

## **TC-25 Tariff Proceeding**

# **ADMINISTRATOR'S FINAL RECORD OF DECISION**

TC-25-A-02

January 2024





## ADMINISTRATOR'S PREFACE

I am happy to announce that the Bonneville Power Administration is adopting tariff reforms to more efficiently process generator interconnection requests and connect new large generators onto the federal grid. These tariff modifications were developed with customers and stakeholders through a collaborative process, resulting in consensus on the TC-25 settlement agreement that I am adopting today.

This is an important step forward at a critical time for the region. The improvements we have agreed to are essential to meeting our customers' evolving needs in an era of decarbonization and the largescale buildout of renewable energy resources.

BPA launched the effort to reform our large generator interconnection process with the understanding that our current approach is insufficient. As of January, the large generator interconnection queue contains over 400 requests surpassing 150 gigawatts. The reforms address this backlog and prevent study delays that are unavoidable under the existing process.

With these reforms, BPA will implement a first-ready, first-served approach to processing interconnection requests, replacing today's first-come, first-served process. The underpinnings of the enhanced interconnection process are new readiness criteria and the ability to study requests as a group, or cluster, rather than individually in queue order. The new readiness requirements will enable BPA to prioritize the most commercially viable projects and reduce inefficiencies caused by requests that are later withdrawn due to lack of viability. The cluster study approach, with the inclusion of scalable plan blocks, where appropriate, offers the potential for a single plan of service for multiple projects, leading to fewer network upgrades and reduced costs.

These improvements and others captured in this record of decision will allow BPA to offer a more reliable, timely and streamlined process, and provide greater certainty regarding the cost and timing of interconnections.

I would like to thank the many customers, stakeholders and BPA Staff who collaboratively engaged in this effort. By reaching consensus on these essential modifications, we will be able to quickly turn our attention to implementation. Later this year, we will begin stakeholder workshops to support customers through implementation. We look forward to providing industry-leading interconnection services that help our customers succeed and enable the Northwest's clean-energy future.

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## **APPENDICES (UNDER SEPARATE COVER)**

Appendix A: TC-25 Settlement Agreement, with Appendices (TC-25-A-02-AP01)

Appendix B: Open Access Transmission Tariff (TC-25-A-02-AP02)

## **PARTY ABBREVIATIONS AND JOINT PARTY DESIGNATION CODES**

### **Party Abbreviations**

<b>AC</b>	<b>Avista Corporation</b>	<b>PN</b>	<b>Pacific Northwest Generating Cooperative</b>
<b>AR</b>	<b>Avangrid Renewables, LLC</b>		
<b>AW</b>	<b>Alliance of Western Energy Consumers</b>	<b>PR</b>	<b>Pine Gate Renewables, LLC</b>
<b>MS</b>	<b>M-S-R Public Power Agency</b>	<b>PS</b>	<b>Puget Sound Energy, Inc.</b>
<b>NI</b>	<b>Northwest &amp; Intermountain Power Producers</b>	<b>PX</b>	<b>Powerex Corporation</b>
<b>NS</b>	<b>NewSun Energy Transmission Company LLC</b>	<b>RN</b>	<b>Renewable Northwest</b>
<b>PC</b>	<b>PacifiCorp</b>	<b>SE</b>	<b>City of Seattle</b>
<b>PG</b>	<b>Portland General Electric Company</b>	<b>SN</b>	<b>Snohomish County Public Utility District No. 1</b>
		<b>TC</b>	<b>TransAlta Energy Marketing (U.S.)</b>
		<b>WG</b>	<b>Western Public Agencies Group*</b>

\* The Western Public Agencies Group (“WPAG”) petition for leave to intervene states that each of the utilities that comprise WPAG individually file the petition requesting leave to intervene. These utilities are Eugene Water & Electric Board, Benton Rural Electric Association, Umatilla Electric Cooperative, the Cities of Port Angeles, Ellensburg and Milton, Washington, the Towns of Eatonville and Steilacoom, Washington, Elmhurst Mutual Power and Light Company, Lakeview Light and Power Company, Ohop Mutual Light Company, Parkland Light and Water Company, Public Utility Districts No. 1 of Clallam, Clark, Cowlitz, Grays Harbor, Jefferson, Kittitas, Lewis, Mason, and Skamania Counties, Washington, Public Utility District No. 3 of Mason County, Washington, and Public Utility District No. 2 of Pacific County, Washington.

