NewSun™ ENERGY

NewSun Energy Presentation

BPA TC-26 Customer-Led Workshop

GI Withdrawal Penalties,
CTA/SFA Compatibility, and
Misc Proposals

July 11th, 2024

V240711-FINAL

Agenda/Outline – I) Withdrawals

- **About NewSun / Experience / Philosophy**
- **Background & Context**
  - Why BPA (+ PNW) is Different
  - Core Principles & Observations & Goals
  - BPA OATT Features & Functions

- **A) GI Withdrawal Penalties – Opposition & Why**
  - **Why Current Reform Structure**
  - **Lack of History for BPA of Re-Study Problems**
  - **New Post-TC-25 GI Study Architecture:** Works Different than FERC/PAC/MISO/etc
  - **<u>Need Time</u>: To Let It Work + Collect Data**

- **Q&A** (& along-the-way)

Agenda – Part II) Add'l Proposal

- **B) Data Exhibits & TSEP Study Approach**

- **C) <u>Other Tariff Changes Proposed</u>**
  1. **CTA/SFA compatibility for LGIAs/SGIAs**
  2. **GI sub-division vs LGIA timing, fix**
  3. **[Provisional GIA timing]**

Section 1: NewSun / Experience

- **Experience:**
  - Careers, interconnections, markets, projects, reforms, regulatory:
  - $Bs of projects, decades of experience
  - World-leading Projects & Front Wave of Market Transitions

- **BPA + PNW Focused experience**
  - Extensive BPA IX/TX Studies Experience
    - Completed 3-4 dozen BPA IX and TX studies
    - 100+ BPA scoping & reports results meetings
    - Read over 150-200+ BPA Interconnection Studies
      - – Covering 15 years
    - All TSEPs since TSEP began
    - 20-30 GW of career interconnection studies/processes

- **GI Reform Experience**
  - CAISO cluster conversion + PAC, FERC, and other IX reforms
  - BPA TC-25 Reform Leadership – informed by BPA IX experience, recognizing BPA strengths

NewSun Experience / Philosophy

- Values + Realism Driven
- **Project Development + Transactional Realities Must Inform Practices & Policies**
- Extensive BPA IX + TX study process experience
- Round-Peg Approach to BPA realities + Mkt Needs
- Pro- Good-Precedent & Fairness
- Pro- Market, Pro- Investability Stability
- Pragmatists focused on Climate Outcomes & Market Success
- Low Hanging Fruit + Creative Practical Solutions

- Ideas informed from practical experience, conversations, observations with BPA process and team
- Also informed by issues in other GI 'reforms' – not-as-advertised, etc
- PNW is different
- **Don't fix what ain't broken**

Section 2: Background & Context

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A. Why BPA +PNW Uniqueness

B. Core Principles, Observations, Goals

C. BPA OATT vs Other GI "Reforms"

A. Issues Seen With Recent GI / Queue "Reform"

B. BPA: What Actually Happened

D. Reality Check: Timeline Math

- BPA Study Timelines vs.
- Development+Investment Timelines

Recap) Why BPA (+PNW) is Different

- **BPA as the Backbone + Super Highway of the PNW Market**
- **Radically Diverse Stakeholders**, **Market Participants** -- See Next Slide!
  - Across many, many factors and cross-sections
  - All Doing business, simultaneously in every which direction and way
  - All/Mixes of: Contractual Obligations + Tariff Reliances + BPA service reliances (and limits)

- **Long-Term Firm Transmission Agreements** – And Lots Of Them. Liabilities.
- **TSEP: Expansion Funding TC-Driven**
- **TO with No Rate-Basing Bias.** Not trying to beat its TCs/ICs in Market
- **But Still Have IOU LSE Abuse Biases:** Can rate-base *all costs.*

- **Public Power.** Preferences, Obligations, History, Assets, Finances, …
- **Various Federal Entity Constraints**
- **Its Own History + Tariffs**
- **FERC Regulation… Well, No, Not Really.** Independent, but…

BPA Stakeholder Mega-Diversity

So Many Types, So Many Ways to Slice Us…

- Publics + IOU + ESS
- Power Trading + (L/T) Power Supply
- Gen-Owning + Non-Gen-Owning
- Slices + Dispatchable Assets + Block + Load-Following + Hybrids
- Developers + Operators; Sellers + Buyers + Both
- Regulated + Non-Regulated
- Big Folks + Small Folks
- Supply, Trading & PPAs: Real Time + Long-Term + 5-year
- TOs + non-TOs
- LSE Load Growth + Non-Load Growth + Wide Range
- 100% Self-Procuring + 100% 3rd Party Dependent + Mixed Sources (BPA + non-BPA);
    - Self: In-House + Out of House

