



NewSun Energy Presentation

BPA Transmission Planning Reform Customer-Led Workshop

May 6, 2025

BPA Transmission Reform - Agenda

- Important Principles, Observations, & Reference Points
 - Nature of Development and Transmission Market
 - Recent BPA Experiences – TSEP & results
- Recommendations & Ideas
 - Triaged Approach to current TSEP Queue
 - Declaring “State of Transmission Need”
 - Tiered-Growth Options
 - Change de minimus threshold
 - PEA Funding:
- Feedback on Other Ideas

Important Principles & Reference Points

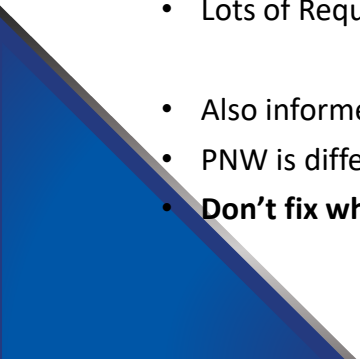
- Era of Cheap PNW *Market* Power is Over
- Era of Unmeetable Need Has Begun
- Diversity of Business Models on our Power Superhighway
- Key Litmus Tests
 - *Does Merchant Power Work?*
 - *Does it work for Traders?*
- Prior TSEPs vs. 2022/23/24 TSEP: *“Everything Everywhere All at Once”*
- The Problem With Backward Looking Changes
- Ensure Any & All Can Play, Invest, Access
- Reference Cases for TSRs – Past & Future
 - Historic & Important LTF TSRs
 - Avangrid Requests
 - Serving AWS / UEC Growth

