and service types. At a minimum, we recommend that any tariff updates should align with FERC open access principles and the recent U.S. Department of Energy ("DOE") directive[2] to provide nondiscriminatory access to the federal transmission system. It also means, however, that if staff is going to implement a new BP that benefits one customer group, it should take care that the BP does not disadvantage any other customer groups. And if TC-27 concludes with a clear process for Network Integration Transmission Service ("NITS") customers to increase their load forecasts and utilize more of Bonneville's transmission capacity, there should also be a clear process for Point-to-Point ("PTP") customers to address their load increases and to utilize more of Bonneville's transmission capacity as well. Although transmission expansion is technically paused for both customer groups, Avangrid is concerned

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[1] Additional details regarding the TC-27 Pre-proceeding, including the presentation materials from the October workshop (the "October Slide Deck") and links to the GAT Project, which was formerly referred to as the Transmission Planning Reform ("TPR"), are available at https://www.bpa.gov/energy-and-services/rate-and-tariff-proceedings/tc-27-tariff-proceeding.

[2] *Secretary of Energy's Direction that the FERC Initiate Rulemaking Procedures and Proposal Regarding the Interconnection of Large Loads Pursuant to Secretary's Authority Under Section 403 of the Department of Energy Organization* Act (Oct. 23, 2025) available at https://www.energy.gov/articles/secretary-wright-acts-unleash-american-industry-and-innovation-newly-proposed-rules ("DOE Directive").

that normal NITS load growth might be un-paused (and awarded any capacity made available through the Evolving Grid projects) while PTP and NITS customers with new large single load requests are left to reform an over-burdened study process.

To that end, although Proactive Planning was not included in the scope for the TC-27 proceeding, Avangrid nevertheless encourages staff to begin considering ways to put in place a paradigm to evaluate load growth for *all* customers more holistically, which ideally would be commensurate with any reforms to the agency's planning paradigm for load growth for NITS customers.

A. Bonneville Should Strive to Provide Parity Between Customer Groups

When considering product parity, Avangrid focuses mainly on the difference between NITS and PTP customers, both of which take transmission service under Bonneville's Open Access Transmission Tariff ("OATT").

1. FERC Requires Transmission Expansion for Both NITS and PTP Customers

Avangrid agrees with Bonneville that FERC's *pro forma* tariff obligates transmission providers to plan for and accommodate NITS load growth, however it also requires transmission providers to plan for and accommodate PTP service. Because nothing requires Bonneville to prioritize either service above the other, it is incumbent upon Bonneville to ensure that any reforms adopted in this proceeding maintain parity between the two foundational *pro forma* transmission products.

As Bonneville staff has explained in previous workshops, Section III of the OATT obligates NITS customers to provide load and resource forecasts, which Bonneville must acknowledge and use reasonable efforts to provide service to accommodate as soon as practicable.[3] A missing element, however, is that Section II of the OATT also obligates Bonneville to offer a PTP agreement when PTP service is requested, and expressly states that if Bonneville is incapable of providing any Firm PTP service requested, the agency is "obligated to expand or upgrade its Transmission System" to do so.[4]

Avangrid could not find anything in Bonneville's OATT that directs the agency to prioritize either NITS or PTP in transmission planning, and thus, Avangrid recommends the agency continue to address system needs without preference to any subset of customers, and to increase transparency regarding the need and timing of funds necessary to meet its obligations to provide reliable transmission service to *all of its customers*.[5] In particular, we strongly recommend that Bonneville must not adopt any reforms that elevate the needs associated with NITS load growth (native or otherwise) above those of PTP customers, even on a temporary or interim basis.

2. DOE Requires Nondiscriminatory Access to Transmission Systems, Despite Unprecedented New Load Growth

The recent DOE initiative underscores the obligations discussed above in FERC's *pro forma* tariff. DOE's Advanced Notice of Proposed Rulemaking ("ANOPR") sets out clear guidance prohibiting discrimination

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[3] *See* BPA OATT, Section 29.2-3; 31.6 (obligating NITS customers to provide annual updates and timely notice of any material changes).
[4] *See id.* at Section 13.4-5 (obligating transmission providers to expand the transmission system).
[5] *See id.* at Attachment K, Part III (stating the intent of the planning is to provide reliable service to all customers).

based on unprecedented new load demands, which makes clear that all entities seeking service on the federal transmission system must be treated in a nondiscriminatory manner. We believe it therefore behooves Bonneville to align with DOE, along with any FERC guidance issued in the rulemaking opened to consider the ANOPR,[6] to ensure that any policies and/or tariff revisions considered in the instant proceeding conform with federal open-access standards.

