January 16, 2026

NewSun Energy Transmission Company LLC

550 NW Franklin Ave., Suite 408

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RE: Comments on TC-27 Tariff Proceeding –

NewSun Energy Transmission Company LLC ("NSET") provides these formal comments on the Bonneville Power Administration ("BPA") TC-27 Tariff Proceeding. These comments respond to the presentations from BPA's October, December, and January workshops and provide NSET's current leanings for near-term actions, the Transition State, and the Future State for transmission queue processing. While some alternatives presented have serious anti-competitive effects and would be blatant violations of fundamental open access principles, NSET does see a solution path here that avoids a litigated outcome.

The approach that BPA adopts should align with the following principles:

(1) Triage and immediately begin processing the low-hanging fruit to get BPA off "pause" in processing its current queue,
(2) Support and fairly consider the value the current queue offers in terms of proactive planning and the investments by those in the queue to meet regional needs,
(3) Recognize and be aligned with fundamental principles of open access—namely that all wholesale buyers and sellers of electric energy can obtain non-discriminatory transmission access, and
(4) Ensure any changes do not create an anti-competitive transmission environment.

These written comments are accompanied by the attached spreadsheet in response to BPA's request that responses be provided in that format as well. These written comments aim to capture more holistically the big picture of interdependencies between BPA's myriad of alternatives.

Overall, NSET places the highest value on maintaining open access, processing the current queue in queue order (up to the point of the processing freeze implemented by BPA, 2/5/2025), and keeping evaluation criteria for the current queue at the status quo. Every customer who entered the queue did so based on the requirements that existed at the time they submitted their applications and on the express understanding that capacity is awarded on a non-discriminatory basis by queue order. Backward-looking changes create real harm to customers who made investments into transmission requests based on the rules at the time.

The current queue is also the best information available to BPA about regional needs. NSET agrees that meeting regional decarbonization requirements is a core goal, and doing so sooner rather than later is preferable to ensure that projects can be financed and the region can capitalize on expiring tax credits. No matter what BPA decides, current regional needs and queue size is

not going to materially change—the regional need is significant, and requests will re-materialize even if BPA clears the whole queue. We need to focus instead on processing the current queue, in reasonable batches, and take the necessary time to work through, as a region, what the new world will be (Future State). However, BPA is not in the business of picking winners and losers through discriminatory evaluation criteria that would judge certain classes of customers unworthy of access to transmission. Transmission reform should remain neutral to the business case justifying each transmission request and simply focus on studying and awarding the most transmission to the most customers as quickly as possible. We have a great starting point with the 2023 transmission service request ("TSR") study and expansion process ("TSEP"), which helped establish the Grid Expansion and Reinforcement Portfolio ("GERP")[1] projects, and BPA needs to continue processing TSRs with the goal of using that capacity to award transmission encumbrances and achieve those GERP projects' development timelines. The region is in desperate need of generation and transmission development to meet current and future loads and compliance programs reliably.

Process

Following up on the discussions from these last two workshops in January, including the workshop held on January 15, 2026, where BPA presented additional alternatives, NewSun respectfully requests an additional round of comments after the next February workshop series. There is a substantial amount of material to process and respond to, let alone discuss and coordinate with other stakeholders. In the grand scheme of this reform, an additional round of comments will not result in a material delay.

Additionally, BPA noted that they have some uncertainty regarding whether TC-27 will cover both the Transition State and the Future State. Given the very compressed timeframe in which BPA provided many helpful scenarios, with meetings immediately before and after the holidays, and with complex scenarios with significant cascading effects, we believe that a focus on a short term transition should come first, with a broader stakeholder process focusing on the Future State to follow.

We will need time, after the February 2026 workshops, to provide further comments and consider a settlement path solution. We encourage BPA to start processing TSRs immediately, starting with de minimis redirects and appropriate conditional firm ("CF") offers. We need further details on what those CF offers will look like from BPA. Then, proceed to process the Transitional queue in a batching process in queue order. Certainty of products and rights is the most important aspect to proceed reliably to meet the growing needs of our region.

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[1] Formerly known as the "Evolving Grid".