## **1.0 GENERAL TOPICS**

### **1.1 Introduction**

The 2025 Tariff Terms and Conditions Proceeding (TC-25 Proceeding) was conducted to modify the Bonneville Power Administration's (BPA) Open Access Transmission Tariff (Tariff), which contains generally applicable terms and conditions for transmission service over the Federal Columbia River Transmission System (FCRTS). The proceeding followed the procedural requirements of Section 9 of the Tariff and Section 212(i)(2)(A) of the Federal Power Act.

This Final Record of Decision (Final ROD) contains decisions of the BPA Administrator based on the record compiled in this proceeding. The Tariff adopted in this proceeding will supersede and replace BPA's existing transmission tariff in its entirety, effective on June 30, 2024.

### **1.2 Procedural History**

#### **1.2.1 Issue Workshops and Settlement Discussions**

Prior to initiating the TC-25 proceeding, BPA sponsored a series of monthly workshops from February 2023 through June 2023 to discuss potential reforms to the standard large generator interconnection procedures (LGIP) in Attachment L to BPA's Tariff. BPA designed the workshops to allow its Staff and interested parties to develop a common understanding of specific topics, generate ideas, and discuss alternative proposals. Issues were vetted using a three-phased approach. In Phase One (Development), BPA Staff introduced the topic, provided background information, and described the issue in scope. In Phase Two (Evaluation), Staff provided analysis of the issue, discussed alternatives, and solicited feedback from customers. In Phase Three (Proposal Development), Staff discussed customer feedback and presented the Staff proposal.

During the workshops, BPA, customers, and other stakeholders discussed options to reform the LGIP, including a first-ready, first-served cluster study process and transition plan, increased financial commitments and readiness requirements, technical study process and modeling requirements, study flexibility, study financials, and network costs. BPA also offered customers and stakeholders the opportunity to lead discussions on generator interconnection topics of their choice and to request follow-up discussions with BPA Staff on previous workshop topics. In total, BPA held five workshops and facilitated two customer-led workshops.

Beginning in June 2023, BPA initiated discussions with prospective TC-25 parties about the potential for settlement of the modifications to the LGIP that BPA Staff would propose in the TC-25 proceeding. Those discussions resulted in a settlement agreement (TC-25 Settlement Agreement) that sets forth all the terms and conditions related to Tariff modifications proposed by Staff in this proceeding. The settlement negotiations concluded in August 2023.

On September 1, 2023, BPA posted the final proposed TC-25 Settlement Agreement on BPA's website and set a deadline of September 15, 2023, for prospective parties to the TC-25 proceeding to notify BPA of any objections. BPA did not receive any objections to the TC-25 Settlement Agreement by the September 15 deadline and moved forward with proposing adoption of the settlement in this proceeding.

### **1.2.2 TC-25 Settlement Agreement**

The TC-25 Settlement Agreement, filed as Appendix A to this ROD, includes terms and conditions addressing all issues in the TC-25 proceeding. TC-25 Settlement Agreement, TC-25-A-02-AP01. The settlement incorporates two appendices. Appendix 1 describes terms that are incorporated into the proposed Tariff revisions and includes commitments by BPA to implement certain business practices and conduct workshops on topics for a future Tariff proceeding. Appendix 2 includes the proposed revisions to the LGIP and a new attachment to the Tariff (Attachment R) to be effective on June 30, 2024.