Meanwhile…

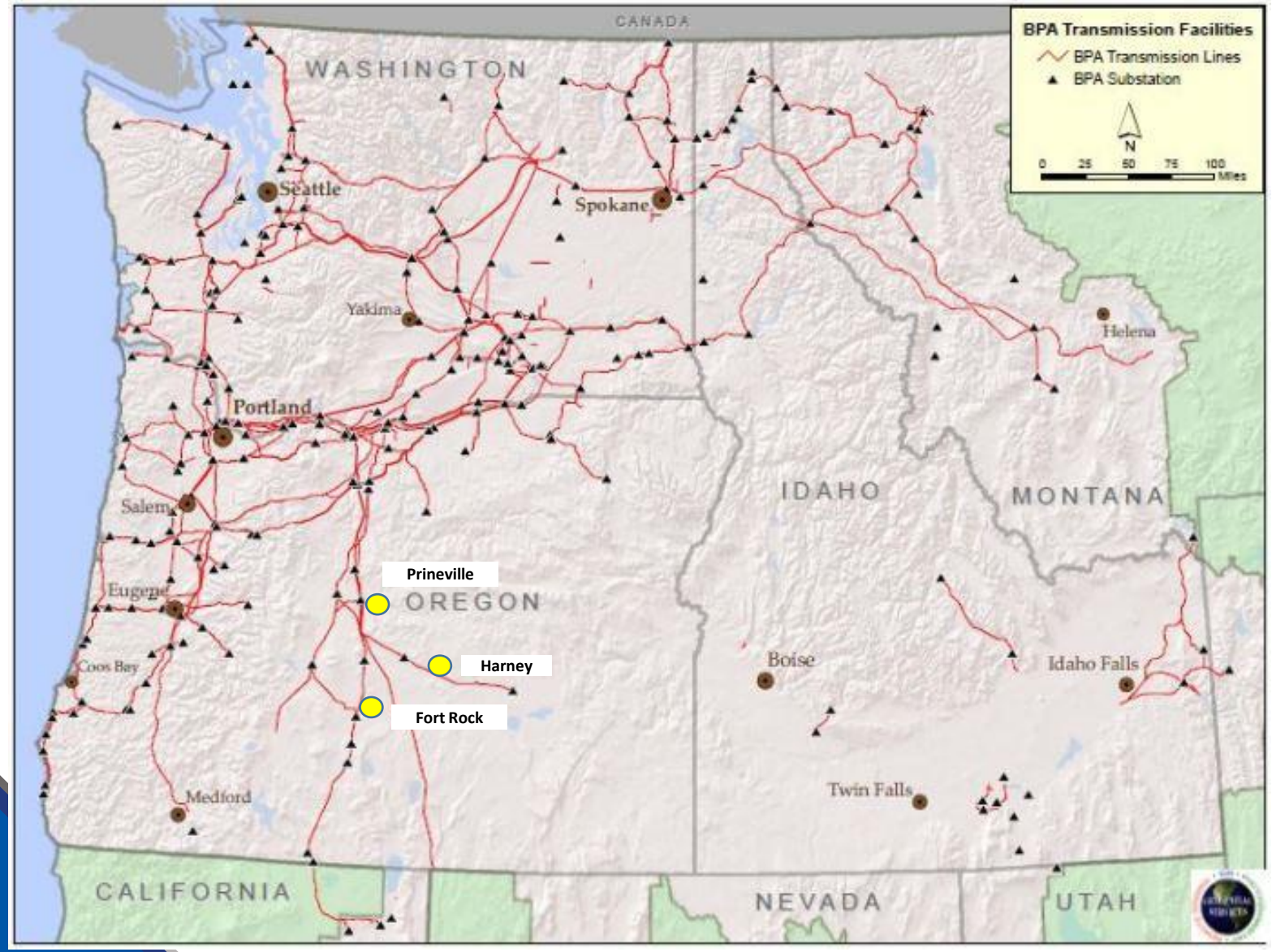
Supply Pressures, including Regulatory + Market Demand Overlays++:

- WUTC + CETA
- OPUC + HB 2021 + RPS
- New Load Growth
    - Smaller Publics
    - Mega-Industrials
- Cities, LSEs, TCs, IOUs, NT, …
- EIM
- Interties + CA demand
- Gen Retirements
- PSPS
- …

More on BPA ~Uniqueness

- **Not an RTO**
- **No guaranteed generator access to *prices*** at Gen's POIs
- **New Projects (and many others) have to "get their power somewhere"** to sell it – i.e. to get revenue
- **Bilateral Market (overwhelmingly)**
  - Bilateral Power Contracts: L/T + S/T
  - Bilateral Transmission Contracts
- **Customers live & receive in lots of different places** (diverse PORs)
- **Financing Projects means Getting Power to Customers**/Prices/Revenue in reliable ways

BPA – Backbone / Superhighway of the PNW



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- **BPA serves 142 different LSEs**, incl.
  - 6 IOUs
  - 54 Co-ops
  - 42 municipalities
  - 28 PUDs
  - +Power to CA / NWACI / PDCI / SMUD…
- **6 IOUs**
  - Pacific Power
  - Portland General Electric
  - Puget Sound Electric
  - Avista
  - Idaho Power
  - NorthWestern Energy
- **Power Marketers & ESS**
  - Morgan Stanley
  - Shell Energy
  - PowerEx
  - TEA
  - Avangrid
- **New & Corporate/Data Center Loads**
  - Meta/Facebook
  - Apple
  - Alphabet/Google
  - Amazon
  - Intel

Market: Gen Dev, GIs, TSAs, Deals

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- **BPA Real World:**
  - Queue Interconnection & Project Development
  - Transmission Contracts Signed: TSAs = Liabilities
  - Finite BPA Project Manager Resources
  - **Interconnection Study *Outcomes* are Biggest Project Survival Driver**

- **Some Market & GI Dev Cases – To Mix & Match**
  - IPP in negotiation with IOU-1
  - Public Power LSE negotiating PPA with IPP
  - IOU-X trying to expand rate base
  - PPA security ($MMs) posted / not posted
  - Public Lands sited Projects
  - LGIR IC cases:
    - Mix of Study Status, Deals & Bids, Security Postings, Transparency, and Counterparties
    - Mix of Transmission Backdrops (TSAs, L/T, S/T, 3rd Party, Buyer Provided, etc)

