

## **BP-26 PARTIAL RATES SETTLEMENT AGREEMENT**

### **Bonneville Power Administration BP-26 Rate Proceeding**

THIS PARTIAL RATES SETTLEMENT AGREEMENT (“Agreement” or “BP-26 Partial Rates Settlement Agreement”) is among the Bonneville Power Administration (“Bonneville”) and the parties to the BP-26 rate proceeding (“BP-26 Proceeding”) as provided in section 4 of this Agreement (such parties in the singular, “Party,” in the plural, “Parties”).

1. In the BP-26 Proceeding, Bonneville staff will file and recommend that the Administrator adopt a proposal consistent with this Agreement to establish a Generator Interconnection Withdrawal Charge in the Transmission, Ancillary, and Control Area Services Rate Schedules and General Rate Schedule Provisions for FY 2026-2028. The proposed rate schedule language for the charge is shown in Appendix 1 to this Agreement. Staff’s proposal in the BP-26 Proceeding will include only the terms specified in this Agreement and in Appendix 1.
2. This Agreement settles, in accordance with its terms, all issues related to the proposed Generator Interconnection Withdrawal Charge for purposes of the BP-26 Proceeding.
3. The terms of this BP-26 Partial Rates Settlement Agreement are intended to be a part of a settlement package that also includes the settlement of the TC-26 Proceeding (“TC-26 Settlement Agreement”). As a condition to this BP-26 Partial Rates Settlement Agreement, the Parties agree not to contest the TC-26 Settlement Agreement.
4. Bonneville will move the Hearing Officer in the BP-26 Proceeding to (1) require any party in the BP-26 Proceeding that does not sign the Agreement to state any objection to the Agreement by a date established by the Hearing Officer; and (2) specify that any party in the BP-26 proceeding that does not state an objection to the Agreement by such date will waive its rights to preserve any objections to the Agreement and will be deemed to assent to this Agreement.
5. If in response to the Hearing Officer’s order made pursuant to section 4, any party in the BP-26 Proceeding objects to the Agreement, Bonneville and any Party to this Agreement will have two business days from the date of the objection to withdraw its assent to the Agreement. If Bonneville or any Party to this Agreement withdraws its assent to the Agreement, Bonneville will promptly schedule a meeting with the Parties to this Agreement to discuss how to proceed. Bonneville will provide notice of the meeting and the opportunity to participate to parties in the BP-26 Proceeding. Following the meeting, Bonneville will notify the Hearing Officer whether Bonneville and any Parties will continue with the Agreement.

6. If any party to the TC-26 proceeding objects to the TC-26 Settlement Agreement, Bonneville will promptly notify the Parties to this BP-26 Partial Rates Settlement Agreement by email and any Party to this Agreement will have two business days from the date of the objection in the TC-26 proceeding to withdraw its assent to this Agreement. If Bonneville or any Party withdraws its assent to this Agreement, Bonneville will promptly schedule a meeting with the Parties to discuss how to proceed. Bonneville will provide notice of the meeting and the opportunity to participate to parties in the BP-26 Proceeding. Following the meeting, Bonneville will notify the Hearing Officer whether Bonneville and any Parties will continue with this Agreement.
7. This Agreement will terminate on September 30, 2028, except that, if the Administrator does not adopt this Agreement in the Final Record of Decision in the BP-26 Proceeding, the Agreement will be void *ab initio*.
8. If the Administrator adopts the Agreement in the Final Record of Decision, the Parties shall not contest the Agreement either before the Federal Energy Regulatory Commission, the U.S. Court of Federal Claims, the U.S. Court of Appeals for the Ninth Circuit, or any other judicial or administrative forum. Bonneville and the Parties agree not to support or join any litigation which would seek to change the terms of this Agreement, including documents explicitly incorporated by reference, except as specified in section 11, Reservation of Rights.
9. Preservation of Settlement
  - a. The Parties agree not to contest this Agreement in the BP-26 Proceeding, TC-26 Proceeding, or any other forum, or the implementation of this Agreement pursuant to its terms.
  - b. The Parties agree to waive their rights to file testimony, submit data requests, conduct cross examination, or file briefs in the BP-26 Proceeding with respect to any issue within the scope of the Agreement, except in response to issues raised by any party in the proceeding that objects to this Agreement in response to the Hearing Officer's order made pursuant to section 4.
  - c. Bonneville and the Parties agree that this Agreement does not constitute consent or agreement in any future Bonneville proceeding, and that they retain all of their rights to take and argue whatever position they believe appropriate as to such matters in such proceedings.
  - d. Bonneville and the Parties acknowledge that this Agreement reflects a compromise in their positions with respect to the issues within the scope of the Agreement, and that acceptance of the settlement does not create or imply any agreement with any position of any other Party. Bonneville and the