The proposed revisions to the LGIP provide for a two-phase cluster study process; requirements for site control and commercial readiness; increased deposits for studies; adjusting the interest on refunds of study deposits; allocation of study costs and network upgrade costs within a cluster; identification of plans of service (including scalable plan blocks, where applicable) for requests within a cluster; study flexibility to allow co-location of resources in a single request; and determination of points of interconnection. The new Attachment R establishes a transition process BPA will follow when switching from the current approach for studying large generator interconnection requests to the new procedures.

In addition to setting forth the proposed Tariff revisions, the TC-25 Settlement Agreement required BPA to file the Settlement with the Hearing Officer and move the Hearing Officer to: (1) establish a deadline for Parties to state an objection to the proposed settlement, including the specific issues in the settlement that the Party objects to; (2) specify that any Party not stating an objection to the settlement by the objection date will waive its rights to preserve any objections to the settlement and will be deemed to assent to it; and (3) issue a decision recommending adoption of the TC-25 Settlement Agreement if no Party objects to the proposed settlement.

### **1.2.3 TC-25 Proceeding**

On November 7, 2023, BPA published notice of the TC-25 Proceeding in the Federal Register. Proposed Modifications to Open Access Transmission Tariff; Public Hearing and Opportunities for Public Review and Comment, 88 Fed. Reg. 76,744 (Nov. 7, 2023); TC-25-FR-BPA-01. On November 14, 2023, the formal proceeding began with a prehearing conference. After the prehearing conference, BPA filed the Motion called for by the TC-25 Settlement Agreement, requesting a deadline of November 22, 2023, for any objections to the agreement. Motion of the Bonneville Power Administration to Establish Deadline for Objections to Proposed Settlement and Issuance for the Hearing Officer's Recommended Decision, TC-25-M-BPA-01. On November 16, 2023, the Hearing Officer issued an order

establishing a deadline of November 22, 2023, for any party to file an objection to the Settlement and identify any issues that the party intended to contest. Order Establishing Process for Objections to the TC-25 Settlement Agreement, TC-25-HOO-01. The order also established that, if no party objected to the TC-25 Settlement Agreement, a recommended decision to the Administrator would be issued by December 15, 2023. *Id.*

Additionally, the Hearing Officer issued an order on November 16, 2023, establishing the procedural schedule for the proceeding, including the deadline for the Final ROD of January 26, 2024. Order Establishing Procedural Schedule, TC-25-HOO-02. The Hearing Officer issued an order granting petitions to intervene on November 19, 2023. Order Granting Interventions, TC-25-HOO-04. Finally, the Hearing Officer issued an order on November 26, 2023, establishing the final service list for parties to the TC-25 proceeding. Order Adopting Service List, TC-25-HOO-05.

No party to the TC-25 proceeding filed an objection in response to the Hearing Officer's order, and BPA received no written comments during the participant comment period.<sup>1</sup>

On December 15, 2023, the Hearing Officer issued a recommended decision on Staff's proposal. Hearing Officer's Recommended Decision, TC-25-A-01 (Recommended Decision). The Recommended Decision thoroughly described the procedural history of the proceeding and found there to be no substantive issues to address. *Id.* at 1. After considering the hearing record, the Hearing Officer recommended adoption of the TC-25 Settlement Agreement. *Id.* at 2.

#### **1.2.4 Waiver of Issues by Failure to Raise in Briefs**

Pursuant to Section 1010.17(f) of the Rules of Procedure, arguments not raised and fully developed in parties' briefs are deemed to be waived. A party's brief must specifically address each legal, factual, or policy issue to be resolved by the Administrator and present all arguments in support of a party's position on each of these issues. *Id.* § 1010.17(b), (c). Blanket statements that seek to preserve every issue raised in testimony will not preserve any matter at issue.