Confidence in Results

Customers need confidence in results to increase confidence in BPA's proposed or a negotiated solution path. BPA is asking customers to put a great deal of trust in BPA that the results will come out, but customers need proof. NSET recommends that BPA do some initial work concurrent with this TC-27 process and provide some indicative and/or actual offers of CF service that are likely to result from the proposed path. This would greatly assist customer confidence in the solution pathway. Furthermore, this will allow customers to understand how BPA will implement their proposed CF solutions and the impacts they will have on customers.

Significant Regional Need

NSET understands the difficult situation BPA faces. The current queue size is large because the regional need is large, and it will continue to grow into the future. This growth is important for the economic development of our region.

Regional clean energy requirements are significant. Per HB 2021, by 2030 Oregon retail electricity providers must reduce greenhouse gas emissions from electricity they sell to customers by 80% relative to a 2010-2012 baseline. The Washington 2030 Clean Energy Requirement effectively requires 80% of electricity to come from clean (renewable or non-emitting) resources by 2030. In Energy+Environmental Economics' ("E3") phase 1 Pacific Northwest resource adequacy study, they project a 9 GW capacity need by 2030.[2] This growth projection reflects similar needs for energy as well. E3, for example, notes that meeting the pace of growth anticipated in utility integrated resource plans would require annual resource additions equal to 4-5x historical levels. So absent major technical advancements or accelerated development timelines for non-emitting baseload resources, BPA should simply accept that its queue size is, by necessity, going to be large. Therefore, even if the current queue is "cleared," the need will not dissipate. Requests will simply be resubmitted, and the risk of reliability events goes up.

Providing transmission to and interconnecting clean energy resources is urgent. The One Big Beautiful Bill Act ("OBBA") accelerated the start of construction date to July 4, 2026 to qualify for Investment Tax Credits and to complete construction by 2030. The region will miss out on millions or likely billions of investment tax credits ("ITC") if new resources cannot contract, start construction, and complete construction within these timeframes. It will be a huge lift to achieve these goals, and the more options we have to try and attempt to meet these targets, the better the region will be able to more cost-effectively meet its targets. BPA should therefore focus on getting transmission into the hands of customers in the current queue without

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2 https://www.oregonlive.com/business/2026/01/a-9-gigawatt-problem-northwests-soaring-energy-demand-supply-constraints-could-spark-new-power-crisis.html.

unnecessarily forcing customers out by changing the rules or delaying the process through the development of complex new procedures.

Summary of NSET Leanings

NSET's recommendation is to focus on beginning to process the queue once again. Beginning with processing of de miminis redirects, commencing a mini pilot proactive planning study, and making offers of interim conditional firm service to customers whose requests present no constraints, followed by a commercial study of the first small batch of the current long-term pending queue.[3] This is a variation of alternative PP-TS-ALT-4. Under NSET's proposal the queue size that goes into the commercial study would be limited to 10 GW to prioritize getting some offers out before the end of 2027. BPA will learn a lot by progressing in this manner. Naturally, some requestors will accept and fund, some customers will drop their requests from the queue, and this will lower the burden on BPA, allowing for an efficient batching process to continue and be implemented.

No additional evaluation criteria would be applied to the current queue (requests in the queue before BPA's announced pause on 2/5/2025) to prioritize and focus BPA's efforts on processing requests and building transmission. Then for the Future State, parties could take additional time to consider appropriate treatment for new requests. NSET's current recommendation for Future State queue processing is that any evaluation criteria be consistent with open access principles and that the long-term pending queue would become a rolling "always open" queue where new requests are added to the end, and each iteration of the commercial study would study the next batch of requests, capped at the amount that BPA can reasonably accommodate based on the to be finalized Future State process. As the proactive planning process develops, it will create additional slack in the system and enable BPA to study larger batches, with the goal of ultimately having enough projects in the long-term proactive planning pipeline so that each iteration of the commercial study can study all requests pending at that time. This also allows requestors to understand what risk, commitment, and rules will be applied for future investment decisions. This pathway further provides the needed time for the region to work through the design and implementation of the Future State process.

Open Access and Competition

BPA can vastly simplify its job by eliminating alternatives that violate fundamental principles of open access transmission—alternatives that would have serious anticompetitive effects. These include, but are not limited to:

- Evaluation Criteria for Source Maturity

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[3] Throughout these comments, NSET characterizes the current queue as essentially the requests in the queue up until BPA announced its pause on 2/5/2025.

