

**BP-26 Rate Case & TC-26 Tariff Proceeding Workshops  
Summary of Written Comments Received and BPA Staff's Responses**

**Last Updated: July 26, 2024**

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**I. Comments Received in Response to the March 19, 2024 BP/TC-26 Kick-off Workshop**

Row #	Stakeholder	Comment	BPA Staff Response
1	Harney Electric Cooperative	<p><b>Transmission Rates</b> - Request for topic to be included in the workshops, led by either BPA staff or customer led:</p> <p>The Short-Distance discount (SDD) which adjusts an NT customer's Network Load calculation if it has a designated Network Resource that uses less than 75 circuit miles for delivery to the load. We wish to explore decreasing the credit limit (currently set at 40%). This discount is currently described in BPA's Transmission General Rate Schedule Provisions, but does impact the definition of Network Load.</p>	<p>The current Short-Distance Discount for the NT is set to a maximum of 60%, which BPA believes properly incents customers' behavior and reflects the value gained from locating Points of Delivery near Points of Receipt. BPA staff does not plan to propose any changes to this formula as it incents the correct customer behavior. If customers would like to present a proposal with reasons how it will maintain the customer behavior staff is seeking, staff is open to listen at a customer led workshop.</p>
2	Harney Electric Cooperative	<p><b>Transmission Rates</b> - Request for topic to be included in the workshops, led by either BPA staff or customer led:</p> <p>Acknowledgement that, if a customer can demonstrate that investments in net load and/or automatic/instantaneous load shedding have been made that operationally limit (with virtual certainty) transmission service, then such operational limit is used as the billing determinant for NT charges. This encourages smart-grid investment and ensures that transmission customers are not charged for "stand-by" transmission service they cannot/will not utilize. This acknowledgement could be in the form of a simple written interpretation to NT customers, or language added to BPA's Transmission General Rate Schedule Provisions, i.e., Network Integration Rate, Section IV, Adjustments, Charges, and other Rate Provisions.</p>	<p>Thank you for your comment. BPA staff encourages Harney Electric Cooperative to submit a request to present this topic and any proposal at a customer-led workshop.</p>

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3	Harney Electric Cooperative	<p><b>Power Rates</b> - Request for topic to be included in the workshops, led by either BPA staff or customer led:</p> <p>Clarifying where necessary that the wording “connected to Harney Electric Cooperative’s distribution system” within the definition of “Consumer-owned Resource” in HEC’s Regional Dialogue Power Sales Agreement includes all of HEC’s distribution system regardless of the voltage level at the point of such connection to HEC’s distribution system.</p>	<p>Thank you for your comment. Harney requested Bonneville to include a workshop topic to clarify the definition of “Consumer-Owned Resource” from the Regional Dialogue Power Sales Contract. Regional Dialogue contract language explanations are not a rate case topic and are outside of the scope of the BP-26 rate case proceeding. Bonneville encourages Harney to work with their Power Account Executive regarding questions about its Regional Dialogue contract. To the extent Harney would like to discuss changes to contract language for Post-2028, Bonneville encourages Harney to provide feedback through the Provider of Choice Policy Implementation and Contract Development phases workshops that began April 2024.</p>
4	NLSL Group	<p>As mentioned by BPA during the workshop, an NR service election has been made by a BPA customer to serve an NLSL. The NLSL Group agrees that quite a bit of education will be required to fully understand the intent and the proposed methodology of the NR Rate. BPA has stated that it plans to discuss NLSL issues at the July 30th and 31st workshops, but the NLSL Group believes that at least one follow-up workshop will be required to fully explore the intent and methodology of the proposed NR rate design and to respond to staff as well as customer questions.</p>	<p>We agree that the NR issues will likely require more than a single workshop to allow for sufficient time to understand, consider and respond. As such, we will commit to having at least two workshops that include NR-related issues prior to the release of the Initial Proposal.</p>
5	NLSL Group	<p>Most existing NLSL load is met with bilateral market purchases that are shaped to the actual metered NLSL loads using BPA’s Energy Shaping Service (ESS). In order to avoid UAI penalties, customers significantly overschedule HLH energy deliveries and must either assume plant outage risk or place significant cost risk on suppliers through non-standard liquidated damages provisions that adversely affect market liquidity. The NLSL Group is interested in exploring alternative methods for avoiding UAI penalties that will more accurately reflect costs incurred by BPA, result in more accurate scheduling practices, and result in equitable outcomes when suppliers have unplanned contingencies.</p>	<p>We intend to spend some of the NR-related workshop time on ESS and welcome customer proposed improvement suggestions for staff to consider. One of BPA staff’s main concerns with ESS is that the capacity obligations and cost of meeting those obligations are clearly defined and equitably allocated. There are often many right ways to achieve this stated result. As such, the NLSL load customers should consider presenting at a customer-led workshop to go over potential alternative approaches. BPA would be particularly interested in understanding how such approaches do, or do not, meet the capacity obligations of following NR load.</p>