COMPLEXITY OF CIRCUMSTANCES AND SITUATIONS

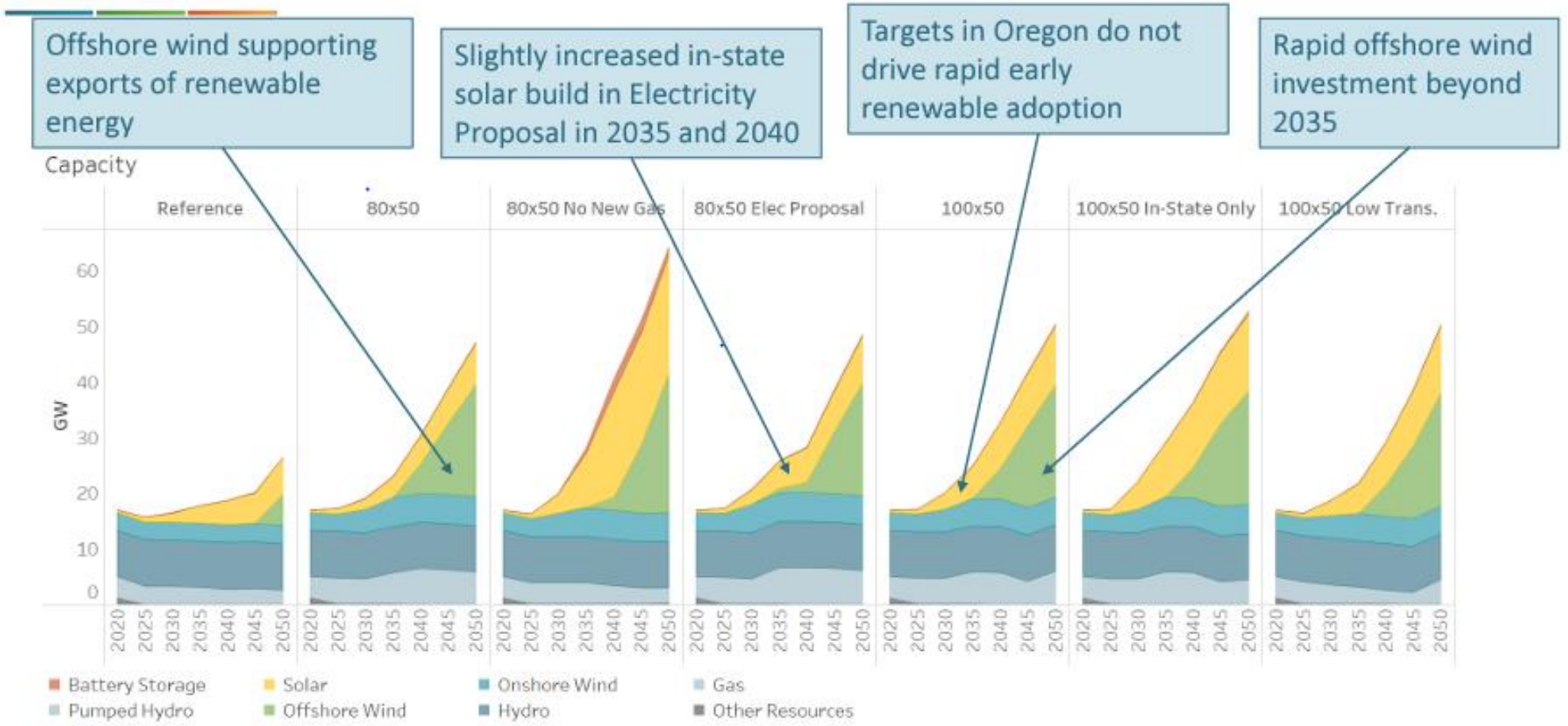
AMPLIFIES THE COMPLEXITY AND RISKS FOR CHANGES –

AND FOR UNINTENDED CONSEQUENCES AND HARMS

((Discussion / Examples))