- Evaluation Criteria for Load Maturity
- Evaluation Criteria for PTP requests to NT PODs
- Evaluation Criteria for Battery-to-Battery Requests
- Evaluation Criteria for Additional Information in the Data Exhibits
- Evaluation Criteria for Delivering/Receiving Party Validation
- Evaluation Criteria for Minimum Capitalization Requirements
- Firm Service Prioritization Readiness Requirements

Maintaining open access for a competitive transmission market is the single most important outcome BPA's transmission reform should achieve. In adopting its open access transmission tariff, the Federal Energy Regulatory Commission ("FERC") considered the information a requester should be required to submit with its service request. Some commenters raised concerns about customers reserving capacity and then not using it or tying up transmission capacity with speculative requests, so some urged FERC to require a showing that there is a need for transmission or details of contractual arrangements. But FERC also recognized that there would have to be a limit on the information provided for competitive reasons. FERC noted that firm transmission customers are in the best position to know the levels of electric energy they will be transmitting.

Ultimately, FERC found that forcing customers to demonstrate that there is a need for transmission or to reveal details of individual transactions is anticompetitive and specifically decided against including such a requirement. FERC concluded that firm transmission customers should not lose their rights simply because they do not use that capacity for certain periods of time and that in the absence of evidence of hoarding, they would not limit the amount of capacity that can be reserved.[4]

This non-discriminatory open access to transmission services is the critical backbone for competitive wholesale markets and the cost savings that can be achieved through competition. Denials of access to transmission, whether blatant or subtle, are fundamentally at odds with these principles of open access.

As applied to BPA's suggested alternatives, any attempt to prevent any customer from using the transmission system is fundamentally at odds with open access. It will be highly contested and undermine the entire reform by delaying implementation.

- **Evaluation Criteria for Source and Load Maturity** – Transmission customers need only provide the point of receipt ("POR") and point of delivery ("POD"). Any additional

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4 *Promoting Wholesale Competition Through Open Access Non-discriminatory Transmission Services by Public Utilities; Recovery of Stranded Costs by Public Utilities and Transmitting Utilities*, 75 F.E.R.C. ¶ 61,080 at 168-170 (1996) ("FERC Order 888").

requirements that would require the customer to disclose that the source or load is mature enough to need the transmission are simply a veiled attempt to prevent the customer from accessing transmission and should not be allowed. Further, the only options that present no impediments to the power marketer and IPP business model, including but not limited to considering the "NewPoint" issue, would be to adhere to open-access and only require POR/POD criteria.

- **Evaluation Criteria for PTP requests to NT PODs** – Point-to-point ("PTP") customers should be able to put in requests to these PODs based on future commercial need. BPA's criteria for what constitutes a network integration transmission service ("NITS") "only" POD are unclear, as it appears to be simply a naming convention. As such, any evaluation criteria that seek to prevent these requests is discriminatory and violates open access. If, however, the challenge BPA is aiming to solve by keeping these as NITS "only" PODs is one of administrative convenience, there could be a solution path here where BPA works with transmission customers to transfer the requests to an existing nearby POD or to establish a new PTP POD nearby. Any other retroactive changes cause consequential damage to those with existing requests.

- **Evaluation Criteria for Battery-to-Battery Requests** – Outright denying battery-to-battery requests similarly is discriminatory and violates the open access principles above. NSET agrees with comments made during the workshops, that just because something might be hard does not mean that BPA should not do it. There should be no requirement to demonstrate that transmission is needed or details of commercial transactions. BPA should also not assume the responsibility for determining whether a battery-to-battery request business model is "reasonable." If BPA is going to require some additional information about the charging and discharging behavior of the batteries in order to study transmission availability, it should simply accept the parameters submitted by the requester based on the operating characteristics of the unit.

- **Evaluation Criteria for Additional Information in the Data Exhibits** - BPA should not have carte blanche discretion to require that any additional information be submitted via BPA's data exhibit process, with a potential ramification being removal of the queue position for not submitting the data. Especially retroactive changes required to existing requests that remove queue timing rights. BPA is more than welcome to engage customers on a voluntary basis to provide additional information without removal from the queue as a consequence. The data exhibit validation process should only include the minimum amount of information necessary that is not discriminatory and does not violate open access principles.

