

Submitted to techforum@bpa.gov on May 15, 2025

RE: PPC Comments on BPA's Initial Transmission Reform Workshop

The Public Power Council (PPC)¹ appreciates the opportunity to comment on the Bonneville Power Administration's (BPA) Transmission Reform effort. PPC's members rely on BPA transmission in order to provide their communities with reliable, low-cost electric service. As BPA's existing transmission infrastructure ages and load continues to grow in the Northwest, the agency's ability to study, plan and construct key investments is critical to ensuring preference customers are able to continue to provide the high quality and low-cost electric service on which their communities rely.

PPC Supports Initial Reform Concepts; Details Will Determine Success

PPC is encouraged by BPA's willingness to explore new approaches in its planning process to help it better serve regional demand, which in many areas is growing at an unprecedented pace. The challenges associated with planning for BPA's system will most benefit from a holistic solution across multiple planning processes and the agency's other key initiatives. Customers have repeatedly requested that BPA help put its "commercial" planning processes in context, clarifying the interactions between BPA's various planning processes (TSEP, Attachment K planning, Generation Interconnection studies, Line and Load Interconnection studies, etc.).

Similarly, this process needs to progress with upcoming power supply contracts in mind. Preference customers will soon be signing their Provider of Choice contracts and making selections related to how they plan to meet their needs with a mix of federal and non-federal resources. In order to make the best decisions to serve their communities, those utilities must have certainty about how different resource options, including federal power products, are planned for and delivered via BPA's transmission system. This makes it vital that BPA map out its transmission planning approach in a timely manner.

PPC acknowledges that there is some tension between the need to address this issue quickly and the desire to take a holistic approach to developing a solution. This underscores the need to work

¹ PPC is the umbrella trade association representing the interest of the Northwest's non-profit, public power utilities that have preference rights to the output of the federal system. PPC's members rely on BPA for wholesale power and transmission services to provide economic, reliable, and environmentally responsible power supply for the communities and businesses they serve at cost.

PPC's members fully subscribe the firm output of the Federal Columbia River Power System (FCRPS) and a large portion of the capability of BPA's transmission system. Additionally, we anticipate that public power will again fully subscribe the output of the FCRPS under new long-term contracts for the post-2028 period. For these reasons, PPC members have substantial interest and financial stake in the BPA's participation in organized markets.

quickly and efficiently to explore alternatives together in order to achieve both of these objectives.

PPC has appreciated the conversations to date and is supportive, at a conceptual level, of the proposed approaches presented by BPA: proactive planning, on demand service, and increased project execution. We are encouraged by the vision behind these ideas. The details surrounding BPA's approach to each of these concepts will be critical in determining whether this transmission planning reform is successful and consistent with the needs of utilities in the region.

Central Focus and Principles

Regional load service must be central to the agency's efforts. Prioritizing projects needed for regional load service is mostly likely to result in the identification of "no regrets" projects, reducing financial risk for the region as a whole. It would also allow BPA to continue to meet its statutory obligations which are foundational to this discussion. In BPA's next public workshop, PPC would like to hear more about how the agency plans to ensure these statutory obligations will be met in a new planning paradigm. The transmission reform conversation is occurring at a time of other transformational changes at BPA – most notably the offering of Provider of Choice contracts and the planned participation in Markets+. The approach adopted for transmission reform must be informed by and be compatible with the outcomes of these other initiatives.

These are among the principles that PPC has adopted for BPA's transmission reform. We offer these principles for BPA's consideration (see attached) and look forward to discussing them in more detail with the agency.

BPA Must Engage Early and Often with Customers During the Process

Following BPA's initial transmission reform workshop, the agency hosted a "customer led" workshop in which customers shared perspectives and potential solutions. Customers presented creative ideas, sought to understand others' views, and leaned in to find a path forward that would best allow BPA to serve regional needs. The discussion at this meeting was robust, despite the limited time given to customers to prepare. It was unfortunate that BPA staff did not engage substantively, even in the form of asking questions, during this discussion. Achieving the type of transformational change that the agency envisions will require regular, open conversations with customers. Customers need to have the opportunity to work side by side with the agency to develop, improve, and implement potential solutions.

The next planned engagement with customers is in July. That is too long of a period to elapse between now and that planned forum, particularly given the proposed speed of this initiative. BPA should add a meeting in late May or early June to share early impressions of the ideas presented at the customer-led workshop. Even an initial conversation with indications of whether any of the customer-propelled ideas seem particularly promising or are being considered "off the table" would be helpful in these early stages. Another scheduled workshop would allow BPA and customers to further discuss possible alternatives together before the agency returns with more completely formed alternatives in July.

Next Steps Based in Partnership

PPC is committed to partnering with BPA to find novel solutions to this challenging issue. This is not the first challenging issue we have explored with the agency, and it will not be the last. BPA and public power have a shared history and a shared future. This is a transformational moment for the agency, and we look forward to developing solutions side by side with BPA to achieve that transformation.

Thank you for the opportunity to comment.

PPC Principles for BPA Transmission Planning Reform

- 1) BPA's approach to transmission planning and execution must be consistent with the agency's statutory obligations to preference customers.¹
- 2) BPA should prioritize policies and investments that facilitate regional load service.
- 3) BPA's approach should ensure compatibility with other key agency initiatives (e.g. Provider of Choice contracts, day ahead market participation).
- 4) BPA's objective to provide reliable, timely service should apply equally to all preference customers, regardless of their location on the system.
- 5) BPA must provide an indication on how it will plan for various Provider of Choice selections prior to customers signing the POC contracts. This includes addressing the planning process (both for NT and PTP service) for deliveries of:
 - a. Tier 1 service
 - b. Tier 2 service
 - c. Non-federal resources to serve above contract high water mark load
 - d. Non-federal resources to serve new large single loads
 - e. Short-term market purchases
 - f. "Trended" load growth
 - g. "Non-Trended" load growth
- 6) The decision-making process for future investments must be transparent and informed by customers.
 - a. BPA should plan and construct projects based on its customer's risk tolerance.
 - b. BPA should formalize when cost allocation decisions will be made for projects and include in that decision process the opportunity for customer input.
 - c. This transparency should include a clear and holistic description of how BPA's multiple planning processes (Attachment K, TSEP, LGIA, etc.) feed into the agency's overall capital plan.
- 7) BPA should expand its planning horizon to include a 20-year evaluation.

¹ As summarized in the Provider of Choice final Record of Decision:

Whenever requested by a public body or cooperative entitled to preference and priority under the Bonneville Project Act, Bonneville is obligated to offer to sell electric power to that public body or cooperative through contracts that cannot exceed 20-year terms. Congress also authorized Bonneville to construct, own, and operate transmission or to purchase transmission to deliver the electric power in satisfaction of this contractual obligation. In exercising its authority to market and transmit electric power, Bonneville's statutes provide that there be sufficient capacity for the transmission of electric power—generated or acquired—to satisfy Bonneville's contractual obligations. Prior to 1996, Bonneville fulfilled this obligation through a bundled power and transmission contract. With the advent of transmission deregulation in 1996, Bonneville has fulfilled this obligation by and through its adoption of the OATT. Under its OATT contracts, Bonneville has a legal obligation to provide transmission service, consistent with the terms of the Tariff and customer's respective transmission contracts.