

January 16, 2026

RE: Comments on Bonneville's TC-27 December 17-19, 2025, and January 6-7, 2026, workshops

Powerex Corp. ("Powerex") appreciates the opportunity to comment on the presentation and workshop materials presented by the Bonneville Power Administration ("BPA") on December 17–19, 2025, and January 6–7, 2026, regarding the TC-27 tariff proceeding. Powerex thanks BPA staff for the information provided throughout the workshops and recognizes the significant challenges BPA faces in managing a growing volume of transmission service requests.

Powerex supports the broader objective of restarting the queue as quickly as possible while minimizing unintended consequences. BPA's overall direction of establishing evaluation criteria, offering interim service, and managing the queue using revised processes are reasonable steps to meet these objectives and address the challenges identified by BPA. As BPA considers these reforms, Powerex encourages solutions that build on existing tariff structures—including the pro-forma OATT—and established processes where practicable, while allowing for targeted changes where needed to support efficient queue processing as well as durable and beneficial transmission outcomes. BPA should seek to avoid reforms that are inconsistent with open access principles, impose unnecessary data burdens on customers, or provide limited improvements to queue processing timelines. Furthermore, Powerex suggests that pro-forma tariff deviations or revisions only be undertaken when such changes benefit the region and satisfy the criteria that Bonneville has established in previous tariff proceedings.

The comments below are intended to provide Powerex's perspective on these topics and to offer input on how the proposed approaches may be implemented in a manner that supports these objectives. BPA should consider these comments to be preliminary, as Powerex's perspective may evolve or be revised as discussions continue in upcoming workshops.

Interim Service

Powerex generally supports efforts by BPA to increase its ability to offer customers high-quality transmission service as quickly as possible. In Powerex's view, any new interim service offered without a completed study should provide the highest-quality transmission available *after* firm and conditional firm service (CFS) and should not degrade the physical priority or economic value of these existing firm products.

Powerex recognizes that technical and practical considerations may make these objectives more achievable via expanded use of a non-standard conditional firm service (interim CFS) and priority-6 rights for both Network (NT) and Point-to-Point (PTP) customers. As Powerex understands it, leveraging some form of CFS framework may better align with BPA's existing technical capabilities, limit the scope of required tariff changes, and enable awards of service that qualify for WRAP.

Powerex therefore supports continued exploration of an interim CFS approach, with several important caveats. First, any interim CFS product should be clearly transitional in nature and offered in anticipation of a subsequent system impact study that would support a standard offer of firm or conditional firm service. Second, awards of interim service should not be unlimited, but instead evaluated and constrained based on a

reasonable expectation of system availability and associated technical considerations to preserve system reliability, even in the absence of a completed study. Third, Powerex proposes that interim CFS be treated initially as conditional (priority-6) on an 8,760-hours-per-year basis, unless and until the service is firmed up on a short-term (e.g., month-ahead) basis prior to the release of short-term firm ATC. Only after a system study is complete, should this interim CFS become full firm service or full conditional firm service (for less than 8,760 hours as conditional) on a long-term basis.

Powerex appreciates BPA's analysis indicating that interim CFS for both NT and PTP customers could potentially be eligible for Markets+ congestion rent under the current tariff design. From a Markets+ perspective, however, Powerex has concerns that awarding significant volumes of interim conditional firm service that are not supported by system impact studies or demonstrated deliverability could distort congestion revenue allocation outcomes both within BPA's service territory and on neighboring systems. Under the Markets+ framework, congestion revenues are intended to reflect physically deliverable transmission capability and preserve the value of firm transmission rights. Introducing large volumes of unstudied interim CFS risks diluting congestion revenues attributable to firm rights and weakening the alignment between congestion rents and reservations of firm and conditional firm service that reflect actual system capability.