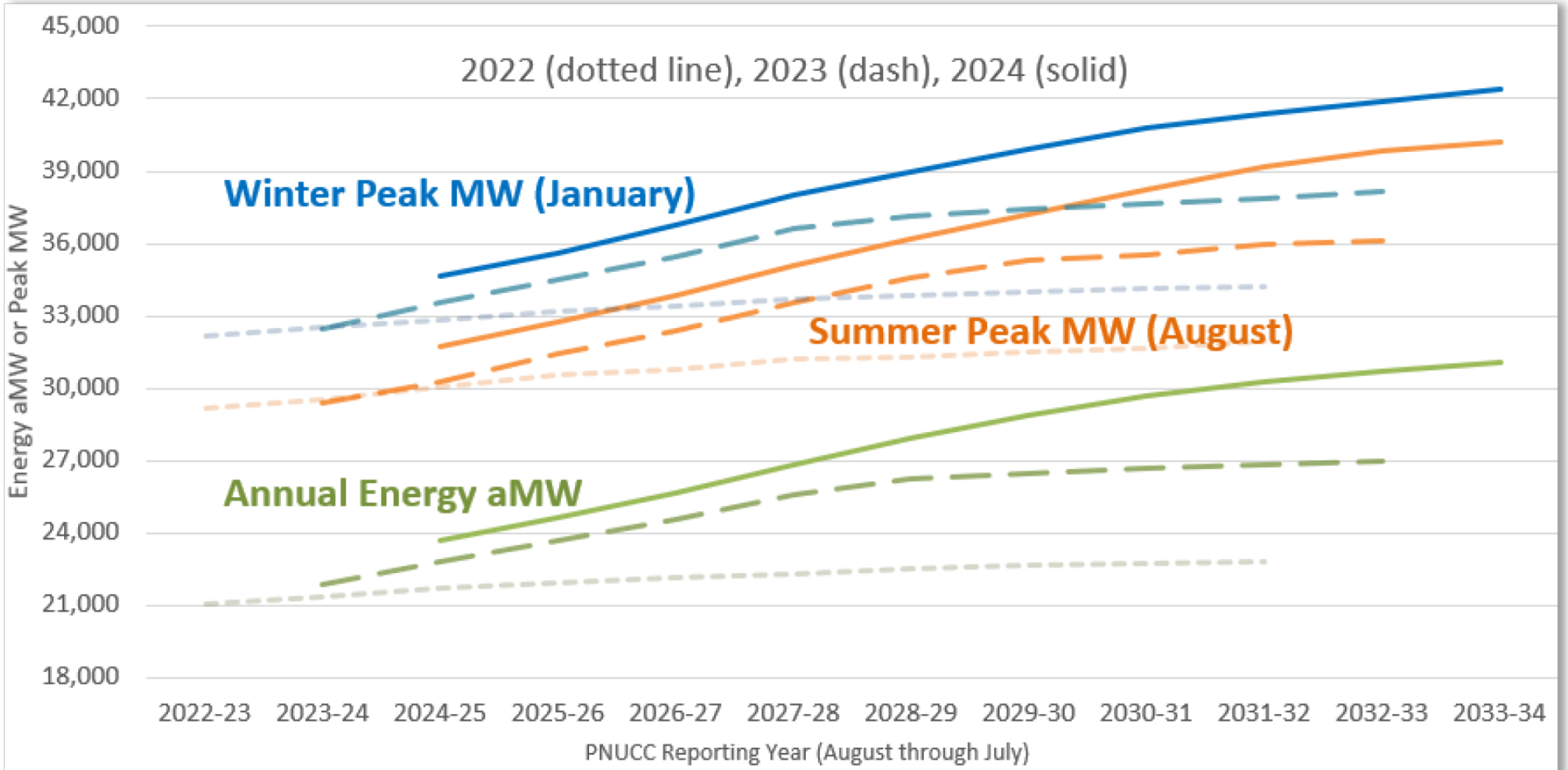
NEED is HUGE:

- Just Oregon: 25-60+ GW of Gen Needed. Plus WA, UT, CA, …



The Problem is Not That The Queue is Inappropriately Big. Or “Speculative”. It Reflects Market Demand.

Figure 1: 2024 Load Forecast Compared to 2023 and 2022



Growth Rates

Energy	5 year	10 year
2024 *Forecast*	4.0%	3.1%
2023 *Forecast*	3.8%	2.4%

Summer Peak	5 year	10 year
2024 *Forecast*	3.2%	2.7%
2023 *Forecast*	3.3%	2.3%

Winter Peak	5 year	10 year
2024 *Forecast*	2.9%	2.3%
2023 *Forecast*	2.7%	1.8%

BPA's IX Reform

- **What Actually Happened**

- **BPA TC-25 Reform = Fundamentally Different Than FERC/PAC**

General Observations ((2024 Slide))

- **There are a lot of things in current BPA Interconnection OATT + Biz Practices that work very well**.
- **Must separate "flood volume" (high demand/need) from "dysfunction" and "blame"** to properly discuss solutions.
- **In Climate Action World, volume is unavoidable**. Need is Great, Long.
- **"Speculative" is really IOU-driven disparagement language** directed at IPPs, competition. The only non-speculative project…
- **Market Demand is Gargantuan**
- **Low %Capacity Factors** of New NamePlate LGIRs mostly ~25-35%
- **Projects / Bidders compete based upon their IX + TX**
- **Queue Clearing Harm Unfixable** – and will only make matters worse

What Actually Happened: Backdrop

BPA statements:

- "not picking winners and losers" & "not clearing the queue"
- Not imposing withdrawal penalties; discuss it later, depending on outcomes
- Initial views about queue size vs. demand size evolved during workshops / 2023

Region:

- **Recognition of Major BPA IX Study Differences vs. PAC/Others:** BPA better. Period.
- **Broad recognition of *Value* of Supply Options *Existing*** – *To Transact, To Mature*
- **Recognized that Queue backlog was HR/bandwidth challenge** – not bad dev
- **Rejected "no PPA so you're out" approach:** Shouldn't kill things if IOU doesn't pick
- **Rejection of Punitive Framework:** Costs to Customers; Incents bad decisions
- **Facilitation of a rational, workable, functional structure:** Info + Time, but faster

Different BPA Initial Conditions

- **Lack of Re-Study Issues**
  - Examples: Fort Rock area
- **History of Excellent IX Study Practices =**
  - Detailed Study Reports
  - Quality Scoping + Results Meetings
  - Information Sharing to Inform Better Decisions
  - Practical Downsizing + Decision Timelines
- **Met Study Timelines in 2015, 2016, 2017,** 2018… ***then*** delays mount w/ volume increases without staffing available
- **Slow backlog, but still okay until 2020-22**
- **Long-standing Projects that Work Through Issues** to Viability &/or Transactions