NewSun / Experience & Approach

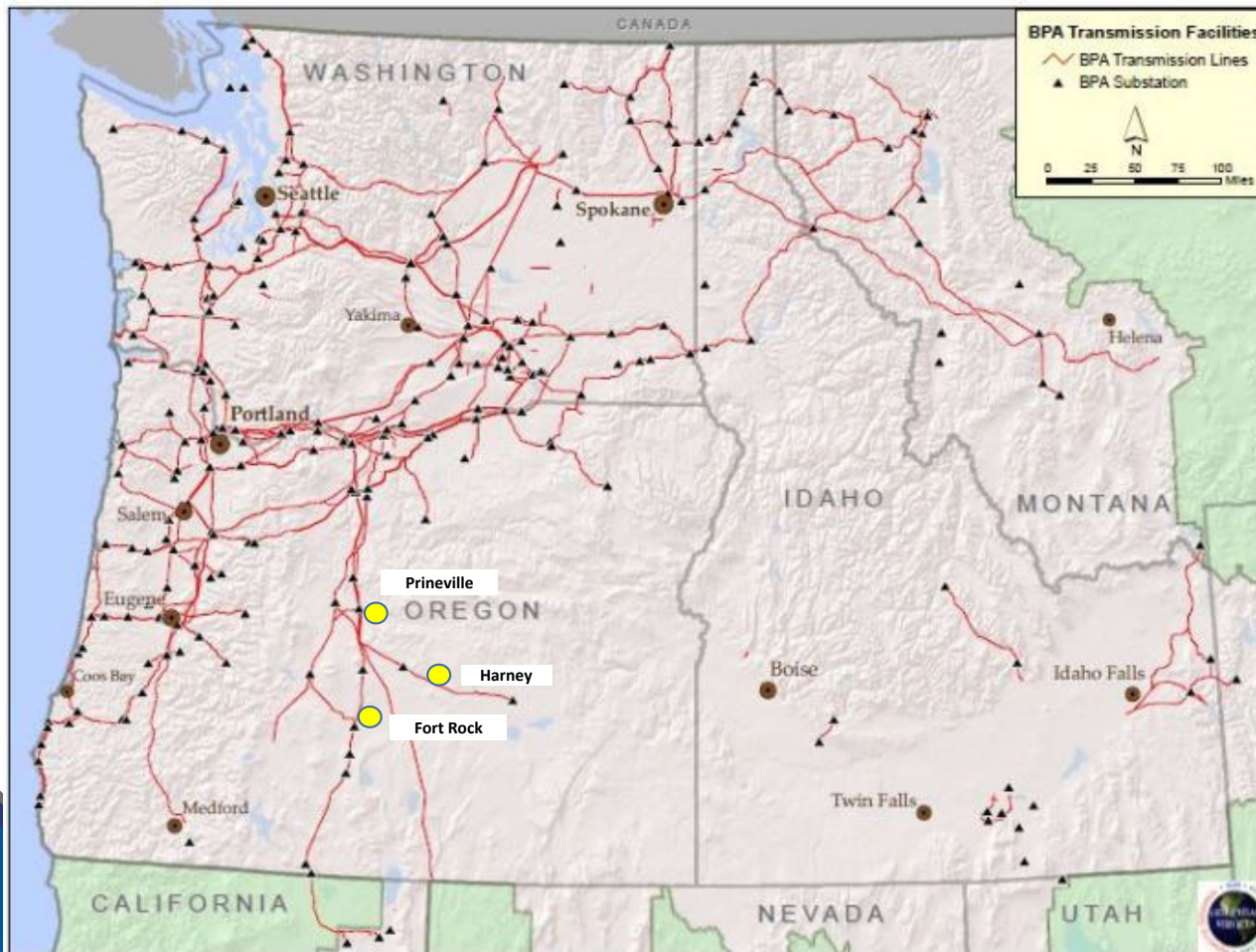


- **Experience:**
 - Careers, interconnections, markets, projects, reforms, regulatory:
 - \$Bs of projects, decades of experience
 - World-leading Projects & Front Wave of Market Transitions
 - #1 PNW Developer of Gen Supply
- **BPA + PNW Focused experience**
 - Extensive BPA IX/TX Studies Experience
 - Completed 3-4 dozen BPA IX and TX studies
 - 100+ BPA scoping & reports results meetings
 - Read over 150-200+ BPA Interconnection Studies
 - – Covering 15 years
 - **All TSEPs since TSEP began**
 - 20-30 GW of career interconnection studies/processes
 - Relevant OR+WA Market Experience (incl RFPs + OPUC issues)
- **IX/TX Reform Experience**
 - CAISO cluster conversion + PAC, FERC, and other IX reforms
 - FERC + BPA Adopted Recommendations
 - BPA TC-25 Reform Leadership – informed by BPA IX experience, recognizing BPA strengths