- **Evaluation Criteria for Delivering/Receiving Party Validation** – Any additional requirements that would require the customer to disclose contractual agreements with intended generation and intended load are exactly the items that FERC found should not be disclosed for competitive reasons. As with the source and load maturity evaluation criteria, here too, simply listing the POR and POD is sufficient. Allowing load serving entities ("LSEs") to serve as the decider of who gets transmission and who does not has serious anticompetitive implications. For example, if an LSE is a regulated public utility that earns a guaranteed rate of return on its capital expenditures, it has an inherent incentive to own resources. The LSE itself competes with the bidders into its requests for proposals. It could simply refuse to provide an attestation to some bidders in favor of itself or other bidders offering ownership options using transmission as a means to weed out its competitors.

- **Evaluation Criteria for Minimum Capitalization Requirements** – Imposing a minimum capitalization requirement is a non-starter. It is financially discriminatory and anticompetitive. This would eliminate an entire business model of developers that fund project development based on loan dollars rather than from their balance sheet. The capitalization requirements for CAISO and PJM referenced by BPA are utilized by those entities for market participants because of the exposure in buying and selling energy in the day ahead and real time market. The CAISO credit requirements are not analogous to the BPA structure with individual transmission rights. They are not used for transmission requests. This idea should be removed from consideration. Minimum Capitalization requirements are not necessary in order to determine whether a particular request is "studiable."

- **Firm Service Prioritization Readiness Requirements** – Again, there should be no requirement to demonstrate that transmission is needed or details of commercial transactions. To do otherwise has serious competitive implications and violates fundamental principles of open access transmission.

In sum, FERC considered and specifically rejected in adopting open access tariffs, a demonstration of need or details of contractual arrangements.

Near-Term

NSET recommends in the near term:

De Minimis Redirects:

Recommendations:

BPA to immediately begin processing de minimis redirects[5] (and allow deferrals to proceed while a redirect request is pending[6]).

Discussion:

Please see the letters referenced in the footnotes for further discussion of this recommendation.

"Pilot" Long-Term Planning Study:

Recommendations:

BPA to immediately begin conducting an initial pilot of the new long-term proactive planning methodology by looking at how much volume can be supported by the Grid Expansion and Reinforcement Portfolio ("GERP")[7] 1.0 and 2.0 projects, reviewing projects already studied, and using the current queue and past TSEP 2023 study as a guide for planning the next phase of transmission projects ("GERP 3.0") to support regional needs.

Discussion:

Based on discussions from the December and January workshops, NSET's understanding is that *all* of the capacity made available by the GERP 1.0 projects is already committed to support existing studied transmission service requests ("TSRs") and that most (but potentially not *all*) of the capacity created by the GERP 2.0 projects is already committed to support existing studied TSRs. Based on this assessment and the goal of being able to get TSR(s) firm service within 5-6 years in the Future State, NSET recommends that BPA immediately identify the next wave of GERP 3.0 projects and begin moving those through engineering and environmental assessment. The current queue is a good indication of regional needs as the current process is set up such that customers who fund preliminary engineering are the trigger for building new transmission capacity. All customers in the current queue entered the queue with this knowledge and understanding, and so the current queue offers a good indication of where/what those GERP 3.0 projects need to be and the viable timeline to develop, thus awarding the additional capacity created by these projects. This information is essential for requestors to decide whether to stay or drop out of the queue.

Voluntary Interim Service to get off "pause":

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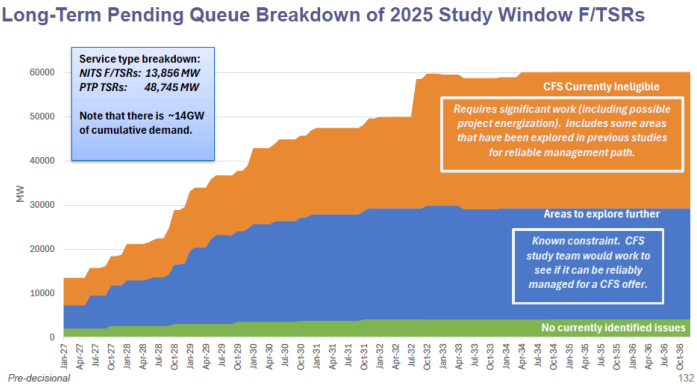
5 Please see Point to Point customer letter NSE signed onto.
6 Please see NSE's concurrently filed comment letter on this topic.
7 Formerly known as the "Evolving Grid".

