

# BPA Transmission Planning Reform

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# Guiding Principles for Transmission Reform

- These are must haves
- Comparable treatment of Network and Point-to-Point customers
- No discrimination in favor of federal resources
- No discrimination between business models (developer/trader/load serving entity/investor owned utility/commercial load/federal power marketing agency)



# **‘Appropriate and Required’: BPA and Building the Grid the Northwest Needs**

- **NIPPC and RNW White Paper May 2023**
- Reviewed BPA existing planning practices
- Recommended improvements to BPA’s processes
- Comparison of best planning practices in other regions
- <https://nippc.org/wp-content/uploads/2023/05/BPA-Tx-Whitepaper-050323.pdf>
- [https://renewablenw.org/sites/default/files/Reports-Fact Sheets/BPA Tx Whitepaper 05.03.2023.pdf](https://renewablenw.org/sites/default/files/Reports-Fact%20Sheets/BPA%20Tx%20Whitepaper%2005.03.2023.pdf)



# Comparison of Best Practices

## •Transmission Planning

- Proactively plan for future generation and load
- Account for full range of transmission projects' benefits and use multi-value planning
- Address uncertainties and high-stress grid conditions through scenario-based planning
- Use comprehensive transmission network portfolios
- Jointly plan across neighboring interregional systems
- Stakeholder engagement and input

Robust planning is not a decision to build

Planning is an input to a decision to build



# Transmission Planning

- **Factors to Consider in Developing Scenarios (Order 1920)**
- Federal, state, Tribal, local laws related to resource mix
- Federal, state, Tribal, local laws related to decarbonization and electrification
- Integrated Resource Plans and expected supply obligations for LSEs
- Resource retirements
- Industry trends in fuel costs and cost and performance of resources
- Generator interconnection requests



# Transmission Planning

## •Benefits to Consider (Order 1920)

- Coordination with reliability upgrades or infrastructure replacements
- Reduced Loss of Load Probability or Planning Reserve Margin
- Production cost savings
- Reduced transmission losses
- Reduced impacts due to transmission outages
- Mitigation of extreme weather events and unexpected system conditions



# Business Case — Stage One

- **When to fund NEPA and Pre-Construction Studies?**
- Open and transparent decision making
- Specific criteria
- Stakeholder input
- How to recover those costs from customers



# Business Case — Stage Two

- **When to move towards construction?**
- Open and transparent decisionmaking
- Specific criteria (costs, benefits, rate impacts)
- Stakeholder input
- Consider wide range of benefits



# Contracting Innovation

- **Move beyond participant funding**
- DOE Transmission Facilitation Program (BPA as an anchor tenant)
- IOUs as backstop subscribers
- Joint venture and partnership opportunities that leverage private capital



# Developer Perspective

- **Transmission is only one piece of the puzzle — you need all the pieces**
- Site issues (energy potential, land control and access, permitting)
- Interconnection Process
- Transmission Service
- Customer Agreement
- Financing
- Construction



# Utility Procurement

- **Typical Minimum Bid Requirements for an RFP**

- Site Control
- Interconnection
- Transmission
- Credit Requirements
- Labor Requirements\*
- Environmental/Land Permits
- Price
- Technical Specifications
- Commercial Operation Date
- Bid Fees



# Allocation of Transmission Rights

- When in the process do we determine who gets transmission rights and how?
- Queue order
- Lottery
- Auction
- Network Open Season



# Process Recommendations

- How do we get there?
- Prioritize transition process
- Identify reforms that do/do not require a tariff change
- Make a timeline that shows where interconnection process is in relation to transmission service process
- Make sure interconnection and transmission service requirements are consistent



# Questions?

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