Sections 1010.17(b) and (c) of the Rules of Procedure set forth the requirements applicable to initial briefs and briefs on exceptions. Pursuant to Section 1010.17(c) of the Rules of Procedure, a party that raises an issue in its initial brief need not reassert that issue in its brief on exceptions in order to avoid waiving the issue; all arguments raised by a party in its initial brief are deemed to have been raised in the party's brief on exceptions.

No briefs were filed in the TC-25 proceeding.

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<sup>1</sup> Chapter 3 of this Final ROD describes the purpose of and requirements for participant comments.



### **1.3 Legal Guidelines Governing Establishment and Modification of Tariff Terms and Conditions**

#### **1.3.1 The Administrator's Broad Contracting Authority**

BPA's statutes provide the Administrator with broad authority to establish the terms and conditions of transmission service over the FCRTS. 16 U.S.C. §§ 832a(f), 839f(a). Specifically, Section 2(f) of the Bonneville Project Act provides as follows:

Subject only to the provisions of this Act, the Administrator is authorized to enter into such contracts, agreements, and arrangements, including the amendment, modification, adjustment, or cancellation thereof, and the compromise or final settlement of any claim arising thereunder, and to make such expenditures, upon such terms and conditions and in such manner as he may deem necessary.

*Id.* § 832a(f). The broad grant of contracting authority to the Administrator is based on the premise that BPA is a regional business agency, and the broad discretion permits BPA to function in a business-oriented manner. *Hearing on H.R. 2690 and H.R. 2693 Before the H. Comm. on Rivers and Harbors, 79th Cong. 2 (1945)* (statement of Rep. Jackson).

Within BPA's broad statutory parameters, the Administrator retains broad authority to offer transmission service on the terms and conditions the Administrator deems fit. For example, under the Federal Columbia River Transmission System Act (Transmission System Act), the Administrator is authorized to operate and build the Federal transmission system as the Administrator determines is appropriate and necessary for a number of reasons, including the construction of facilities to integrate and transmit Federal and non-Federal power, provide service to BPA's customers, provide interregional transmission facilities, and maintain the stability and reliability of the Federal system. 16 U.S.C. §§ 838a(b), 838b. The Transmission System Act also directs the Administrator to make any transmission capacity that is in excess of Federal needs available to all utilities on a fair and non-discriminatory basis. *Id.* § 838d. Additionally, the Pacific Northwest Electric Power Planning and Conservation Act (Northwest Power Act) requires the Administrator to remain mindful of the other statutory responsibilities, including the requirement to set rates to recover, in accordance with sound business principles, the costs associated with the acquisition, conservation, and transmission of electric power, *id.* § 839e(a)(1), and requirements to comply with Federal environmental laws. *See, e.g.,* the National Environmental Policy Act, 42 U.S.C. § 4321, *et seq.* (2006).

The Administrator's broad authority under Section 2(f) of the Bonneville Project Act extends to the manner the Administrator determines necessary to establish the terms and conditions, such as using the procedures available to the Administrator in Section 212(i)(2)(A) of the Federal Power Act. 16 U.S.C. §§ 832(a)(f) and 824k(i)(2)(A).

### 1.3.2 Guidelines for the Proceeding to Establish Generally Applicable Transmission Terms and Conditions

BPA initiated the TC-25 Proceeding pursuant to Section 9 of the Tariff. Tariff Section 9 requires the Administrator to adhere to the procedural requirements in Section 212(i)(2)(A) of the Federal Power Act when establishing and making changes to the Tariff. BPA Open Access Transmission Tariff, TC-24-A-02, Appendix A, Attachment 2, § 9; 16 U.S.C. § 824k(i)(2)(A). Section 212(i)(2)(A) provides that the Administrator may initiate a regional hearing to establish generally applicable transmission terms and conditions over the FCRTS. 16 U.S.C. § 824k(i)(2)(A). The proceeding begins with the issuance of a notice in the Federal Register announcing the proposed transmission terms and conditions of general applicability. *Id.* § 824k(i)(2)(A)(ii)(I). Next, the Hearing Officer conducts one or more hearings that adhere to the procedural requirements of paragraphs (1) through (3) of Section 7(i) of the Northwest Power Act (the same procedural requirements BPA uses when setting rates). *Id.* § 824k(i)(2)(A)(ii)(II); *see id.* § 839e(i). A full and complete record is to be developed during the hearing, which includes the opportunity for both oral presentation and written submission of views, data, questions, and arguments related to BPA's proposal. *Id.* § 839e(i).