NewSun Experience / Philosophy

- Values + Realism Driven
 - **Project Development + Transactional Realities Must Inform Practices & Policies**
 - Extensive BPA IX + TX study process experience
 - Round-Peg Approach to BPA realities + Mkt Needs
 - Pro- Good-Precedent & Fairness
 - Pro- Market, Pro- Investability Stability
 - Pragmatists focused on Climate Outcomes & Market Success
 - Low Hanging Fruit + Creative Practical Solutions
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- Ideas informed from practical experience, conversations, observations with BPA process and team
 - Lots of Requests, Studies, Service Granted & Denied, Funded & Not Funded, Etc
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- Also informed by issues in other 'reforms' – not-as-advertised, emergent issues, etc
 - PNW is different
 - **Don't fix what ain't broken**
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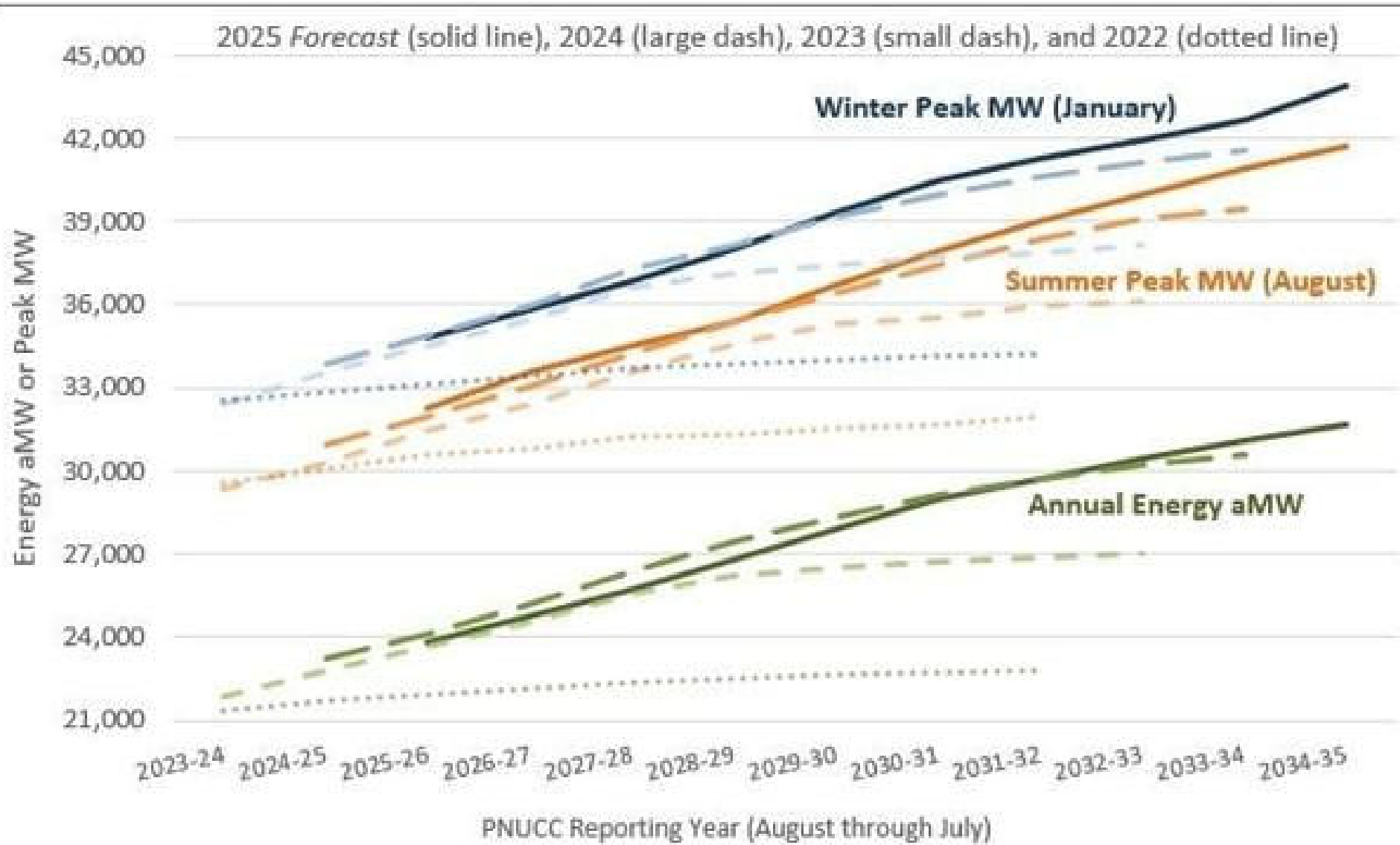
BPA – Backbone / Superhighway of the PNW