3. Bonneville Should Consider Issuing a New BP to Resume Processing Redirects as Comparable to the Anticipated BP Allowing Limited Load Growth for NITS Customers

In the interest of efficiency Avangrid will not repeat its earlier comments urging Bonneville to resume processing redirects with *de minimis* impacts to help enable projects to retain federal tax incentives (either consistent with its current BP or as an interim measure while longer-term reforms are being considered) but will instead focus on apparent inequity in staff's decision not to resume the processing of *de minimis* requests at the October workshop as compared to staff's decision to issue a BP to allow certain levels of load growth for NITS customers.

With respect to redirects, staff reiterated its decision reflected lingering concerns that granting *any* redirects (even those that meet thresholds that agency has previously described as "low risk" and "insignificant")[7] could lead to a "nickel and diming" problem whereby even small amounts of new capacity awarded to redirects would not be available for unstudied requests or outstanding NITS forecasts.[8] Staff also noted that given the nature of the pause, they could change their mind and decide to resume processing these redirects at any time based on how the TC-27 proceeding progressed.

Later in the same workshop, staff indicated that the agency anticipated issuing a new BP update to establish a new large load threshold that would allow NITS customers to increase their load forecasts by 13 MW per Point of Delivery ("POD") without participating in Bonneville's Commercial Planning process, which could result in treatment akin to PTP requests. This BP would likely be issued before the TC-27 process concluded.

Based on staff's explanation that allowing redirects with even a *de minimis* impact on capacity might undermine outstanding NITS requests, it seems logical that allowing NITS customers to increase their load forecasts 13 MW per POD (or potentially per facility) before the pause is lifted could similarly impact the ability of potential redirect requests to be granted. Avangrid asks Bonneville to consider whether there is a way to permit some level of redirects to provide more parity between customer groups, and if not, to explain how issuing the BP on limited load growth for NITS customers while redirects with even *de minimis* impacts remains paused does not constitute the same "nickel and diming" problem in reverse.

B. Bonneville Must Maintain Nondiscriminatory Access to its Transmission System, and Especially Between Business Lines

When considering, designing, and administering reforms in a manner consistent with open-access principles to ensure nondiscriminatory treatment among customers, Avangrid notes these issues are

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6 *Interconnection of Large Loads to the Interstate Transmission System*, FERC Docket No RM26-4-000, Notice Inviting Comments (Oct. 27, 2025).

7 *See* Bonneville Short-Term De Minimis Update at 4,19 (May 29, 2020), available at https://www.bpa.gov/-/media/Aep/transmission/atc-methodology/052920-customer-presentation-de-minimis-update.pdf (describing BPA's policy "to grant service in the absence of ATC, as long as the impact is insignificant" and the risk profile of long-term de minimis test as "low risk").

8 October Slide Deck at 27.

equally applicable to distinctions between NITS and PTP customers, but perhaps more significant when considering the difference between customers of Power Services ("PS") and Transmission Services ("TS").

1. Interim Service Should Be Offered Consistent with Open-Access Principles

The Draft Business Practices contemplate scenarios in which certain customers might be offered interim service while other similarly situated customers may not. The relationship between Bonneville's previously proposed readiness criteria, security provisions, and the ultimate offer of interim service lacked key details, which raised questions about compliance with open-access obligations that could undermine stakeholder confidence if left unaddressed in the TC-27 proceeding.

Furthermore, while some customers were permitted to decline interim service without penalty, others were not afforded the same flexibility—creating inequities and potential disputes over disparate treatment. Avangrid therefore strongly urges Bonneville to clarify the criteria for interim service offers, apply those criteria consistently across all customer groups, and reconsider allowing unstudied TSRs the same opportunity to decline interim service as studied TSRs, consistent with fundamental notions of fairness and nondiscriminatory principles.

2. Capacity Made Available from Evolving Grid Projects Must Be Awarded Consistent with Open-Access Principles

As briefly noted above, Bonneville's prior intention to allocate capacity from the Evolving Grid Projects before evaluating all pending TSRs for interim service could result in an uneven playing field. The sequencing employed by Bonneville could inadvertently disadvantage certain projects or customer groups, particularly if interim capacity is awarded prior to a comprehensive evaluation of all eligible TSRs. Avangrid therefore recommends Bonneville revisit its approach to sequencing to ensure that all interim service opportunities are distributed in full alignment with open-access requirements.

C. Bonneville's Scope for TC-27 Appears Workable but May Invite Inefficiencies That Could Be Avoided

Avangrid continues to believe that the proposed interim service concept, with some changes to better align with transmission customer needs, could serve as a valuable tool for optimizing existing system capacity while longer-term solutions are pursued. As discussed in more detail above, this belief is premised on the assumption that the various reform concepts will work together to provide nondiscriminatory access to the transmission system consistent with open-access principles. By continuing to bifurcate between near-term and longer-term solutions, however, Avangrid is concerned that the TC-27 proposals may inherit some of the uncertainty from the prior BP proposals. To that end, Avangrid provides the following general recommendations.