- Meanwhile:
  - PAC queue reform = disparagement of developers to clear queue
  - Misassignment of blame
  - Latecomers to BPA/PNW assigning blame/issues of other places to BPA (not accurate)

What Actually Happened: Reform

BPA Structure substantially & philosophically different than the FERC/PAC-based model

- Kept BPA's strengths in IX studies, while…
- Addressed HR vs. volume by conversion to batch/clustered format
- "Keep Supply in the Market" Philosophy (not 'drive it away')
- Addressed 'realness' via Site Control + Extensive C.R. showing requirements
- *Non*-Punitive Approach; Reasonableness of Deposits, Response Times, etc
- Space for Rational Decisions + Better Information + Clarity of Seniority
- Ensure ability to *get* studies, good studies
- Information- + Function-Centric Approach:
  - Facilitate *Good Decisions*
  - The opposite of: blame-them & beat-them-harder

BPA GI Reform = More Functional

The Current BPA OATT & Biz Practices contain numerous very valuable features, aspects, tools that deserve protection, help market and ICs get to better quality results, as well improve projects, solve problems, and reach more functional outcomes. ~Ditto(ish) in FERC pro forma (and orig CAISO cluster reform). *These should be protected, preserved!*

- **Scoping Meetings:** Good info makes better projects
- **3-Phase Study Format:** Feasibility, SIS, Facilities
- **Alt-POIs at Feasibility:** Evaluate Better Options
- **Downsize Rights**: Multiple Options; Meaningful, Useful. At each phase.
- **Study Reports with "Break Points" information** (Fort Rock example)
- **Special Study** options
- **Queue Seniority** Benefits include clarity on:
  - Who gets existing capacity
  - Responsibility for Upgrade Cost Allocations
- **N/U Cost Allocations Methodology: Fair, Transparent, Clear**
  - Not contingent on "what your neighbor might do"
  - Some move to / live in TSEP

These features enable the market--the ICs, developers--to make better choices, solve problems themselves.

The Goal is Getting Quality Study Results, Facilitating Project Viability, Useful Paths to Success (where possible)

BPA Approach: Different, Better

BPA: "Cluster Studies around the country… Plagued by Re-Studies"

So BPA/PNW did something different.

BONNEVILLE POWER ADMINISTRATION

Scalable Plan Blocks head off these issues

- Cluster Study will address all requests:
  - Consistent with the nature of Cluster studies
  - Phase 1 study work combined with system knowledge, can result in Scalable Plan Blocks that enable a tranche of interconnection requests

- Restudy:
  - Likelihood of needing a restudy is greatly reduced
  - If requestors drop out, a 'restack' of those remaining can occur, reallocating interconnection capability based on the Scalable Plan Blocks.

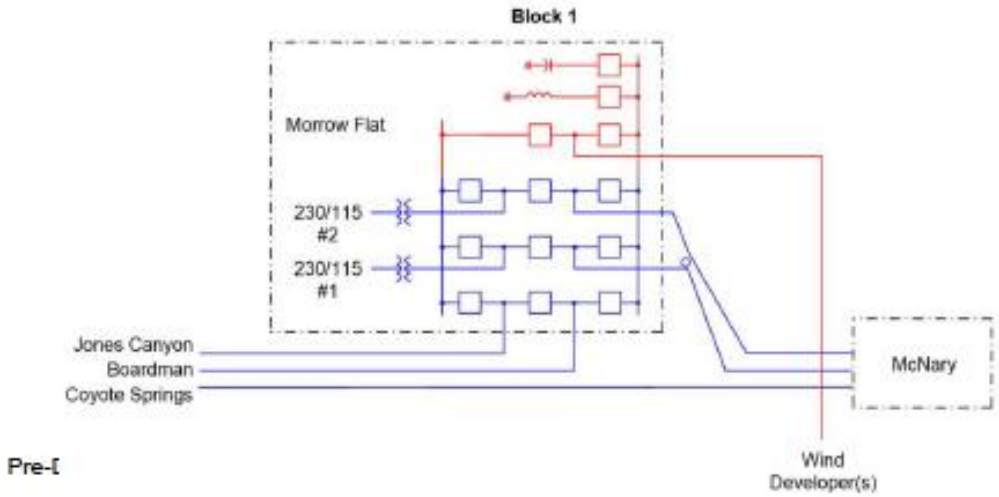
*From BPA's TC-25 Tariff Pre-Proceeding Workshop (June 15, 2023)

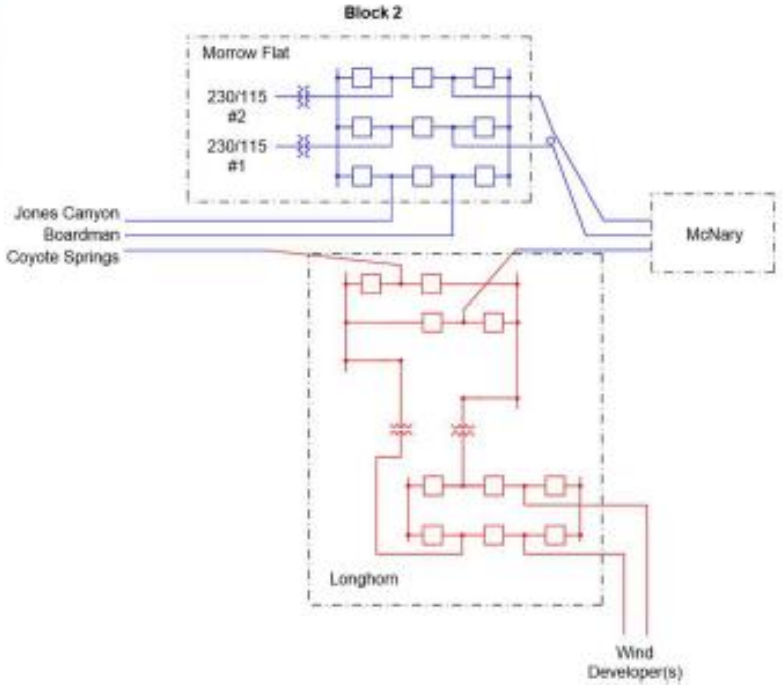
Pre-Decisional. For Discussion Purposes Only. 14