Upon conclusion of the hearing, the Hearing Officer shall, unless the Hearing Officer becomes unavailable to BPA, make a recommended decision to the Administrator. *Id.* § 824k(i)(2)(A)(ii)(II). The Hearing Officer's recommendation must state the findings and conclusions, including the reasons or basis thereof, of all material issues of fact, law, or discretion presented on the record. *Id.* The Administrator then makes a separate and final determination. *Id.* § 824k(i)(2)(A)(ii)(III).

Tariff Section 9 provides the substantive requirements for the Administrator's final decision. BPA Open Access Transmission Tariff, TC-24-A-02, Appendix A, Attachment 2, § 9. These substantive requirements echo the requirements for the Administrator's final determination set forth in Federal Power Act Section 212(i)(2)(A). 16 U.S.C. § 824k(i)(2)(A)(ii)(III). Specifically, the final decision must set forth reasons for reaching any findings and conclusions that may differ from those of the Hearing Officer, based on: (1) the hearing record, (2) consideration of the Hearing Officer's recommended decision, (3) BPA's organic statutes and other laws that apply to BPA, and (4) consideration of the standards that apply to Federal Energy Regulatory Commission (Commission)-ordered BPA transmission service under Sections 211 and 212 of the Federal Power Act.

Regarding consideration of the standards for Commission-ordered BPA transmission service, Section 212(i) of the Federal Power Act provides the Commission with limited jurisdiction to apply its Section 211 authority to order BPA to provide transmission services and to set the terms and conditions for such service. 16 U.S.C. § 824k(i)(1). Section 211 of the Federal Power Act permits the Commission to order transmission service "upon . . . application" of a transmission customer, if the Commission determines that such order meets the requirements of Section 212(a) of the Federal Power Act. *Id.* § 824j(a). Section 212(a) requires, among other things, that Commission-ordered

transmission services be “just and reasonable, and not unduly discriminatory or preferential.” *Id.* § 824k(a).

Additional requirements apply to a Commission order to BPA. Section 212(i) requires that the Commission’s order to BPA “shall assure that . . . the provisions of otherwise applicable Federal laws shall continue in full force and effect and shall continue to be applicable to the system . . .” 16 U.S.C. § 824k(i)(1). The Commission recognizes that “[t]ransmission required of BPA under section 211 would have to be consistent with the requirements imposed on BPA under its organic statutes, the Northwest Power Act, and the Federal Columbia River Transmission System Act.” *Promoting Wholesale Competition Through Open Access Non-Discriminatory Transmission Services by Public Utilities; Recovery of Stranded Costs by Public Utilities and Transmitting Utilities*, Order No. 888, 61 Fed. Reg. 21,540, 21,668 (May 10, 1996), *citing* 16 U.S.C. §§ 838-838j. The Commission cannot order BPA to provide transmission service if it would impair existing transmission service:

The Commission shall not issue any order . . . requiring the Administrator . . . to provide transmission service if such an order would impair the BPA Administrator’s ability to provide such transmission service to the Administrator’s power and transmission customers in the Pacific Northwest, as that region is defined in section 839a(14) of this title, as is needed to assure adequate and reliable service to loads in that region.

16 U.S.C. § 824k(i)(5).

Importantly, the Commission’s standards are not legal requirements or conditions on the Administrator’s broad contracting authority under BPA’s organic statutes. These standards apply, as a matter of law, *only* in the limited instance of Commission-ordered BPA transmission services (this proceeding does not involve such service; in fact no application has been made to the Commission for BPA transmission services).