1. Bonneville's TC-27 Interim Service Proposal Should Include a Clear Path to Firm Service that Aligns with Project In-Service Dates

While the interim service concept has merit, it is difficult to see how it can be applied to the existing queue without providing clarity about the remaining path to firm transmission service. Bonneville's previous proposal focused primarily on the near-term transition with the intention to figure out the remaining proposals afterwards. This approach makes sense from a transmission planner's perspective, because it allows Bonneville to resume processing quickly by focusing on a much smaller portion of mostly mature TSRs that could be awarded interim service without requiring a study. But this approach makes less sense for customers that are being asked to put money at risk to remain in the queue without any clarity about when their (potentially unnecessary) interim service may be offered, whether additional studies and/or construction may be needed, and if so, what kinds of additional costs may be needed to reach an eventual award of firm transmission service. Furthermore, the interim service model appears to be predicated on aligning with project build schedules and does not contemplate deferral opportunities to ensure alignment with actual project in-service dates. We strongly recommend considering proposing an interim service product that includes deferrals to ensure customers are not paying for service prior to need.

2. Bonneville's TC-27 Proposal Should More Fully Develop the Security Mechanisms for Supporting an Eligible TSR, and Include Decision Points and Offramps Where Financial Obligations Are Commensurate With Anticipated Costs and Risk

Avangrid recommends Bonneville provide a crosswalk between the current TSR Study and Expansion Process ("TSEP") using the example previously provided by staff, which illustrates each form of financial commitment needed for a hypothetical 100 MW TSR requiring three separate $200 million expansion projects, to the proposed process so that customers can better understand when all refundable deposits, non-refundable fees, security requirements, plus any other costs, rates, or milestone payments that may reasonably be anticipated. This crosswalk is important because it will help customers understand which costs are knowable, when any initially unknowable costs are expected to become knowable, and when offramps are available throughout.

For example, will TSR deposits and application fees remain the same? If some limited number of batched studies are needed, will study costs be required? If construction is required, will a Preliminary Engineering Agreement or Environmental Study Agreement be needed, and if so, will there be costs associated? If at the end of a (potentially unnecessary) five-year interim service agreement the construction expansion needed is not yet complete, will the customer have to keep paying interim service to stay in the queue? If any key components are left unaddressed when TC-27 concludes, it is difficult to understand how customers can possibly weigh the financial risk to remain in Bonneville's queue.

In addition to the familiar decision points from the current TSEP, Avangrid asks Bonneville to consider any overall process points that would be specific to the new reformed process. For example, are there any situations where firm service cannot reasonably be rewarded but Bonneville will still provide a guaranty of delivering power from a project to support project financing? Does Bonneville have any willingness to consider decision points that would allow customers to transfer pending TSRs, *e.g.*, if construction funding moves to a flat fee rather than a pro-rata allocation?

In closing, Avangrid stresses that financial obligations should escalate so that they are commensurate with risk. If Bonneville is going to do a study, it makes sense that there be a decision point before that study that includes a reasonable estimate of the study costs. If Bonneville is going to design and construct transmission facilities, it makes sense that there be a decision point before that begins that includes reasonable securitization. Avangrid remains confused as to what the initial security requirements for commercial readiness and interim service are securitizing and asks that Bonneville reconsider whether these "pay to stay" charges need to be fully at risk before a plan of service is available or whether they should be partially refundable based on the project's potential path to firm service. If Bonneville maintains a model where the initial securitization remains fully at risk, it seems reasonable that the agency might also commit to eventually awarding firm service.

3. Bonneville Should Provide Additional Details to Allow Stakeholders Throughout the Region to Weigh the Risk Associated with a New Conditional Firm Product

Finally, Avangrid requests Bonneville provide additional information so that stakeholders can better evaluate potential risk associated with using Bonneville's new less-than-firm product. By way of example, Bonneville has provided very clear information about when and how the current Conditional Firm Service ("CFS") product can be curtailed, rules regarding deferral and renewal opportunities, the amount of reassessment that has been offered to date compared to the amount of bridge that has been offered, when the agency anticipates current bridge offers will be offered firm service, and the amount of CFS curtailment that has occurred to date. This kind of information helps stakeholders in the region better understand the product and how reliable it has been to date.

Details like this will also be needed for the new CFS product to enable developers to finance new projects that will rely on the new service. It would be helpful if Bonneville could confirm its expectations about whether the new interim CFS product would be awarded conservatively with the goal of maintaining the same quality of service CFS has historically maintained, or liberally with the anticipation that the new product will experience increased curtailment. To date, the information provided about interim service has been too nebulous, with too much uncertainty risk for contracting and/or financing purposes. To the extent practicable, Avangrid encourages Bonneville to host a workshop with utilities and regulators to openly discuss how interim service might impact procurement requirements.

II. CONCLUSION

Avangrid appreciates Bonneville's consideration of these comments and the recommendations contained herein and looks forward to working with stakeholders to vet Bonneville's refined proposals. 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.