Scalable Plan Blocks – Example 1

- Previous interconnection studies found that the Morrow Flat Plan of Service could enable a total of 684 MW
- Subsequent requestors needed to fund Longhorn 500/230kV Substation, which enabled the remainder
- Carrying the example to the proposed process, Scalable Plan Block 1 = MORF, Scalable Plan Block 2 = LONG

MW Enabled	Project	MW Requested	Total MW	Reinforcement Requirements	Cost
0-684 MW	G0362	200	0	New Terminal at Morrow Flat Substation Reactive Compensation at Morrow Flat Substation	$20M
	G0363	200	400		
685-1000 MW	G0365	300	700	Longhorn 500-230 kV Substation	$140 M
	G0366	300	1000		





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*From BPA's TC-25 Tariff Pre-Proceeding Workshop (June 15, 2023)

Scalable Plan Blocks – Example 2

MW Enabled	Project	MW Requested	Total MW	Reinforcement requirements beyond project POI to reach La Pine 115 kV	Estimated Cost
0-87 MW	G0377	5	5	Reactive Voltage Control with +/- .95 power factor capability	N/A
	G0385	15	20		
	G0387	10	30		
	G0409	5	35		
	G0410	5	40		
	G0416	20	60		
	G0431	20	80		
87-140 MW	G0521	20	100	Reactive Voltage Control Add second 115 kV 19.6 MVAR capacitor at La Pine	$1M
	G0526	20	120		
140-200 MW	G0527	105	225	Reactive Voltage Control Add third 115 kV 19.6 MVAR capacitor at La Pine	$1.1M
>200 MW	G0570	20	245	Second La Pine-Fort Rock 115kV transmission line (Developer)	$3M
	G0571	20	265		
	G0572	20	285		

- Reduced Restudy Requirement, example:
  - If greyed out requests dropped out…
  - No restudy would be needed. Instead, lower queued requests could be ‘restacked’ to allocate the enabled capacity.

Real Example! Fort Rock, OR
Did not result in ANY Re-Study.
Just updated next reports

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*From BPA’s TC-25 Tariff Pre-Proceeding Workshop (June 15, 2023)

Scalable Plan Blocks – Example 2 continued

MW Enabled	Project	MW Requested	Total MW	Reinforcement requirements beyond project POI to reach La Pine 115 kV	Estimated Cost
0-87 MW	G0416	20	20	Reactive Voltage Control with +/- .95 power factor capability	N/A
	G0431	20	40		
	G0521	20	60		
	G0526	20	80		
87-140 MW	G0527	105	185	Reactive Voltage Control Add second 115 kV 19.6 MVAR capacitor at La Pine	$1M
140-200 MW	G0570	20	205	Reactive Voltage Control Add third 115 kV 19.6 MVAR capacitor at La Pine	$1.1M
>200 MW	G0571	20	225	Second La Pine-Fort Rock 115kV transmission line (Developer)	$3M
	G0572	20	245		

- Restack would result in new scalable plan block allocation

*From BPA's TC-25 Tariff Pre-Proceeding Workshop (June 15, 2023)

3. Example 1 (assumption that all are for same Cluster Area, with no Scalable Plan Blocks, connecting to the same substation):

Network Upgrade Costs									
Queue #	Requested MW	Station Equipment	Station Equipment Allocation Ratio (Per Capita)	Non-Station Equipment (1)	Non-Station Equipment (1) Allocation Ratio (Per MW)	Non-Station Equipment (2)	Non-Station Equipment (2) Allocation Ratio (Per MW)	Cost Assignment	Equation
G001	500MW @230kV	500kV Substation Bay, 2x 230kV Substation Bay: $100m	1/3	500kV loop-in $20m	1/3	500/230kV Transformer $12m	500/1000	$46m	(1/3)*$100,000,000+(500MW/1500MW)*$20,000,000+(500 MW/1000MW)*$12,000,000
G002	500MW @230kV		1/3		1/3		500/1000	$46m	(1/3)*$100,000,000+(500MW/1500MW)*$20,000,000+(500 MW/1000MW)*$12,000,000
G003	500MW @500kV		1/3		1/3		0	$40m	(1/3)*$100,000,000+(500MW/1500MW)*$20,000,000
TOTAL		**$100m**		**$20m**		**$12m**		**$132m**	