Absent a Commission order for BPA transmission service, the Administrator’s broad contracting authority is not subject to a determination of whether the Commission’s standards are met. Similarly, Tariff Section 9 does not limit the Administrator’s discretion to adopt Tariff terms and conditions on satisfaction of the standards. It requires the Administrator to consider the Commission’s standards when establishing and modifying the Tariff.

BPA looks to the Commission’s *pro forma* tariff when considering the Commission’s standards. BPA’s strategy and policy are to maintain a tariff consistent with the Commission’s *pro forma* tariff and industry best practices to the extent possible and consistent with applicable law. The TC-20 Record of Decision explained:

[T]he Commission’s *pro forma* tariff includes terms and conditions that are just and reasonable and not unduly discriminatory or preferential. The Commission may also approve variations to its *pro forma* tariff when those variations satisfy its standards, which include the just and reasonable and not unduly discriminatory or preferential standards.

Administrator's Final Record of Decision, TC-20-A-03, at 15. The *pro forma* tariff and Commission-approved variations to the *pro forma* tariff would satisfy the standards that apply for Commission-ordered BPA transmission service, provided that the *pro forma* tariff and variations do not impair or conflict with the Administrator's other legal responsibilities. For purposes of considering the Commission's standards during a tariff terms and conditions proceeding:

When Bonneville's Tariff terms and conditions (including proposed modifications to the Tariff) are the same as the Commission's *pro forma* tariff or Commission-approved variations to the *pro forma* tariff, then there is a presumption that Bonneville's Tariff terms and conditions (including proposed modifications) meet the Commission's just and reasonable and not unduly discriminatory or preferential standards. If parties are concerned that Bonneville's terms and conditions do not meet the Commission's standards, there are opportunities to raise such issues during terms and conditions proceedings. As noted above, the terms and conditions proceedings provide parties with substantial procedural protections to raise issues for consideration by an independent Hearing Officer and the Administrator.

*Id.*

BPA's terms and conditions become effective upon the date set forth in the Administrator's final determination. Finally, Tariff Section 9 provides that BPA may establish rates for Tariff transmission service pursuant to applicable law. BPA Open Access Transmission Tariff, TC-24-A-02, Appendix A, Attachment 2, § 9(b). Rates are not established in tariff terms and conditions proceedings; rates are set in separate proceedings conducted pursuant to Section 7(i) of the Northwest Power Act, 16 U.S.C. § 839e(i).

This proceeding is also governed by BPA's Rules of Procedure for tariff terms and conditions proceedings, 83 Fed. Reg. 39,993 (Aug. 13, 2018). The Rules of Procedure implement the requirements of Northwest Power Act Section 7(i) and Federal Power Act Section 212(i)(2)(A).

## 2.0 TARIFF TERMS AND CONDITIONS TOPICS

**Issue 2.1** *Whether BPA should adopt the TC-25 Settlement Agreement and Proposed Tariff.*

### **Parties' Positions**

No party has objected to or submitted briefs regarding the TC-25 Settlement Agreement.

### **BPA Staff's Position**

BPA Staff propose the Administrator adopt the TC-25 Settlement Agreement and the proposed tariff revisions outlined in the agreement. Fredrickson *et al.*, TC-25-E-BPA-01, at 1-2.

### **Hearing Officer's Recommended Decision**

The Hearing Officer recommended adoption of the TC-25 Settlement Agreement. Recommended Decision, TC-25-A-01, at 2.