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6	NLSL Group	The NLSL Group would like to explore the NR Resource Flattening Service (NRFS), which has been included in BPA's General Rate Schedule Provisions as a way to use specified resources that could be shaped by the federal system in order to serve NLSL loads. After conversations with BPA, it is the NLSL Group's understanding that BPA may or may not choose to offer this product in the future. The NLSL Group would like this service option to be discussed as part of the NLSL topic.	We will add this to the list of items to cover during our NR-related workshops.
7	NLSL Group	NLSLs generally have on-site generation and many are exploring modernizing this generating supply with resources that can be used for purposes other than back-up generation (for example, these generating resources could be dispatched to displace other generating resources or committed to provide reliability capacity). It is the NLSL Groups' understanding that a customer must pay NT service for the gross amount of load irrespective of whether there is on-site generation that is operationally netted against the gross NLSL load. As part of TC-26, the NLSL Group would like to discuss what would be necessary for the customer to demonstrate to BPA that the on-site generation is reducing the NLSL load thus justifying a reduction to the NT service billing determinant.	Currently, BPA is not considering any changes to the NT service billing determinant for NLSLs based on reductions from on-site generation. The gross amount of load is used as the billing determinant as that amount is still required to be reserved for the NLSL and might be called upon to be served at any point. If NLSL Group has a proposal, we encourage you to submit a request to present this topic and any proposal at the customer led workshop.
8	NRU	<b>Workshop Process</b> - NRU continues to support BPA's six step approach to customer engagement and believes it has served both BPA and its stakeholders well in past processes.	Thank you for your comment.
9	NRU	<b>Rate Principles</b> - Regarding the proposed Principles, of primary importance to NRU members is BPA's ability to offer an affordable and reliable power supply that maximizes the value of the Federal system for the benefit of preference customers. Given the available information, BPA's proposed BP-26 Principles appear to be aligned with that end goal.	Thank you for your comment.

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10	NRU	<b>Tariff Principles</b> - NRU appreciates that the proposed TC-26 Principles highlight the fact that BPA will consider differences from the FERC pro forma tariff if the difference is necessary to prevent significant harm or provide significant benefit to BPA's mission or the region, including BPA's customers and stakeholders. As BPA and its customers continue to work through the queue reform process that began with TC-25 and given the necessity of long-term firm NT access to NRU members, BPA's willingness to deviate from the pro forma tariff may be essential as we move toward day-ahead market integration and Provider of Choice contract implementation.	Thank you for your comment.
11	NRU	<b>Power Rates</b> - Supportive of the Power Rates Topics that BPA proposed and asks that Tier 2 Pricing and Demand Pricing be added to the list, with time set aside for discussion and consideration.	BPA will plan to discuss Tier 2 and Demand rate pricing at the July 30-31 BP/TC-26 pre-proceeding workshop.
12	Seattle City Light	<b>Workshop Process</b> - Suggests that the approach to complete steps 1-6 in a single workshop provides a limited amount of customer engagement and question time within scheduled meeting time, and does not leave adequate time for step 5, "Discussion of Customer Feedback" prior to the step 6 staff proposal. One option City Light recommends BPA consider is to provide customers with key questions and issues for feedback two weeks prior to the BPA workshop where the topics will be covered. BPA could provide these through a Tech Forum email and request that customers respond within one week. Alternatively, BPA could provide the meeting materials a full two weeks prior to the BPA workshop. Customers could provide feedback in the same one-week time frame to allow BPA staff time to consider and incorporate customer perspectives.	Thank you for your comment. As suggested, we will endeavor to include specific questions for each topic to help focus customers' responses; however, this does not mean customers cannot provide comments on the topic other than responding to the specific questions.
13	Seattle City Light	<b>Rate and Tariff Principles and Workshop Process</b> - Supports the BP-26 and TC-26 Principles and grouping in person workshop meetings on successive days to reduce travel to and from workshops.	Thank you for your comment.

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**II. Comments Received in Response to the April 24, 2024 BP/TC-26 Workshop**

<b>Row #</b>	<b>Stakeholder</b>	<b>Comment</b>	<b>BPA Staff Response</b>
14	Seattle City Light	<b>Segmentation</b> City Light supports BPA's proposal maintaining the current methodology and segment definitions. City Light recognizes and thanks BPA for the resources and effort BPA expended on the last segmentation study.	Bonneville appreciates Seattle City Light's comments on segmentation.
15	Seattle City Light	<b>ACS Rate for ESDs</b> City Light supports the BPA objectives and criteria for evaluation for the ACS for ESDs. Specifically, City Light applauds BPA emphasizing equitable treatment and following cost causation principles. City Light additionally supports BPAs intent to develop an Energy Storage Device Balancing Service (ESDBS) like the existing DERBS to capture the cost of Balancing Capacity for energy storage devices that can be applied to both discharging and charging.	Thank you for your comment.
16	Seattle City Light	<b>GI Withdrawal Penalties</b> City Light supports BPA developing and implementing Generator Interconnection withdrawal penalties to reduce delays and costs associated with restudy.	Thank you for your comment. We will consider this as we are considering alternatives and our proposal.
17	Seattle City Light	<b>GI Withdrawal Penalties</b> <i>How should penalties be calculated? When should the penalty apply?</i>  City Light suggests BPA follow the principle that withdrawal penalties are meant to deter non-viable projects from entering or remaining in the interconnection queue and to mitigate potential harm to other interconnection customers in the queue. City Light recommends BPA consider multiplying the study deposit for each phase of the process to calculate the withdrawal penalty for withdrawing from that phase. City Light believes this is the most transparent and easily implementable way to calculate penalties. Penalties for phase 1 should be equal to the study deposit with late phases being a higher multiple.	Thank you for your comment on how withdrawal penalties should be calculated. We will consider this as we are determining our alternatives and proposal.