Clear Cost Allocations = Knowledge + Rational Decisions

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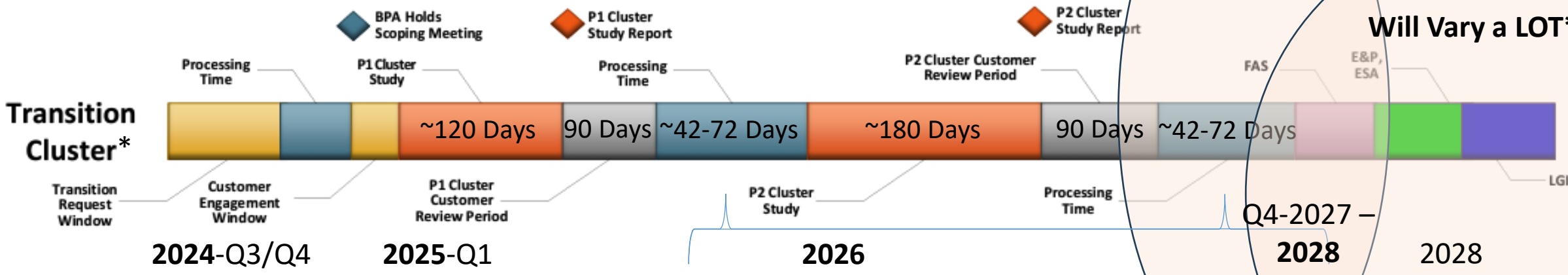
4. Example 2 (assumption that all are for same Cluster Area, with Scalable Plan Blocks identified, connecting to the same substation):

Network Upgrade Costs										
Queue #	Requested MW	MW Split	Plan of Service	MW Enabled	Station Equipment	Station Equipment Allocation Ratio (Per Capita)	Non-Station Equipment	Non-Station Equipment Allocation Ratio (Per MW)	Cost Assignment	Equation
G001	40	40	Scalable Plan Block 1	200	$2.4m	1/3	$7.6m	40/200	$2.32m	(1/3)*$2,400,000+(40MW/200MW)*$7,600,000
G002	80	80				1/3		80/200	$3.84m	(1/3)*$2,400,000+(80MW/200MW)*$7,600,000
G003	160	80				1/3		80/200	$31.84m	(1/3)*$2,400,000+(80MW/200MW)*$7,600,000+ (1/3)*$24,000,000+(80MW/300MW)*$75,000,000
		80	Scalable Plan Block 2	300	$24m	1/3	$75m	80/300		
G004	100	100				1/3		100/300	$33m	(1/3)*$24,000,000+(100MW/300MW)*$75,000,000
G005	220	120				1/3		120/300	$1.038b	(1/3)*$24,000,000+(120MW/300MW)*$75,000,000+ (1/1)*$250,000,000+(150MW/150MW)*$750,000,000
		100	Scalable Plan Block 3	150	$250m	1	$750m	150/150		
TOTAL	**600**	**600**		**650**	**$276.4m**		**$832.6m**		**$1.109b**	

This is the opposite of how the PAC methodology works, where no one has seniority or cost clarity.

Timeline Math for PNW+BPA



FAC Studies:
Next HR Bottleneck

Post-Cluster Timelines Will Vary a LOT**

So: What's the Overlay of Penalties with Transaction & Dev Timelines?

And: Interacts w/ TSEP, TX Build Schedules, And other transactions, 3rd parties, and dev realities+risks Numerous timing issues… ergo punitive = unwise.

*Source BPA's TC/BP-26 April 24, 2024 Slide Deck. Timeline does not include restudies. **Plus NS Notes

Dev + Buyer/Seller + Mkt Realities

- **Transactions Take Time**
  - Iterative
  - Multiple Counterparties
  - Things Evolve: Needs, Timing, Volumes, TX environment changes
- **Development Take Time**
  - Issues and challenges evolve – so do the solutions
- **Market Served by Supply Option Stability**
  - **Time to Invest + Time to Transact**
  - **2nd + 3rd Chances Are Good (not bad) – with same and alternature counter-parties**
  - **Time to Mature**
- **NEEDS EVOLVE**
- **Power Contracting Examples**
  - PPA negotiations – for IOU and Publics – for IPPs
  - RFP Cycles: Inherently
  - PPA security; mix of statuses
- **PPA / Market parties (buyers & sellers) shouldn't risk being gutted from behind,** re: chutes-and-ladders risks – as signing deals, posting security, negotiating bids into RFPs or bilateral deals – nor incentives to propel them from queue – destroy supply options. (Examples)

Markets

***Don't* Want**

1:1

Supply:Demand Ratios

Do Want

Options, Competition, Iterations, Cycles, Maturation

When Do Deals Occur?

- Bilateral
- At RFPs
  - Minimum Bid Criteria
  - These Vary from Buyer to Buyer
  - Varying in scope and nature
  - Evolving
- Compared to studies? FAS, SIS, FAC, E&P, …
- Compared to market needs?

Development: Hard, Complex, Takes Time, Diverse & Unknowable Challenges

Remember: Supply Existing to Transact, Contribute, has inherent value

Development Issues Diverse:

- People Die
- Cultural/Arch Discoveries
- BPA might (hypothetically) be late
- Title Issues: Mineral Rights
- Permitting Delays: Oregon EFSC
- NEPA
- Affected Systems
- Deals fall through (counterparty changes, eg PAC credit)
- Wildfires
- Policy Changes
- Tax Credit Environment (remember wind PTC??)
- Financing + Markets
- Gov't Bureaucracy Delays

Time-Expensive Challenges; Take Time to Solve

Investment Stability Provides the Time to Solve Them

Ejection from the Queue
(especially for projects with decent results/prospects)
Actually Amplifies Chaos,
Causes Re-Studies,
Reduces Developer Comfort in Investing in Solving Problems

When do you take your lumps?
Should good projects quit? b/c of fines?