### **Evaluation of Positions**

The hearing record and the Hearing Officer's Recommended Decision support adoption of the TC-25 Settlement Agreement. The tariff revisions in the settlement agreement are modifications to the LGIP in Attachment L of the Tariff and the addition of a new attachment, Attachment R, which sets forth a process to transition from the current LGIP to the new procedures. Fredrickson *et al.*, TC-25-E-BPA-01, at 1. More specifically, the tariff revisions establish "a two-phase cluster study process; requirements for site control and commercial readiness; increased deposits for studies; adjusting the interest on refunds of study deposits; allocation of study costs and network upgrade costs within a cluster; identification of plans of service (including scalable plan blocks, where applicable) for requests within a cluster; study flexibility to allow co-location of resources in a single request; and determination of points of interconnection." *Id.* at 5. The new Attachment R sets forth a transition process for BPA to shift from the current approach for large generator interconnection studies to the new procedures. *Id.* Specifically, Attachment R establishes eligibility and requirements for requests to participate in the transition as a Late-Stage Project that would continue through the current serial study process or as a Transition Project that would participate in the first two-phase cluster study process. *Id.* 5-6.

BPA Staff has established that there is a need to reform BPA's existing approach to processing large generator interconnection requests to address the significant backlog of requests. Staff explains the problems with the current approach are due to inefficiencies in processing requests individually, complications associated with withdrawals of requests, and the continuous submission of new requests that increase the volume of outstanding requests. *Id.* at 6. To address these problems, BPA collaborated with customers and regional stakeholders in pre-proceeding workshops and settlement discussions, as described in Section 1.2.1 above, to find agreement on the reforms necessary to implement

a new approach for BPA to process large generator interconnection requests: a first-ready, first-served cluster study process. BPA Staff states that the first-ready, first-served cluster study process will enable BPA to increase the speed in processing requests and allow BPA to address the outstanding requests in BPA's queue. *Id.*

BPA Staff shares that the TC-25 Settlement Agreement reflects the collaboration and consensus for implementing the new first-ready, first-served cluster study process, and that no party to the TC-25 proceeding has objected to the settlement. *Id.* at 4-6. As described in Section 1.2.1, BPA Staff posted the TC-25 Settlement Agreement on BPA's website and provided an opportunity for prospective parties to object to the agreement before the TC-25 proceeding began, and the Hearing Officer established a separate process for objections in the proceeding itself. Order Establishing Process for Objections to the TC-25 Settlement Agreement, TC-25-HOO-01. No party or other stakeholder has objected to the adoption of the TC-25 Settlement Agreement, and the Hearing Officer has recommended adoption of the settlement as well. Recommended Decision, TC-25-A-01, at 1. No other issues remain. *Id.*

BPA appreciates the time and effort that customers and stakeholders devoted to reaching the TC-25 Settlement Agreement. As BPA Staff explained, the settlement will help reduce controversy over BPA's transition to the new first-ready, first-served cluster study process and allow BPA to move forward more efficiently with its implementation of the new process, as evidenced by a shorter TC-25 proceeding. Fredrickson *et al.*, TC-25-E-BPA-01, at 6. The TC-25 Settlement Agreement offers business value to BPA because it addresses deficiencies with BPA's current large generator interconnection process by establishing a new approach that has the consensus of BPA's customers and regional partners. In consideration of these factors, BPA will adopt the TC-25 Settlement Agreement.

The Tariff adopted in this Final ROD will be effective on June 30, 2024, and upon its effective date, the Tariff supersedes and replaces, in its entirety, the Tariff adopted in the TC-24 proceeding.

### **Decision**

BPA will adopt the TC-25 Settlement Agreement.

### 3.0 PARTICIPANT COMMENTS

For interested persons who are not eligible or do not wish to become parties to the formal evidentiary hearings, BPA's Rules of Procedure provide opportunities to participate in the terms and conditions process through submission of comments as "participants." Rules of Procedure § 1010.8. A "participant" is any person who submits oral or written comments on BPA's terms and conditions proposal but does not take part in the formal hearing process with the responsibility of a "party." *Id.* Parties to the case may file testimony and briefs and thus are not allowed to submit comments as participants. Participant comments are part of the official record of the terms and conditions proceeding and are considered when the Administrator makes the final determination. *Id.* The Federal Register Notice sets forth the procedures and deadline for participant comments. *Id.*

The participant comment period began on November 7, 2023, when BPA published the Federal Register Notice, and ended on November 22, 2023. *See* Proposed Modifications to Open Access Transmission Tariff; Public Hearing and Opportunities for Public Review and Comment, 88 Fed. Reg. 76,744, 76,745 (Nov. 7, 2023); TC-25-FR-BPA-01, at 2.

