Northwest Requirements Utilities

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Submitted electronically via techforum@bpa.gov

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Re: Northwest Requirements Utilities Comments in Response to BPA's April 21, 2025, Transmission Planning Reform Workshop

Northwest Requirements Utilities ("NRU") appreciates the opportunity to provide these comments in response to the April 21, 2025, Transmission Planning Reform Workshop. NRU represents the interests of 56 Load-Following preference customers and one generation and transmission cooperative, which together represent approximately 37% of BPA's Tier 1 load, all of whom depend on Network Integration Transmission Service ("NT") contracts with BPA for reliable load service.

As an initial matter, NRU welcomes BPA's transparent and open stakeholder process to identify and evaluate proposals associated with its Transmission Planning Reform effort. We recognize the criticality of addressing the impediments to BPA's ability to meet the transmission service needs of its customers, and would like to take this opportunity to emphasize the need to craft solutions in a collaborative and inclusive manner. To this end, NRU is committed to engaging with BPA in these regional conversations to the fullest extent. However, while we greatly appreciate the information provided in this most recent workshop, we note that BPA provided nearly all meaningful aspects of its conceptual proposals verbally, with virtually no specific supporting information provided in writing. BPA also elected to not record the workshop for posterity or subsequent stakeholder review. Going forward, we respectfully request that BPA provide in writing or otherwise record or make available the specific information related to its proposals necessary for its customers and stakeholders to provide meaningful feedback; otherwise, BPA risks receiving comments that are reliant on incomplete or faulty information, which could frustrate BPA's identification of viable solutions and the implementation of timely reforms.

Specific comments on the particular concepts, as they are understood by NRU, follow.

Proactive Planning Proposal

NRU strongly supports BPA's conceptual proposal to adopt a proactive transmission planning process. Specifically, we agree with BPA's proposal to identify transmission needs primarily based on anticipated load growth of its transmission customers under a diverse set of scenarios and informed by requests in its transmission queue. Relying on transmission requests as the sole or primary basis for identifying transmission infrastructure, when the aggregate demand of such transmission requests exceeds multiples of peak regional loads, is a poor indicator of probable transmission need and more likely produces illogical and unactionable study results. Instead, planning based on forward-looking, long-term scenarios that rely more heavily on forecasted load as the starting foundation will result in more cost-effective and efficient transmission solutions to meet BPA transmission customers' long-term load service needs, including that of BPA's NT customers.

Scenario Development

With respect to the development of long-term scenarios, NRU requests that BPA at a minimum review and discuss the inputs and assumptions that it intends to use in its proactive transmission studies in an open and transparent stakeholder process, whether through the Transmission Planning Reform series or otherwise. Given the criticality of these assumptions on the identification of transmission needs and solutions, they must be evaluated through a regional stakeholder process. Further, we recommend that BPA rely on load forecasts provided by its transmission customers as much as possible in establishing its load growth assumptions, including through any additional engagement that may be necessary to determine assumptions beyond ten years. Beyond its transmission customers, we would also support BPA consulting with the state commissions or other state regulatory agencies with the authority to approve the integrated resource plans ("IRPs") of investor-owned utilities ("IOUs") or other utilities that are BPA transmission customers. This not only will help inform the development of scenarios and assumptions—since BPA's point-to-point ("PTP") customers are not obligated to provide load forecasts to BPA—but allowing state entities to help inform demand-side assumptions (such as state laws affecting demand or anticipated load growth) can also help allay concerns that BPA is unilaterally identifying critical assumptions on behalf of its transmission customers.