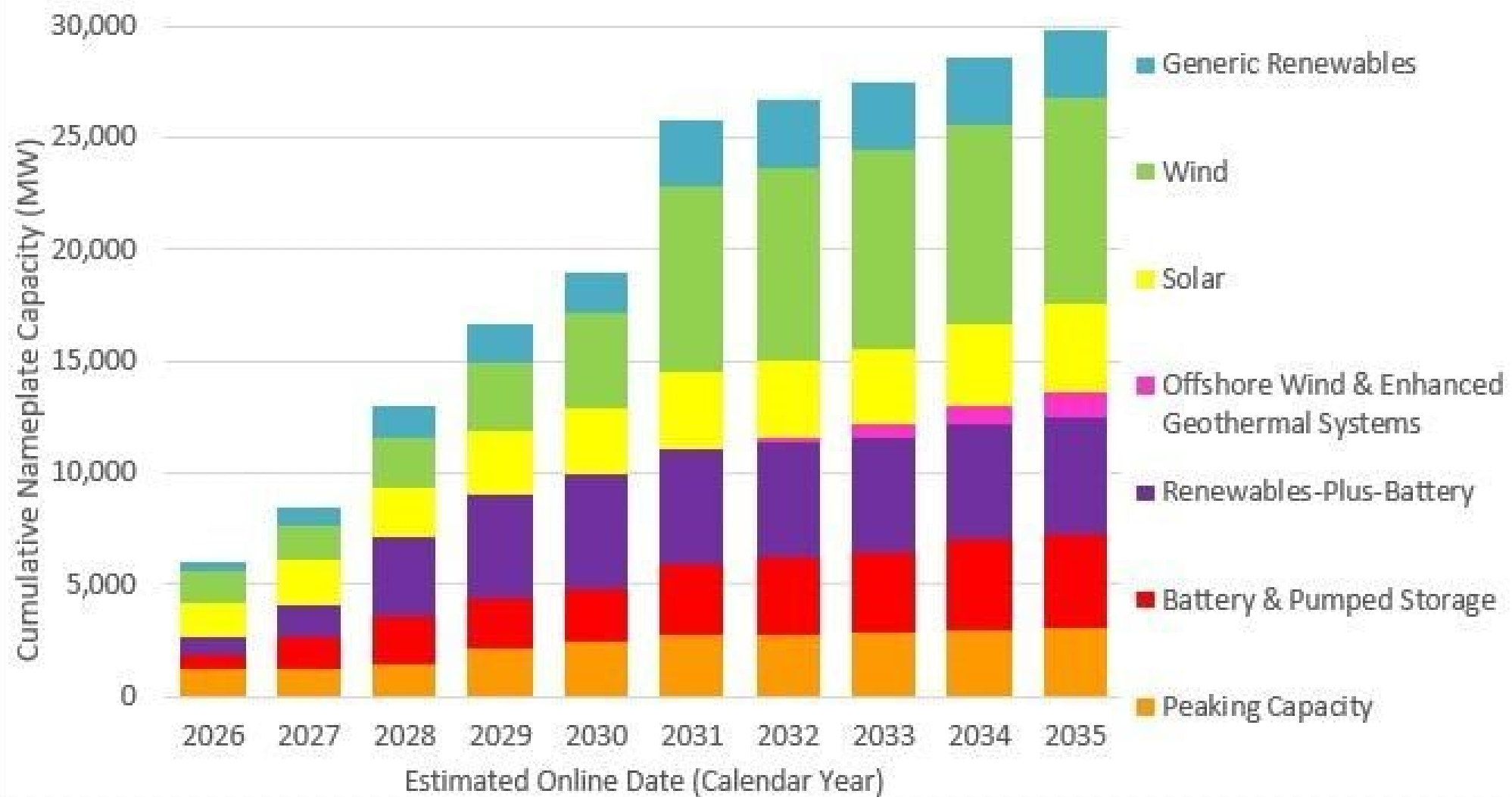


- **BPA serves 142 different LSEs, incl.**
 - 6 IOUs
 - 54 Co-ops
 - 42 municipalities
 - 28 PUDs
 - +Power to CA / NWACI / PDCI / SMUD...
- **6 IOUs**
 - Pacific Power
 - Portland General Electric
 - Puget Sound Electric
 - Avista
 - Idaho Power
 - NorthWestern Energy
- **Power Marketers & ESS**
 - Morgan Stanley
 - Shell Energy
 - PowerEx
 - TEA
 - Avangrid
- **New & Corporate/Data Center Loads**
 - Meta/Facebook
 - Apple
 - Alphabet/Google
 - Amazon
 - Intel

Nature of Market – PNW Generally

- BPA dominant @: Public Power + BPAT as Mkt Superhighway
- Bilateral: Esp non-public & Tier2+
- BPA won't procure supply... Can't rely on BPA to solve Supply
- Fair bit of S/T Tx Headroom on System
- Lots of Types of Players
- **WORLD WILL BUILD WHERE IT CAN.**
 - This





BPA Stakeholder Mega-Diversity

So Many Types, So Many Ways to Slice Us...