BPA did not receive any comments through the participant comment process.

## 4.0 NATIONAL ENVIRONMENTAL POLICY ACT ANALYSIS

Consistent with the National Environmental Policy Act (NEPA), 42 U.S.C. § 4321 *et seq.*, BPA has assessed the potential environmental effects that could result from adoption and implementation of the proposed Open Access Transmission Tariff through the TC-25 Proceeding. The NEPA analysis was conducted separately from the formal Tariff proceeding.

The decision to adopt the TC-25 Settlement Agreement is primarily a business and strategic decision to enable BPA to reform its current approach for processing large generator interconnection requests. The changes to the Tariff are generally administrative in nature. These changes are not expected to result in any further physical changes in the transmission system and would not cause the development of any new generation resources or the operation of existing generation sources outside of normal limits. As such, implementation of the Tariff is not expected to result in reasonably foreseeable environmental effects.

Accordingly, BPA has determined that adoption and implementation of the Tariff falls within certain classes of actions excluded from further NEPA review pursuant to U.S. Department of Energy NEPA regulations, which are applicable to BPA. More specifically, the Tariff falls within categorical exclusions B4.4, *Power marketing services and activities*, and B4.8, *Electric transmission agreements*, both found at 10 C.F.R § 1021, subpt. D, app. B. BPA has prepared a categorical exclusion determination memorandum that documents this categorical exclusion from further NEPA review, which is available at the BPA website: <https://www.bpa.gov/learn-and-participate/public-involvement-decisions/categorical-exclusions>.

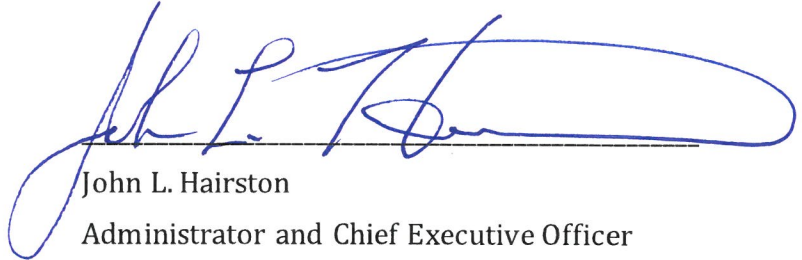


## 5.0 CONCLUSION

The TC-25 Settlement Agreement and the modifications to the Open Access Transmission Tariff terms and conditions of general applicability adopted in this Final ROD have been established in accordance with the Administrator's broad statutory authority to establish the terms and conditions for transmission service. In addition, the initiation of the TC-25 Proceeding and the issuance of this Final ROD are in accordance with the terms of the Tariff, requiring BPA to follow the statutory procedures of Section 212(i)(2)(A) of the Federal Power Act to set and modify the Tariff terms and conditions and issue a final determination in a record of decision in that proceeding. Finally, all interested parties and participants were afforded the opportunity for a full and fair evidentiary hearing, as required by Section 212(i)(2)(A) of the Federal Power Act.

Based upon the record compiled in this proceeding, the decisions expressed herein, and all requirements of law, I hereby adopt the accompanying TC-25 Settlement Agreement and modifications to the Open Access Transmission Tariff as final Bonneville Power Administration transmission terms and conditions to be effective on June 30, 2024.

Issued at Portland, Oregon, this 26<sup>th</sup> day of January, 2024.



John L. Hairston  
Administrator and Chief Executive Officer