Powerex also notes that congestion eligibility for existing CFS products during hours when those rights are not fully firm (e.g., when treated as priority-6) was an area of limited stakeholder consensus during Markets+ design discussions. Some stakeholders expressed concern that this treatment could negatively impact fully firm rights, and Markets+ stakeholders have committed to evaluating the impacts of this policy choice following market go-live. In this context, allocating congestion revenues directly to interim service, even if deemed to be technically permissible, would represent a further departure from the underlying intent of the Markets+ design and could be perceived negatively by other stakeholders.

Accordingly, Powerex believes BPA and its stakeholders should carefully consider an equitable and durable approach to the treatment of Markets+ congestion rent under any interim service proposal.

One approach would be for BPA to define clear and transparent pathways through which interim service may be eligible for Markets+ congestion rent without harming other customers. For example, interim service that is firmed up on a month-ahead basis could be included in SPP's direct allocation of Markets+ congestion rent for that month, consistent with the treatment of other firm transmission rights. This could apply to both PTP and NT interim service. Under this approach, interim service that is not firmed up on a month-ahead basis would still be eligible for receiving up to a full entitlement from the residual surplus congestion rent that is returned to BPA after firm transmission rights holders have received their full entitlements directly from SPP, as market operator.

Under the Markets+ design, when transfer capability on a constrained path exceeds the capacity held by firm transmission rights, the resulting surplus congestion revenue is returned to the applicable transmission service provider for sub-allocation under its OATT. This framework would allow BPA to allocate surplus congestion revenues to interim CFS rightsholders to the extent the system is capable of supporting those deliveries, while avoiding adverse financial impacts to fully firm and conditional firm rightsholders.

For illustrative purposes only, consider a constrained transmission path with 1,000 MW of total transfer capability, where BPA has sold 800 MW of long-term firm service (including existing CFS). Under the current Markets+ framework, congestion revenues associated with the first 800 MW of transfer capability would be allocated directly by SPP to the long-term firm rightsholders. The congestion value associated with the remaining 200 MW of capability would be returned to BPA as surplus congestion revenue. Under the approach

described above, BPA could use this surplus congestion revenue to support interim CFS to the extent the system is physically capable of supporting those deliveries. If interim service volumes are consistent with available transfer capability (e.g., 200 MW), interim customers could potentially receive a full congestion hedge for their exposure to congestion on the BPA transmission system. If the quantity of interim service sold exceeds available capability, residual congestion revenues would be shared on a pro-rata basis, resulting in a financial derate to interim service without affecting the congestion revenues allocated to firm or existing CFS rights.

This approach would provide multiple pathways to allow interim service to receive congestion revenues when the interim CFS transfer capability is operationally available, while avoiding dilution of congestion revenues attributable to firm rights. It would preserve appropriate incentives and market signals and maintain the value and integrity of firm transmission rights. This approach could be implemented by BPA without changes to the Markets+ design.

Powerex notes that, absent a solution such as described above, evidence suggesting that a new interim product may adversely affect firm transmission rights could prompt further discussion of Markets+ design changes, including the treatment of conditional firm service more generally. In Powerex's view, giving careful consideration now to a clear, equitable, and durable approach to congestion revenue treatment for interim service may help reduce the likelihood of such challenges following market go-live.

Evaluation Criteria

Powerex generally supports BPA implementing an appropriate level of evaluation criteria to better manage the Transmission Service Requests ("TSRs") and Forecasted Network Resource TSRs ("FTSRs") queue and obtain the information needed to effectively study pending requests.

Powerex's primary concern is that any criteria adopted be tailored to reflect the varied use of the transmission system by both Point-to-Point (PTP) and Network Transmission (NT) customers in order to avoid inadvertently applying criteria that are not consistent with the nature of a legitimate request for service. As alternatives are refined or newly identified, Powerex would appreciate clear descriptions of which criteria would apply to specific categories of requests.

Powerex also recognizes that some of the proposed options may be complementary, while others may represent "either/or" approaches. Powerex believes that working to narrow the range of alternatives and identify those that most effectively support efficient queue processing and enable the quickest possible restart of queue activity would help stakeholders better evaluate how a given set of criteria could function together to achieve BPA's objectives while minimizing unintended consequences.

