



July 25, 2024

Northwest Requirements Utilities (“NRU”) appreciates the opportunity to provide these comments in response to the July 10, 2024, Planning for NITS Loads and Resources Workshop. NRU represents the interests of 57 Load-Following preference customers located in 7 states across the region, representing 30% of BPA’s Tier 1 load, all of whom depend on Network Transmission (“NT”) contracts with BPA for reliable load service.

As we’ve noted previously, NRU appreciates BPA’s recent efforts to work more closely with its NT customers, and to collaborate on ways in which to improve upon BPA’s existing Open Access Transmission Tariff (“OATT”) NT service. Bonneville’s ability to ensure reliable delivery of preference power to preference load today and in the future is essential to our membership, and we look forward to continuing to work with you toward that end.

Additionally, as we’ve repeatedly stated both verbally and in writing, NRU members depend entirely on BPA -- and its NT staff, policies, procedures, and planning processes -- for load service. Which is why Bonneville’s stated inability to meet future NT customer need is, in a word, unacceptable.

BPA staff stated unequivocally during the July 10th Workshop that the agency has met and will continue to meet its NT planning obligations, in that, as stated in the OATT, it *“endeavors to construct and place into service sufficient transfer capability to deliver NITS resources to NITS load.”* However, staff also noted that BPA anticipates being unable to provide long-term firm NT service to serve customers’ organic load growth in the Provider of Choice contract. It should go without saying that these two statements cannot both be true. In order to better understand this issue, as previously requested by both NRU and the NT Customer Group, we would appreciate additional narrative and quantifiable data detailing BPA’s historical planning practices; specifically, how BPA has implemented its ability and obligation to reserve existing capacity for network load growth reasonably forecasted within the 10-year planning horizon, and the mechanism used to encumber the Long-Term Firm capacity necessary to ensure reliable NT service into the future.

Put another way, while significant Workshop time has been spent discussing NT customer obligations and the need to share forecast data “early and often”, there has been a noticeable

lack of focus and transparency with respect to BPA's NT planning obligations, and the transmission provider's responsibility to utilize customer forecast data to encumber the Long-Term Firm transmission necessary to meet its Network Load obligations over the ten-year planning horizon. NRU would appreciate additional transparency in these areas, along with detail as to the transmission builds and Network Upgrades that have been executed and/or identified when the identified Long-Term Firm encumbrance is deemed infeasible.

Moving on, NRU is sympathetic to BPA's concerns with respect to the size and type of load growth that is occurring throughout the region, and the related planning difficulties that the agency faces as a result. As a preliminary matter, while it may appear simpler or cleaner to differentiate between load growth based on size, absent additional information we would initially caution against recommending that approach. Instead, we would encourage the agency to dig further into the opportunities that may exist with respect to the various risk profiles in question. Further, we submit that bifurcating NT planning obligations by load "type" or "size" represents a potential slippery slope; one we would prefer to avoid altogether, if possible. However, if the agency's concerns stem from the financial risk in question, and that financial risk boils down to a matter of stranded costs, the problem is likely more efficiently and effectively addressed through cost allocation than by potentially devaluing the NT product for all Network customers.

Finally, as we have noted previously, it is essential that we begin discussing potential Markets issues as part of this Workshop series. Specifically, it is NRU's understanding that under both the SPP Markets+ and EDAM day-ahead market designs, eligibility to receive congestion rent for transmission is limited to firm (i.e., 7F) and Conditional Firm reservations. This limitation, and the resulting financial risk exposure that could result for NT customers unable to secure Long Term Firm or Conditional Firm reservations for load growth or new network load, calls into question the viability of both this ongoing Planning for NITS Loads and Resources Workshop process, as well the agency's ability to successfully integrate into the available day-ahead markets as they are currently envisioned.

Prior to the next Workshop, NRU intends to work with the broader NT Customer Group to request the opportunity for a Customer-Led Workshop where we will elaborate on the comments and concerns outlined herein. Thank you once again for considering the above comments, and we look forward to continuing to engage with you throughout this public process.

Sincerely,

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Northwest Requirements Utilities