Recommendations:

Offer customers in the current transition period, long-term pending queue, the *option* to be considered for interim conditional firm service on a voluntary basis if they want it, but customers that elect not to take interim service maintain their queue position pending further study and development of transmission assets.

Offers for interim service will be evaluated according to the green/blue/orange categories presented on slides 129-132 of BPA's updated December slide deck. For example, if the customer elected to receive interim service and is in the green category with no identified issues, then interim service is offered. If the customer is in the orange category, then no immediate interim service is offered, and the customer would be directed back to await the commercial study or further developments that would move the request out of the orange category (like completion of certain builds, etc.). For customers in the blue category, BPA could process on a rolling basis in queue order and make individual determinations about whether the constraint can be reliably managed and what form of CF offer can be provided. In this process of awards, queue order must be maintained, a pathway to LTF must be established, and an understanding of what this CF offer would be must be provided before BPA begins this process. How many curtailable hours is very important to understand the reliability and financial (including the ability to finance) risks.



Finally, interim service would be offered in essentially the same format as conditional firm offers are made under the status quo with no new security or deposit requirements. While it is not clear whether any of BPA's alternatives would impose additional security or deposit amounts, some of the discussion seemed to indicate that either BPA or other stakeholders might be considering layering on an additional security requirement at this stage. But this part of the process is not broken and does not need to be fixed. Presently, the commitment to sign a 5-year contract is sufficient skin-in-the-game (i.e., security) obligate customers.

Discussion:

Allowing this form of voluntary interim service achieves several key goals. First, it allows customers who need service now the option of receiving service now. Second, this preserves the rights of customers who proactively planned for their own future

transmission needs by requesting transmission ahead of need. Third, it conserves BPA's resources by allowing BPA to award some of the "low hanging fruit" (i.e., "green" category) while some of the more difficult transmission awards are subject to future studies and analysis.

Questions:

While this proposal presents NSET's current leaning, we still have the following additional questions about the quality and nature of the CF product that could be offered in the interim, the answers to which may inform and/or modify NSET's current leaning articulated above:

- Will there be any changes to the eligibility criteria for CF awards under an interim service model?
- Will there be a greater frequency of curtailments from the status quo if additional CF interim service awards are granted?
- Could sub-grid curtailment options provide flexibility?

Transition Process

Recommendations:

NSET agrees that existing processes should not be changed for the transition process because doing so would result in long delays and potentially a need to work out new issues with the new process. Getting off the pause and avoiding further challenges is paramount to the region's needs.

As such, once the initial pilot proactive planning study discussed above is complete, BPA would then conduct a full commercial study by starting with the next batch in queue order to develop plans of service for all TSRs in that batch (this is a variation on alternative PP-TS-ALT-4). According to BPA's estimates, this transition study would be complete by November 2029, and BPA would commence the next iteration of its proactive planning study in March 2029, based on the to-be-developed Future State process. NSET proposes that this alternative be modified slightly to cap the size for study at an even smaller number than what BPA stated was possible in its slides with an aim towards getting service offers by year-end 2027. BPA indicated that a 15 MW queue size could be studied under this option, but NSET proposes limiting this further to 10 GW.

NSET proposes that the current queue simply be maintained and added to on a rolling basis as new requests come in, and that BPA simply complete rolling "batches" of commercial studies based on the maximum size that can be completed with each planning and commercial study cycle. This allows BPA to maintain open access, queue order, and

study the slack in the system in a reasonable order and timeline. While finalizing what the Future State will be.

NSET strongly recommends that BPA impose no new evaluation criteria or firm service prioritization readiness criteria or security/study deposits, and keep with the status quo to process the current transition queue.

Discussion:

NSET's recommendation for the transition study achieves several key goals.

First, it prioritizes spending BPA resources where it matters most—planning and building new transmission to support regional needs and studying and awarding the most transmission to the most customers as quickly as possible.