Parties agree not to assert in any forum that anything in the Agreement, or that any action taken or not taken with regard to this Agreement by Bonneville or any Party, the Hearing Officer, the Administrator, the Federal Energy Regulatory Commission, or a court, creates or implies: (1) agreement to any particular or individual treatment of costs, expenses, or revenues; (2) agreement to any particular interpretation of Bonneville's statutes; (3) any precedent under any contract or otherwise between Bonneville and any Party; or (4) any basis for supporting any Bonneville rate or general rate schedule provision for any period after the end of FY 2028.

- e. Bonneville and the Parties agree that this Agreement establishes no precedent and that Bonneville and the Parties will not be prejudiced or bound thereby in any proceeding, except as specifically provided in this Agreement. The Parties will not be deemed to have approved, accepted, agreed or consented to any concept, theory or principle underlying or supposed to underlie any of the matters provided for in this Agreement.
10. Conduct, statements, and documents disclosed in the negotiation of this BP-26 Partial Rates Settlement Agreement and the TC-26 Settlement Agreement will not be admissible as evidence in the BP-26 Proceeding, TC-26 Proceeding, any other proceeding, or any other judicial or administrative forum.
11. Reservation of rights
- a. Except as provided in section 9 above, no Party waives any of its rights, under Bonneville's enabling statutes, the Federal Power Act, or other applicable law, or to pursue any claim that a particular charge, methodology, practice, or rate schedule has been improperly implemented.
  - b. Bonneville and the Parties reserve the right to respond to any filings, protests, or claims by Bonneville, any Party, or others; however, the Parties will not support a challenge to any rates, terms and conditions, or other matters described in this Agreement.
12. If, because of a ruling issued in response to a legal challenge, Bonneville is required to materially modify or discontinue any of the rates, terms and conditions, or other matters provided in this Agreement, Bonneville may seek, and the other Parties agree not to contest, a stay of enforcement of that ruling until after the end of FY 2028.
13. Appendix 1 (Proposed rate schedule language for Generator Interconnection Withdrawal Charge) is made part of this Agreement.
14. Nothing in this Agreement is intended in any way to alter the Administrator's authority and responsibility to periodically review and revise the Administrator's

rates and terms and conditions of transmission service or the Parties' rights to challenge such revisions.

15. Notwithstanding section 7 of this Agreement, sections 9, 10, and 11 will survive termination or expiration of this Agreement.
16. This Agreement may be executed in counterparts each of which is an original and all of which, taken together, constitute one and the same instrument.

## **APPENDICES**

Appendix 1: Proposed rate schedule language for Generator Interconnection Withdrawal Charge

**[X]. Generator Interconnection Withdrawal Charge**

For Interconnection Customers with an Interconnection Request studied in a Cluster Study under Attachment L, Standard Large Generator Interconnection Procedures (LGIP), of BPA's Open Access Transmission Tariff (OATT), the Generator Interconnection Withdrawal Charge (GIW Charge) applies after executing a Phase Two Cluster Study Agreement and subsequently (1) the Interconnection Request for which the agreement was executed is withdrawn or deemed withdrawn as specified in Section 3.7 of the LGIP, or (2) the Generating Facility associated with the Interconnection Request fails to reach Commercial Operation.