For similar reasons we recommend BPA consider consulting with state regulatory bodies, in addition to the utilities themselves, as it relates to supply-side assumptions, such as resource locations, types, and quantities for purposes of satisfying utility IRPs and corresponding requests for proposals ("RFPs"). Given the influence on and relationship between these utility processes and BPA's transmission queue, BPA should seek to avoid making determinations in a vacuum for how utilities will meet resource procurement requirements. Insofar as practicable, BPA should consider leveraging state-driven feedback in determining the quantity and locations of new resources that should be included in its studies for meeting the loads of IOUs. The benefits of this are twofold: it would not only potentially help to constrain the resource zones and volume that BPA would study to a level more aligned with utility IRPs and RFPs, but also help alleviate allegations or concerns over BPA picking "winners and losers" from its

queue. BPA should strive for an appearance of impartiality and avoid "putting its thumb on the scale" of regional resource development as much as possible to avoid time-consuming and contentious outcomes of its proactive study process. As a complementary approach to consulting with state regulatory entities, NRU encourages BPA to also consider implementing caps or constraints on the total requests or capacity that it will include in its proactive studies, tied to the forecasted demand. These types of approaches have been approved for transmission providers in other regions, for example such as constraining the studied areas to 150% of capacity availability (CAISO) or limiting the studied demand no more than 50% of non-coincident peak for each load area (MISO). Although associated with generator interconnection processes, these policies were implemented to mitigate nearly identical concerns that BPA faces—specifically, responding to a queue that far exceeds rational load projections.

Study Horizon

We agree with BPA's proposal to plan based on a 20-year horizon, for many reasons. Such a horizon not only aligns with Long-Term Regional Transmission Planning requirements as outlined in FERC Order No. 1920, but also is consistent with the horizon under which many northwest investor-owned utilities conduct integrated resource planning pursuant to state regulatory requirements. To this end, a recent white paper from WECC's Long-term Transmission Planning Task Force identified that most load serving entities create a 20-year outlook for load, and WECC therefore also intends to collect and validate 20-year forecast data from member entities to help facilitate long-term planning studies. We note that a 20-year horizon aligns with that used in other planning contexts within the region, such as WestTEC's West-wide long-term transmission study and the Northwest Power and Conservation Council's development of the *Ninth Power Plan*. Moreover, evaluating transmission needs over a 20-year horizon should facilitate BPA's ability to address a larger volume of queued transmission requests than relying on a shorter horizon that represents a more condensed period of load growth. Lastly, given the general timeline to develop and construct significant transmission infrastructure, including conducting any necessary environmental review, planning for transmission needs beyond ten years is increasingly prudent.

Study Frequency

Regarding the frequency of proactive transmission studies, NRU supports the concept of BPA establishing a repeatable process to validate prior study findings and run subsequent studies to identify additional long-term transmission needs. Though we leave the frequency of conducting such studies to the discretion of BPA, we encourage BPA to monitor the ongoing need for a biannual study process, as proposed at the workshop, in consideration of BPA staff resources and the incremental value of doing so. As briefly discussed in FERC Order No. 1920, adhering to a higher frequency of updating assumptions and conducting multi-scenario, 20-year planning studies could prove administratively burdensome, and the incremental benefits of updated assumptions every two years may not outweigh that burden.

Evaluation of Potential Transmission Solutions

NRU also understands from the workshop that BPA anticipates evaluating potential transmission solutions on a least-regrets basis. We request that BPA commit to engaging with customers and stakeholders in an open and transparent process to develop BPA's evaluation criteria, whether least-regrets or otherwise, including the benefits that BPA will use in evaluating such transmission solutions (e.g., additional revenues, reliability, and/or resilience benefits). NRU suspects that the development of this methodology may be best deferred to a future stakeholder engagement process but wishes to highlight the importance of these criteria as it relates to future ratepayer impacts associated with these types of transmission solutions.

On-Demand Service

With respect to BPA's commitment to providing firm transmission capacity for all NT load growth that is "trended", NRU generally is in firm agreement. NRU understands from the workshop that, provided the NT customer's 10-year forecasted loads remains at or below "trend" (a threshold yet to be determined), BPA will encumber firm transmission capacity to serve such load growth without requiring the customer to participate in upgrades. While BPA's planning obligation under its tariff extends to all NT customer forecasted loads and resources (regardless of "trended" or "non-trended"), where a NT customer forecasts a new Network Resource or forecasts load growth that exceeds the "trended" threshold, NRU understands that such forecasts may require additional study and potential transmission upgrades prior to receiving firm transmission service, consistent with BPA's tariff. We remain interested in engaging with BPA on how it plans to define the threshold for "trended" load growth and the associated policy development necessary to support such a threshold, as well as the process by which BPA will plan to offer firm transmission to designated Network Loads served by new Network Resources.