Second, it remains neutral on the business case justifying each transmission request. This is the single most important outcome BPA's transmission reform should achieve because forcing customers to demonstrate that there is a need for transmission or to reveal details of individual transactions is anticompetitive. This fundamental aspect of open access to transmission must not be upset.

Third, it conserves BPA resources that would otherwise need to be expended on requesting data from customers, vetting that data, and removing requests that cannot provide precise certainty around how electrons will flow. As BPA completes more proactive planning studies and completes those builds, it will create more slack in the system which will enable BPA to study larger batches. NSE understands that BPA desires its queue to be "studiable," and best understands this studiability concept as a desire to strike the right balance between making assumptions to inform the study process and having certainty about how electrons will ultimately flow. Historically, BPA has made assumptions about requests in its queue, which served a useful purpose until the queue got too large. BPA now seeks to move away from these assumptions towards having greater certainty by requesting that transmission customers provide precise data to BPA about how customers intend to use their transmission. Of course, absolute certainty about how electrons will flow is not possible, so BPA will always need to make assumptions. It is NSE's understanding[8] that the level of uncertainty BPA is willing to make assumptions around is a function of the slack in the system. So, instead of expending considerable resources and time requesting data from customers, vetting that data, and removing requests that cannot provide precise certainty around how electrons will flow, the approach outlined by NSET instead prioritizes creating additional slack in the system, iterative learning, and coming up with reasonable assumptions about how electrons will

[8] Based on the discussion in the January 7, afternoon workshop.

flow. This allows for the focus to include identifying and building out new resources in a timely manner to meet the region's evolving needs.

Future State

NSET reserves taking significant positions on the Future State at this time. We need to focus instead on processing the current queue, in reasonable batches, and take the necessary time to work through, as a region, what the new Future State will be. Allowing time for pilot proactive planning to proceed and batch studies for the current queue will give the region time to consider the Future State, to establish the new rules of the Future State and to allow customers to understand what risk, commitment, and rules will be applied for future investment decisions.

NSET's current recommendation for Future State queue processing is that any evaluation criteria be consistent with open access principles and that the long-term pending queue would become a rolling "always open" queue where new requests are added to the end, and each iteration of the commercial study would study the next batch of requests, capped at the amount that BPA can reasonably accommodate based on the to be finalized Future State process. As the proactive planning process develops, it will create additional slack in the system and enable BPA to study larger batches, with the goal of ultimately having enough projects in the long-term proactive planning pipeline so that each iteration of the commercial study can study all requests pending at that time.

Closing & Recommendations

- Resume TSR processing (and de minimis redirects). Including allowing deferrals to process while redirect requests are being processed without forcing customers to withdraw their redirect requests.
- Incorporate pilot pre-study.
- Batch studies in strict queue order.
- Do not impose evaluation criteria, minimum capitalization requirements, or firm service prioritization readiness criteria. All of which have serious competitive implications and violate open access principles.
- Comprehensive study models must include GERP 1.0/2.0 and any subsequent additional projects identified.
- Define and disclose revised CF terms, curtailment risks, and projected volume to inform interim service decisions.
- Continue with the current security and deposit requirements under existing practices.

- Timeline needs to be extended, after the Feb 25-26 meeting, before parties are ready to engage in settlement discussions. BPA can take small steps before this, such as processing de mininis requests immediately as we finalize the Transition State process.
- NSET believes we need to resolve the Transition State process and then take the necessary time to create the Future State process and any subsequent needed Tariff changes.

NSET recommends that BPA uphold strict queue order and open-access principles while promptly resuming TSR processing during the Transition State. At the same time, BPA should take the necessary time to thoughtfully design the Future State framework.

For the region, the path forward is clear: we must enable the timely development of both transmission and generation resources to meet expiring federal tax credit deadlines, comply with emerging compliance program requirements, serve accelerating load growth, protect system reliability, and investor confidence in our region.

This requires BPA to advance the Transition-State queue, identify and sequence future GERP-driven system upgrades, develop those upgrades without delay, and maintain financial viability for customers and project sponsors. These steps must proceed in parallel with continued work to define what the Future State will ultimately be.

NSET remains committed to working constructively with BPA during the TC-27 transition state and future state processes to ensure outcomes that support reliable, equitable, and affordable clean energy integration.

Sincerely,

NewSun Energy Transmission Company LLC