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TACOMA PUBLIC UTILITIES

May 2, 2025

Bonneville Power Administration  
905 NE 11<sup>th</sup> Ave  
Portland, OR 97232

Via email: [techforum@bpa.gov](mailto:techforum@bpa.gov)

**Re: Tacoma Power comments to BPA on Transmission Planning Issues**

Tacoma Power appreciates this opportunity to comment on BPA's efforts to revamp and reinvigorate its transmission planning efforts. Transmission planning is a crucial issue in the Pacific Northwest, as well as in the rest of the United States. With day-ahead markets and new preference power contracts on the horizon, BPA customers' reliance on BPA Network Segment transmission is vital to the continued growth and success of clean energy expansion in the Pacific Northwest.

While BPA's eye toward reinvigorating the transmission planning process is commendable, the current state of BPA's available transmission capacity is not. BPA's proposals, especially those it intends to implement in the short term, require careful scrutiny. BPA is unique in its position as a federal statutory power marketer and transmission provider, with specific requirements to meet the needs of defined preference customers, as well as having the ability to sell excess transmission capacity to IOUs, third-party generators and other entities who wish to buy transmission.

BPA's initial responsibilities were established in 1937, in the Congressional statute titled Bonneville Project Act.<sup>1</sup> In this initial statute, the responsibilities of the Administrator were enumerated, including those for planning<sup>2</sup> and Administrator was tasked to "give preference and priority to public bodies and cooperatives."<sup>3</sup> Tacoma has been one of BPA's largest power and transmission preference customers since at least 1940. Certainly, a lot has changed in the energy landscape since 1937, but the Administrator's responsibilities under statute remain the same.

In 1996, the Federal Energy Regulatory Commission (FERC) issued two landmark Orders, 888 and 889. BPA, as an entity that reports solely to the Department of Energy, falls outside of the direct jurisdiction of FERC, but generally tries to follow the mandates of landmark FERC orders and rulings. Order 888 required utilities to file open-access, non-discriminatory tariffs for transmission service, grouped into two products: Network Integration Transmission Service (NITS) and Point to Point (PTP) Transmission Service. NITS service is a transmission product that allows transmission to flow from any point on the Balancing Authority Area's (BAA) system

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<sup>1</sup> §832

<sup>2</sup>§832a(b) In order to encourage the widest possible use of all electric energy that can be generated and marketed and to provide reasonable outlets therefor, and to prevent the monopolization thereof by limited groups, the administrator is authorized and directed to provide, construct, operate, maintain, and improve such electric transmission lines and substations, and facilities and structures appurtenant thereto, as he finds necessary, desirable, or appropriate for the purpose of transmitting electric energy, available for sale, from the Bonneville project to existing and potential markets, and, for the purpose of interchange of electric energy, to interconnect the Bonneville project with other Federal projects and publicly owned power systems constructed on or after August 20, 1937.

<sup>3</sup> §832c(a)

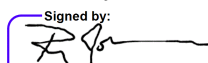
to any other point in the same BAA. PTP allows the designation of transmission service from a specific point to another specific point. A utility would need to designate NITS service for any “native load” that it would have, to ensure that its customers were prioritized before transmission could be sold to a third party. FERC Order 889 was the genesis of the Open Access Same Time Information System (OASIS), which utilities use today to schedule the purchase and sale of power.

In 1996, after Order 888, BPA launched an effort with its preference customers to establish their interest in continuing to engage with BPA as NITS or PTP customers. At that point in time, BPA’s system was flush with capacity and many of the later regulations surrounding priority of transmission service had not been considered.<sup>4</sup> Tacoma, at that point a bundled transmission and preference power customer of BPA, who had for decades paid to help build the transmission system, chose PTP service for its contract going forward. In 1998, Tacoma signed a 40-year agreement with BPA to remain a PTP customer.<sup>5</sup> At that point in time, Tacoma could not have contemplated a transmission scenario when its service was considered less than that of a NITS customer, but that is exactly the scenario that BPA is introducing with its current rethink of transmission planning.

In its Open Access Transmission Tariff (OATT), BPA defines a Native Load Customers as, “The wholesale and retail power customers of the Transmission Provider on whose behalf the Transmission Provider, by statute, franchise, regulatory requirement, or contract, has undertaken an obligation to construct and operate the Transmission Provider's system to meet the reliable electric needs of such customers.”<sup>6</sup> Given its historic and current behavior, Tacoma Power, and other PTP preference customers, meet the definition of Native Load Customers and should not be treated differently than other BPA preference customers based on a choice of transmission service. Under NERC’s TPL planning standards TPL-001-5.1, BPA is required to plan for, “Known commitments for Firm Transmission Service and Interchange.”<sup>7</sup> Tacoma acknowledges that BPA has used this requirement to mean NITS transmission service, but firm PTP service to preference customers also meets this planning definition. As a customer that meets the definition of a Native Load Customer, as well as a BPA preference customer, Tacoma requests that its status as a Point to Point customer not dictate the treatment that BPA applies to its transmission service.

Tacoma Power requests that BPA reconsider its positioning on limiting the PTP rights of preference customers in subordination to NITS preference customers. All preference customers meet BPA’s definition of Native Load Customers and should be treated similarly for the provisioning of transmission service. Tacoma Power believes that this incremental improvement is readily actionable by BPA. Tacoma Power does also recognize the need for and support BPA’s efforts in improving its transmission planning processes and remains engaged in the continued discussion.

Sincerely,

Signed by:  
  
Ray Johnson

05/02/2025

Deputy General Manager  
Power Management

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<sup>4</sup> For example, NITS service and long-term firm PTP service but have a 7 priority, 7FN and 7F respectively.

<sup>5</sup> Service Agreement No. 98TX-10103

<sup>6</sup> <https://www.bpa.gov/-/media/Aep/transmission/open-access-transmission-tariff/bpa-open-access-transmission-tariff-20240630.pdf>, §1.57

<sup>7</sup> <https://www.nerc.com/pa/Stand/Reliability%20Standards/TPL-001-5.1.pdf> TPL-001-5.1(B)(1.1)(1.1.4)