*Transition Process.* For Interconnection Customers with an Interconnection Request studied in the Transition Cluster Study under Attachment R of BPA's OATT, the GIW Charge applies after executing an Interconnection Facilities Study Agreement and subsequently (1) the Interconnection Request for which the agreement was executed is withdrawn or deemed withdrawn as specified in Section 3.7 of the LGIP, or (2) the Generating Facility associated with the Interconnection Request fails to reach Commercial Operation.

Capitalized terms in this rate schedule that are not defined in Section III of the GRSPs have the meaning in BPA's OATT.

**1. Charges**

- a. If an Interconnection Request is withdrawn or deemed withdrawn after the Interconnection Customer executes a Phase Two Cluster Study Agreement but prior to the execution of an Interconnection Facilities Study Agreement for the Interconnection Request, the charge will be two times the Phase Two Cluster Study Deposit for the Interconnection Request as specified in Section 7.1.1 of the LGIP.
- b. If an Interconnection Request is withdrawn or deemed withdrawn after the Interconnection Customer executes an Interconnection Facilities Study Agreement but prior to the execution of a Standard Large Generator Interconnection Agreement (LGIA) for the Interconnection Request, the charge will be 10 percent of the Interconnection Request's share of estimated Network Upgrade costs as identified in the study report most recently issued prior to withdrawal.
- c. If an Interconnection Request is withdrawn or deemed withdrawn or an Interconnection Request's Generating Facility otherwise does not reach Commercial Operation after the execution and funding of a LGIA, the charge will be 20 percent

of the Interconnection Request's share of estimated Network Upgrade costs as identified in the LGIA.

- d. For Interconnection Customers with an Interconnection Request studied in the Transition Cluster Study under Attachment R of BPA's OATT, the GIW Charge may not exceed \$5 million.
- e. For Interconnection Customers with an Interconnection Request studied in a Cluster Study under the LGIP, the GIW Charge may not exceed \$10 million.

## **2. Other Provisions**

An Interconnection Customer will not be assessed a GIW Charge for withdrawal of an Interconnection Request if:

- a. The withdrawal of the Interconnection Request does not have a material impact on the cost or timing of any other Interconnection Request in the same Cluster.
- b. The estimated Network Upgrade costs assigned to the Interconnection Request in the most recent Cluster Study Report issued to the Interconnection Customer prior to withdrawal increased by more than 40 percent from the estimated Network Upgrade costs assigned to the Interconnection Request in the preceding Cluster Study Report issued to the Interconnection Customer.
- c. The estimated Network Upgrade costs assigned to the Interconnection Request in the most recent Facilities Study report issued to the Interconnection Customer prior to withdrawal increased by more than 100 percent from the estimated Network Upgrade costs assigned to the Interconnection Request in the final Phase Two Cluster Study report issued to the Interconnection Customer.
- d. The estimated Network Upgrade costs assigned to the Interconnection Request identified in the LGIA increased by more than 100 percent from the estimated Network Upgrade costs assigned to the Interconnection Request in the final Phase Two Cluster Study report issued to the Interconnection Customer.
- e. The estimated Network Upgrade costs under Section 2.c and

2.d above will include the Interconnection Request's share of the costs of any Network Upgrades identified in an Affected System study report provided to BPA prior to withdrawal.

- f. BPA does not issue a final Phase Two Cluster Study report for more than four years after initiating the Cluster Study that included the Interconnection Request that has been withdrawn or deemed withdrawn and the Interconnection Customer withdraws the Interconnection Request within 30 business days after four years from the initiation of the Cluster Study.
- g. BPA does not issue an Interconnection Facilities Study report within two times the estimated completion time as identified in the Interconnection Facilities Study Agreement.

### **3. Waiver or Reduction of Charge**

BPA may, in its sole discretion, waive or reduce an GIW Charge if requested by the Interconnection Customer for good cause shown. In order to qualify for a waiver or reduction of an GIW Charge, the Interconnection Customer must submit a request demonstrating that the events resulting in the charge could not have been avoided through the exercise of reasonable care. BPA may also consider the frequency that Interconnection Customer is incurring GIW Charges in deciding whether to waive or reduce a charge.