

BPA NT Customer-Led Workshop

May 10, 2024

Who we are

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Northwest Requirements Utilities (NRU)

- 57 Load Following preference customers located in 7 states across the region
- All NRU members rely on NT contracts with BPA for reliable load service
- NRU members make up 30 percent of BPA's Tier 1 load
- Includes many rural and low density distribution system utilities

Western Public Agencies Group (WPAG)

- 25 preference customer utilities located in Washington and Oregon
- Includes some of BPA's smallest Load Following and some of its largest Slice/Block customers
- Some WPAG members are full requirement customers of BPA
- Other WPAG members have significant Network Resources of their own that they use to serve their loads (in addition to the power they receive from BPA)
- All WPAG members are NT customers of BPA

PNGC

- 18 cooperative utility preference customers with service territories in 7 states
- PNGC Power is the sole operating G&T cooperative in NW region
- PNGC is BPA's largest Tier 1 customer (758 aMW)
- PNGC represents 10.86% of all BPA customer load
- All members of PNGC are NT customers of BPA

NT Policy Objective and Problem Statement

- **The NT Customer Group proposes the following additions to BPA's stated NT Policy objective:**
 - Enhance NT load service through NT customer and agency support of BPA's NT planning obligation.
 - Expedite both the inclusion of NT customer load growth into BPA reliability studies and the construction of new facilities or facility upgrades to the transmission system to place into service transfer capability sufficient to deliver the output of the Network Resources of BPA's NT customers to their respective Network Loads.
 - Support reliable NT load service and regional economic growth.

- **The NT Customer Group requested that BPA further elaborate on its problem statement and how its NT policy proposal will specifically address this issue.**

BPA's Load Service Obligation – Strategic Intent Paper (2015)

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- BPA's Strategic Intent Paper (2015) at page 4 clarifies BPA's obligation to preference customers as follows:

BPA is obligated to meet its statutory and contractual obligations to preference customers so they can meet their total retail loads and load growth, minus their own nonfederal power supply (i.e., the power they purchase and/or produce from their own non-federal generators). BPA believes that the NT planning and capacity reservation provisions of the FERC pro forma open access tariff are consistent with BPA' statutory obligations to its preference customers. Fully enabling these provisions will require a renewed partnership between BPA and its customers to jointly plan for their future power and firm transmission needs regardless of whether the customers' power supply comes from BPA and the federal power system or from nonfederal generation. To accomplish this, BPA will work with these customers and institute clear, transparent load service business practices to define the roles and responsibilities for BPA and its customers. Internally, BPA will create an integrated planning function to anticipate incremental power and transmission load service needs

BPA's Load Service Obligation -Provider of Choice Policy (2024)

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- **The Provider of Choice Policy (2024) states at 37-38:**

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 . . . 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.

BPA's Load Service Obligation – Key Questions

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- **BPA's March 20th NITS presentation states at slide 45 that “BPA's transmission system is currently very constrained in the ability to award additional LTF service”**
- **Accordingly, how does BPA intend to continue to meet its statutory-based transmission and delivery obligations to its public body and cooperative customers through its OATT?**
 - Does BPA believe that it is still be able to do so?

Tiered NT Product?

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- **Is it BPA's intent to tier the NT product (e.g., "base NT service" and "secondary NT service")?**
 - Existing vs. New PODs?
 - By load growth type?

- **If BPA intends to tier the NT product, is there a support for such tiering in FERC's open access related orders (e.g., Order 888, 890, etc.) or in the tariffs of other open access transmission providers?**

Additional Questions for Discussion

- **How would a new Point of Delivery (“POD”) that replaces an existing POD would be treated under BPA’s proposal?**
 - What specific criteria does BPA use to determine when a load requires a “New POD” designation, and what is the OATT, contract, or statutory justification for BPA’s apparent lack of NT planning obligation in such cases?

- **FERC Order 888 provides a transmission provider with the ability to reserve existing capacity for network load growth reasonably forecasted within a transmission provider’s current planning horizon. What mechanism does BPA use to encumber Long-Term Firm capacity to fulfill its NT planning obligation over the applicable 10-year planning horizon, and how are the LaRC forecasts of individual NT customers and the aggregate LARC forecast for all NT customers used to inform this process?**

- **As defined in Appendix A of BPA’s OATT, what is BPA’s “Transmission Provider’s Need” for network customer obligations?**

NT Policy Process

- **We request BPA's feedback on the following procedural requests made by the NT Customer Group:**
 - BPA deepening its engagement with NT customers by facilitating additional meetings with the NT Focus Group or Network Operating Committee, as appropriate.
 - A more deliberate workshop schedule to allow for the establishment of objectives and principles noted above and to address the broad range of basic procedural questions that will be forthcoming from the NT Customer Group.
 - Stronger BPA executive engagement throughout their entirety to ensure that the concerns of NT customers are heard by the decision makers who will ultimately dictate the final NT policy decisions that result from this dialogue.