Based on the current information, Powerex offers the following preliminary comments on the options proposed.

1. **Source and Load Maturity:** Powerex understands that BPA may seek additional information to support the evaluation of requests associated with new generation and load in the BPA Balancing Authority Area ("BAA"). Powerex is generally supportive of BPA's goal and currently does not have a particular preference for the alternatives, provided that BPA confirms that these requirements would not apply to wheel-through transactions or POR/PODs associated with interties with other BAAs.

2. **Requirements for Gen and Load outside the BPA BAA:** Powerex supports continuing to provide information to facilitate the analysis and study of TSRs that source or sink to a BAA outside the BPA territory. Powerex seeks to ensure that the final set of evaluation criteria enables all uses of the transmission system, including wheel-through activities and transmission service that expands Markets+ connectivity.
3. **Minimum Capitalization Requirements:** Powerex generally supports BPA's proposal to evaluate the financial strength of customers supporting their requests for service using more stringent requirements than the status quo. Powerex also supports exempting entities that demonstrate sufficient financial strength to meet their obligations without additional safeguards. Powerex would appreciate clarification that the exemptions listed would remain consistent across the alternatives considered.
4. **Virtual Hubs:** Powerex does not support alternatives that would remove NWHUB, as it supports legitimate commercial activity and facilitates an efficient open access market. If BPA determines that changes to the status quo are necessary, Powerex would be most supportive of Alternative 1, subpart B, which would remove MIDCRemote only from the long-term firm market and require customers with unstudied TSRs involving MIDCRemote to modify the POR/POD to NWHUB, Grant, Chelan, or Douglas.
5. **Remedial Action Schemes:** Remedial Action Schemes (RAS) are commonly used in the Pacific Northwest to maintain system transfer capability, but they are not appropriate for every TSR or FTSR associated with resources outside the BPA BAA. Identification of resources outside the BPA BAA for potential RAS may be unnecessary in the early stages of planning for projects that may not come to fruition. Powerex therefore suggests an approach that allows for flexible timing in identifying RAS, as appropriate, and that reflects differences in project characteristics.
6. **Delivering/Receiving Party Validation:** During the workshops, BPA staff cited limited instances in which a party requesting transmission service provided information in its data exhibits regarding a generation source that was neither owned by the requesting party nor contractually assigned to it, and where the resource owners were not aware of that use. While Powerex understands BPA's concern, these limited circumstances do not support imposing additional restrictions or data exhibit requirements on all customers.

As an alternative to the status quo, and to the extent a request requires information regarding a specific generation or load in the BPA BAA, BPA could consider requiring each party to a TSR to attest, through a corporate officer or other appropriate delegate, that the information provided is true and accurate. BPA could also revise its data exhibit forms to ask customers to indicate whether a customer listing a generator or load within the BPA BAA has an ownership stake or contractual arrangement with the source or sink. Powerex would support these requirements provided they were applicable only to internal generation and load and not to external delivery locations.

7. **Tariff Amendments to Enable Additional information:** Powerex believes it is premature to pursue a tariff change to expand the information BPA can request. Powerex is optimistic that the broader reforms being considered in this initiative will support resolving concerns that BPA does not have sufficient information to support its evaluation of transmission service. Powerex believes that the successful development of a reasonable set of evaluation criteria should enable BPA to continue to

have collaborative conversations with customers to obtain the information it needs to analyze TSRs and FTSRs. If BPA finds that it still faces challenges in the future, then the option of addressing this matter in a future tariff case may be appropriate.

Queue Management

As BPA develops new evaluation criteria and interim service offerings, it must also determine how to (1) apply those criteria consistently to existing transmission service requests, (2) efficiently collect and validate additional customer information, (3) proceed with studies if the queue remains too large to evaluate in a single effort, and (4) address TSRs and FTSRs submitted since August 15, 2024. Powerex supports BPA maintaining the existing transmission service request queue order, while applying evaluation criteria and implementing efficient, transparent validation processes.