Other Complicating + Timing Factors

Immensity of Timeline Diverse Complexity:

- Affected System Studies = 3rd parties
- Big swings in outcomes between study phases
- TSEP cycles + results
- LLIR outcomes
- Transmission Service Availability +
- Timing of Avail + Timing of Knowledge

Harms Investability + Transactability

- Penalties impede rational decisions
- Numerous timing issues vs. dev + transactional realities
- Impedes abilities to transact to solve issues
- Developers are creative; deals solve probems

Rebuttal on Savion / Penalty Approach

- **Other queue reforms not all as-advertised**, problems not solved
- **BPA study mechanics different** – before and after – fundamentally *unlike* the MISO/PJM/PAC/FERC approaches
- **Issues seen in PAC/FERC Model Reforms - Persist**
  - Big Problems Not “Fixed”
  - Volume Still There
  - New Problems Created
  - Functionality Lost – Undermining Outcomes
  - PAC gutted supply options & dev assets before demand boom
  - **Not-Proven &/or Proven-Wrong**
  - **Savion Solution: Beat the Child Harder**
  - TOs collecting dollars not outcomes

Penalties Distort Decisions

- Withdrawal Penalties = Incentive to Stick Around
  - But BPA IX Reform adopted
- Propelling Some Good (+ Time) Options out of Queue
  - impedes
  - May *cause* re-studies (and unnecessarily)
- Increases Developer
- Development already hard, diversity of risks
- Can't predict all the issues today

- Also: Study Timelines Realities should be overlayed: Years to LGIAs

Major Mismatches with Reality

- When will Studies be Delivered?

- How does *Study Delivery Timing* Relate to… :
  - Transaction / Off-Take timing
  - Other major expenses
  - Financing Timing
  - Development issues… and when known or solvable
  - TSEP / Transmission Builds
  - 3rd party affected systems timing
  - TSEP funding obligations

- Interacts with Study Results: Costs + Timing(s) + Unknowns
- Off-Take Obligations & Their Timing

Big Deposits + Punitive Didn't Fix Things

MISO:

- "… even though MISO uses a cluster study process, and requires a tiered study deposit and a readiness deposit at the time of application submission, MISO still received a record- number of applications in its 2022 application period. **There were 171 GW of new requests, a 120% increase from its 2021 cluster[2]** and 90% of the capacity of its existing fleet.[3]"

- [2] MISO. MISO's Generator Interconnection Queue cycle set new record. September 27, 2022. https://www.misoenergy.org/about/media-center/misos-generator-interconnection-queue-cycle-set-new-record/
- [3] MISO. Fact Sheet: March 2023. https://www.misoenergy.org/about/media-center/corporate-fact-sheet/

From Pine Gate Renewables comments

Queue Clearing + Punitive Didn't Either

- PAC 1/31/20 FERC filing:
  - "As of October 2019, over 234 Interconnection Requests sit in PacifiCorp's queue, representing over **40,135 MW**"
- PAC Cluster 2:
  - **~40+ GW** GIRs filed (plus Transition Cluster + Cluster 1)
  - *Including 9.4 GW of PacifiCorp Owned LGIRs*
    - *Including 1000s of MW of "Speculative" LGIRs,*
    - *by same standards PAC applied to claims of (in its view) problematic IPP filings*
- Re-Studies Continue
- Flood Volume Continues
- New Problems – and Incentives to Not Withdraw
- ***Converting to Cluster Did Not Require <u>Clearing</u> the Queue***
- **Versus Need?** PAC IRP: 9,114 MW of new wind and 7,855 MW of new solar + 2-3GW nukes and peaking resources. Plus the rest of the market's needs.
  - **Clearing = HARM OCCURRED TO MARKET.**

Savion Proposals – Way Out of Scope

- Various Gating Mechanisms proposals = Out of Scope
  - All fundamentally and materially different that what BPA announce
  - Inconsistent with BPA announcements in TC-25 and BP/TC-26
  - Based on ideas from other places
  - Complex and numerous issues, not suita
  - Fundamentally unfair to long-time investors in PNW/BPA queue… who have been waiting for years for their studies.
  - Completely detached from
    - Development realities
    - Development/Project merits and viability (limit good developers to favor others?)
    - Amplify costs to be born by market = public power

Value of Queue/Dev Persistence

- Who is going to fund TSEP + PEAs?
- Without a queue position?
- Penalties could drive TSEP projects out of market?
- Time to solve critical development challenges

PROPOSAL: Let It Work + Data

NewSun ENERGY

- Let BPA approach work the way intended
- Without incentives that corrupt the core function
- Collect Data after the first full Transition Cluster
- Then consider IF penalties appropriate

- **People, Companies, Developers Have MADE these Investment Decisions in BPA + PNW:**
  - **Let them Fly. Let them Succeed.**
  - Don't destabilize the ground under their feet, distort/pervert decisions on investment and development.
  - **Market needs more, sooner. Not less.**

ADDITIONAL PROPOSALS:

NewSun ENERGY

1. Co-Tenancy / SFA compatible LGIAs
2. Queue Sub-Division before LGIAs Issued
3. Provisional GIA Timing: Earlier Options
4. Early Long-Lead Funding + Early BPA Key Equipment Orders
5. Larger Sub-Station Footprints
6. Special Study Options