Related to the current 70% certainty threshold and forthcoming definition of "trended" load growth, NRU encourages BPA to consider alternative options to assessing certainty of load, including the potential to eliminate the use of this threshold altogether for planning the transmission system. Given the timeline to construct new facilities, maintaining a 70% confidence level requirement may needlessly impede planning for loads that are more likely than not (i.e., greater than 50% probable) to occur. NRU looks forward to opportunity to discuss alternate approaches, and would appreciate a more robust discussion on this issue.

In addition, NRU generally supports BPA's commitment to provide "on-demand" transmission service where there is insufficient long-term firm transmission capacity as a bridge to long-term firm service through upgrades, through some form of less-than-firm service. NRU understands that, currently, BPA's options for providing priority 6 service are either through secondary network (6-NN) service for its NT customers, or conditional firm service (6-CF) to its PTP customers. While each of these services is "less firm" than long-term firm, they are hardly equitable in terms of risk. For example, PTP customers that take conditional firm service have priority access through automatic allocation of any short-term firm capacity before such capacity is released to the market for sale (see Section D.1.b of the Conditional

Firm Service Business Practice). All else being equal, this appears to place NT customers at a potentially severe disadvantage at accessing short-term firm capacity and could even subordinate NT load service to conditional firm PTP service in situations of firm transmission scarcity. NRU underscores the importance of this issue as BPA's preference customers prepare to make near-term decisions regarding the designation of new (non-Federal) Network Resources or purchasing Tier 2 service from BPA Power Services. NRU strongly recommends that BPA identify options for remedying this discrepancy as it moves closer to implementing its vision of "on-demand" transmission service.

NRU also understands and supports BPA's proposal to limit the opportunity for rollover for new long-term firm PTP contracts or conditional firm contracts, to the extent that such contracts would require capacity held aside for the reasonably forecasted NT customer load growth. This limitation of rollover is directly tied to BPA's obligation to set aside existing transmission capacity to meet reasonably forecasted NT load growth over the planning horizon, as outlined in FERC Order No. 888. As a result, BPA's proposal to limit the opportunity for rollover for new long-term firm PTP contracts or conditional firm contracts is imminently reasonable and a natural and foreseeable outcome of this obligation. To be clear, any characterization that BPA would be rescinding or otherwise taking away capacity from parties through this rollover provision is flawed; rather, it is NRU's understanding that BPA is proposing to offer—at the outset of service—the existing firm available capacity remaining on its system until such time as the NT load is forecasted to require the capacity that BPA previously set aside. As part of implementing this proposal, NRU recommends that BPA make transparent (to the extent it is not already) forecasted NT load growth as it relates to BPA's posted available transmission capacity, such that it is indisputable the point at which NT load growth is forecasted to increase where available capacity in the later portion of the planning horizon is depleted.

While we understand that this prospect of limitations on rollover may appear alarming to certain of BPA's transmission customers, NRU is uncertain of the eventual likelihood that BPA will in fact be in a position to limit the rollover of new PTP contracts. If BPA is successful in executing its vision of proactively planning the transmission system in advance of its transmission customer forecasted load, NRU understands that this should significantly mitigate the need for BPA to limit the rollover of new PTP service.

Project Execution

NRU greatly supports BPA's efforts as it relates to project execution, including use of its Secondary Capacity Model and expanding the opportunities for customer-led expansion. We appreciate and support BPA's goal of providing service within 5-6 years of the customer's request, including where upgrades are required. We also recognize that to achieve this ambitious target, all options must be on the table. We encourage BPA to continue seeking all possible avenues to expedite the completion of transmission infrastructure projects, while not sacrificing its standards for compliance and reliability obligations. While the use of alternative or expanded sources of construction alternatives may present

higher incremental costs, we anticipate that the benefits of ensuring reliable load service and avoiding load loss events would be far greater. We remain interested in engaging with BPA on issues around capital execution and the various alternative methods by which the region can realize new transmission infrastructure at a necessary pace.