1. **Application of Evaluation Criteria:** Powerex does not support approaches that would require customers to resubmit existing TSRs and FTSRs or lose their established queue priority (Alternative 2). Preservation of queue order is fundamental to open access principles reflected in BPA's OATT and to maintaining customer confidence. Evaluation criteria can be applied to the existing queue to identify eligible requests without resetting priority or requiring unnecessary reprocessing.
2. **Collection of Additional Information:** Powerex supports BPA using streamlined processes to collect and validate any additional information needed to apply evaluation criteria (e.g., Alternative 1 or 2). Maintaining the existing queue while conducting targeted data validation will allow BPA to advance queue processing more quickly and with less administrative burden on both BPA and customers. While defined timelines to cure data deficiencies are appropriate, BPA should balance efficiency with reasonable flexibility to avoid unnecessarily invalidating otherwise viable TSRs and FTSRs.
3. **Structuring the Queue for Study:** Powerex does not believe batching will be necessary after application of a set of reasonable evaluation criteria. If BPA believes batching is required, studies should proceed in queue order to remain consistent with open access principles and minimize disputes. Powerex also encourages BPA to avoid approaches that would require tariff changes that are not consistent with open access, as such changes could delay both the TC-27 process and the resumption of study activity.
4. **Handling New Requests:** Powerex supports including all TSRs and FTSRs that have already been submitted into the queue, including those submitted since August 15, 2024. The incremental volume of these requests is small relative to the overall queue and is unlikely to materially delay BPA's transition to a future proactive planning framework.
5. **Firm Service Prioritization:** Powerex supports assigning capacity and costs for identified transmission projects based on queue order, consistent with the long-standing first-come, first-served principle reflected in the pro forma OATT (e.g., Alternative 1). Departures from queue-based prioritization risk inequitable outcomes, including cost shifts to customers displaced by later-queued requests, and should be avoided.

Transmission Service Requests with De Minimis Impacts

Powerex supports BPA's consideration of processing TSRs and FTSRs with de minimis impacts while broader elements of the TC-27 proceeding remain under development, as this would allow progress on a subset of requests without constraining BPA's ability to implement more comprehensive reforms.

Powerex emphasizes that evaluation of de minimis impacts should focus on the specific flowgates that are currently preventing awards of service, rather than requiring zero or de minimis impacts across all flowgates. Where a request has de minimis impacts on the constraining flowgates, and any impacts on non-constraining flowgates can be accommodated using available Firm ATC or CFS capacity without impeding earlier-queued requests, such requests should be eligible to move forward.

Powerex acknowledges BPA's concern that customers could structure requests so that individual impacts remain below de minimis thresholds while the combined effect exceeds those thresholds on a given flowgate and supports BPA's objective of preventing such outcomes. At the same time, Powerex believes this concern should be addressed in a manner that does not disadvantage customers that hold and pay for annual transmission rights and rely on the ability to modify those rights through redirects across different time periods to meet evolving system and customer needs. Powerex does not support removing redirect requests from the queue solely because multiple requests are associated with a related AREF.

If BPA determines that multiple Redirects (or Original) requests submitted by the same customer for the same path and time period should be evaluated on a combined basis, BPA could group those requests for review and assess their additive impacts while preserving queue priority. Requests whose combined impacts exceed de minimis thresholds could remain in the queue for future processing.

Next Steps and Future Workshops

Powerex appreciates BPA's continued engagement with stakeholders as it works to address the challenges associated with the long-term transmission service request queue. Powerex supports BPA's efforts to advance practical, implementable reforms that enable timely queue processing, preserve the value of existing transmission rights, and support durable transmission outcomes. Powerex suggests that BPA distill the options and alternatives into 3-5 consolidated approaches that address the fundamental issues in this proceeding and present this narrower set of options to customers for further discussion at the next workshop. Powerex also recognizes that given the complexity of the options and alternatives there may be a necessity to hold additional workshops than what is currently scheduled and BPA should adjust the proceeding schedule accordingly. Powerex looks forward to continued collaboration with BPA and stakeholders as the TC-27 process moves forward.