- Publics + IOU + ESS
- Power Trading + (L/T) Power Supply
- Gen-Own + Non-Gen-Own
- Slices + Dispatchable Assets + Block + Load-Following + Hybrids
- Developers + Operators; Sellers + Buyers + Both
- Regulated + Non-Regulated
- Big Folks + Small Folks
- Supply, Trading & PPAs: Real Time + Long-Term + 5-year
- TOs + non-TOs
- LSE Load Growth + Non-Load Growth + Wide Range
- 100% Self-Procuring + 100% 3rd Party Dependent + Mixed Sources (BPA + non-BPA);
 - Self: In-House + Out of House

Meanwhile...

Supply Pressures, including Regulatory + Market Demand Overlays++:

- WUTC + CETA
- OPUC + HB 2021 + RPS
- New Load Growth
 - Smaller Publics
 - Mega-Industrials
- Cities, LSEs, TCs, IOUs, NT, ...
- EIM
- Interties + CA demand
- Gen Retirements
- PSPS
- ...

Observations from Last TSEP

- *Everything Everywhere All At Once*
 - vs. historical “leanings”
- PEA funding
- Realistic Timelines
- Montana Stuff... Seems like a pipe dream

(toggle to maps / TSEP results)

A blue triangle graphic located in the bottom-left corner of the slide.

Nature of the New World Order

- **The PNW Surplus Supply is Gone**
- **Load Growth, Shift in Demand Curve = Permanent**
 - Phase One = “Normal Data Centers” is **Over**
 - Phase Two is Here
 - AI = WAR = Arms Race
 - Commercially, Nationally, Militarily, Everywhere
 - Like Dot-Com + WW2
- So what do we do about it?

BPA Constraints & Issues, Practically Speaking



- Staffing, Staffing, Staffing:
 - PMs, Proj Engs, ...
- Everything Crosses Federal Lands
- SCM Costs vs. Building a Team for the Long Haul & Efficiency



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PROPOSALS

- Interim Solutions:
 - Triaged Partial TSEP
 - Apply prior builds, study first [traunch(es)]
 - Use results to
 - Relaxed PEA stds
 - Low-Hanging Fruit Redirects & PTP
 - Accelerated Awards (& Contingent Awards)
 - Other
- Declare an “Era of TX Need” – Then Build
 - Staff Accordingly
- PEA Funding Fix
- No Backward-Looking Changes
- Ensure Litmus Tests are Met

PEA Funding

About

- Currently Primary Mechanism for BPA @ Customer Seriousness
- Examples... Prior TSEPs (2017 vs. 2022 vs. 2024)
- References/Notes re: Last TSEP Outcomes
- Value + Limits of *"Skin in the Game"*
- **Changes to Consider**
 - Alt Amounts
 - Smaller %s (if Very Large)
 - Amounts for First
 - Alt Security Options
 - Refunds (Partial or Whole) if Projects Move to [Evolving Grid]



Feedback on Other Ideas

- Studying Higher Growth/Need Cases
- W.r.t. IOU RFP Timing Considerations:
 - Nice idea, but bad idea, impossible idea



ADDITIONAL PROPOSALS:



- Early BPA Key Long-Lead Equipment Orders
 - We know today that lots is needed
 - Shouldn't be further constrained
 - Q should be: *What % of Projected Need are we Locking Down?*
- SCM Issues
- Larger Sub-Station Footprints = Surplus Land = Room to Grow