Transition to Future State

As noted above, NRU looks forward to the upcoming discussions on how BPA may define "trended" and "non-trended" NT load growth. We also encourage any consideration of the use of a replacement probability/likelihood threshold (i.e., today's 70% load probability) to be embedded within these discussions given the relationship between these aspects and for the sake of efficiency. Regarding potential revisions to the load and resource forecasting process, NRU would support revisions that simplify the process and format, where possible, including simplifying the form and process for utilities with no anticipated load or resource changes. Given the importance of load and resource forecasts to BPA's tariff obligation to plan to serve NT customer load growth, any proposed process modifications should ensure that the necessary information continues to be provided to BPA in a timely manner and is at a sufficient level of detail for use by BPA transmission planners. NRU recommends that discussion of potential enhancements to the load and resource forecasting process and supporting documentation occur through the ongoing NT Focus Group and BPA meeting series, as those meetings allow for efficient engagement on issues that specifically pertain only to BPA's NT customers.

On BPA's existing transmission queue during the transition phase, NRU understands that the current queue is comprised of both requests that have been studied and requests that have not. For those requests that have been studied, NRU assumes that those customers will continue pursuing the plan of service that was identified through prior study processes consistent with BPA's tariff. For the remaining requests, we generally support BPA's proposal to apply first-ready, first-served principles, including readiness criteria, to the transmission queue as briefly described at the April 21, 2025 workshop. Given BPA already applies readiness criteria and first-ready, first-served principles to its interconnection queue, it is reasonable to consider applying similar principles to its transmission queue. This may help align service priority more consistently across both interconnection and transmission service queues and facilitate more timely service to ready customers. Moreover, BPA could consider offering all unstudied transmission requests mandatory conditional firm service as a means to ensure it is planning only for those customers that are ready to take service—which, while unusual, would not be altogether dissimilar from that which BPA offered in response to its decision to not construct the I-5 Project in the 2017-2018 timeframe, although we note that this approach may be incompatible with BPA's current tariff.

Regarding BPA's current transmission queue and progression to proactive transmission studies, BPA indicates that the study will center around long-term scenarios and the load forecasts of its transmission customers instead of being primarily driven by its queue, as described in the workshop. As this may result in lesser demand than is reflected by BPA's current unstudied transmission queue, BPA could

consider a number of options to align supply closer to the demand. One method, as previously noted, could be reliance on customer and state regulatory agencies to inform not only the load levels to which BPA should plan, but also resource locations and quantities to interconnect. This may assist with narrowing the study need and reducing the number of requests that require inclusion in the study. Again, as noted above, this may also shield BPA from accusations of undue influence over resource development opportunities. BPA could, alternatively, decide unilaterally what requests are suitable for aggregation in the study based on a combination of factors, as appears to be already permitted in section 19.10 of BPA's tariff. Once BPA has identified the most cost-effective and efficient solutions to meet the forecasted loads, BPA could also consider offering precedent transmission service agreements (maintained as Attachment O to BPA's current tariff) in queue order until such time the transmission facilities were subscribed. Finally, as mentioned in the preceding paragraph, BPA could consider applying strict readiness requirements as a means to further ensure that only customers that are ready to take service move forward.

Conclusion

NRU deeply appreciates BPA's thoughtful consideration of the challenges that it and its customers are facing in navigating the current transmission landscape, and we are generally very supportive of the concepts presented at the April 21, 2025 workshop. NRU especially appreciates BPA's commitment to plan for the load growth needs of its NT customers and explicit recognition of the enhanced planning obligation for NT service. Although many details remain unknown, we support BPA's efforts and believe that the concepts discussed represent a positive step forward. As we stated at the outset, NRU remains steadfast in engaging with BPA on these issues and looks forward to upcoming discussions. If you have any questions related to these comments, please do not hesitate to contact us.

Sincerely,

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