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18	Seattle City Light	<p><b>GI Withdrawal Penalties</b> <i>When does the penalty apply? During the Transition Process?</i></p> <p>City Light recommends that withdrawal penalties should apply to each phase of the Transition Process and after.</p>	Thank you for your comment on when a withdrawal penalty should apply. We will consider this as we are determining our alternatives and proposal.
19	Seattle City Light	<p><b>GI Withdrawal Penalties</b> <i>Should there be exceptions to when a penalty applies? City Light recommends limiting exemptions from withdrawal penalties to the following:</i></p> <ul style="list-style-type: none"> <li>• Withdrawal does not have a material impact on the cost or timing of any interconnection requests.</li> <li>• Withdrawal follows an unanticipated increase in network upgrade cost estimates and the network upgrade costs assigned to the interconnection customer's requests have increased by 100% compared to the costs identified in the previous cluster study report.</li> </ul>	Thank you for your comment on exceptions to when a withdrawal penalty applies. We will consider this as we are determining our alternatives and proposal.
20	Seattle City Light	<p><b>GI Withdrawal Penalties</b> <i>How should Withdrawal Penalty funds be allocated? City Light recommends the following for allocating Withdrawal Penalty funds:</i></p> <ul style="list-style-type: none"> <li>• First, to cover the costs of mitigating potential harm to other interconnection customers in the queue by applying penalty amount to the costs of the affected study phase.</li> <li>• Next, any remaining funds are used to offset any remaining customer's net increases in network upgrade costs caused by the customer's withdrawal (due to a previous shared funding obligation); and</li> <li>• Next, any remaining funds are used to offset network upgrade costs of customers participating in the cluster study; and</li> <li>• Finally, any remaining funds are returned to the withdrawal customer.</li> </ul>	Thank you for your comment on how withdrawal penalty funds should be allocated. We will consider this as we are determining our alternatives and proposal.

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21	Seattle City Light	<b>GI Withdrawal Penalties</b> <i>Are there other elements we should consider?</i> City Light recommends BPA consider the ramifications of requiring a withdrawal penalty greater than the amount of a requesting customer's deposits. Some type of deposit, bond, and or other credit requirements may need to be met for withdrawal penalties to be effective in each phase of the process.	Thank you for your comment. We will consider this as we are determining our alternatives and proposal.
22	Seattle City Light	<b>GI Reform – Affected Systems</b> City Light supports BPA developing an efficient, consistent, and sustainable process for performing Affected System studies in parallel with TSEP and interconnection studies that coordinates with neighboring Transmission Providers' processes.	Thank you for your comment. BPA staff are clarifying that the scope of this topic is limited to the large generator interconnection process and is not considering any changes to TSEP.
23	Seattle City Light	<b>GI Reform – Affected Systems</b> <i>What visibility of Affected System Studies do customers need?</i> Customers whose requests cause an Affected System Study need should have the same visibility into the study process as customers whose requests are directly being studied in the process. This should be true regardless of what process the Affected System Studies need is being studied by BPA. City Light suggests that BPA could include an Affected System Study segment in the needed network upgrade portion of each phase of the generator interconnection process as well as the TSEP cluster study process.	<b>[UPDATED]</b> BPA staff will address this comment in its presentation at the June 26 <sup>th</sup> BP/TC-26 workshop.
24	Seattle City Light	<b>GI Reform – Affected Systems</b> <i>What is the most efficient, consistent, and sustainable process for performing Affected System studies in parallel with the new two-phase cluster study process for requests in BPAs interconnection queue?</i> City Light recommends BPA cluster Affected System Studies needs and include those needs in the next BPA study process accessing network impacts and needs. This could be part of each phase of interconnection study as well as the TSEP cluster study.	<b>[UPDATED]</b> BPA staff will address this comment in its presentation at the June 26 <sup>th</sup> BP/TC-26 workshop.



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25	Seattle City Light	<b>GI Reform – Affected Systems</b> <i>How will BPA coordinate better with other Transmission Providers' processes?</i> Following the above, BPA should be assessing network needs and upgrades once a year. This should be sufficient to coordinate with other Transmission Providers' processes. Anything less, is likely to be seen as insufficient by both customers and neighboring Transmission Providers.	<b>[UPDATED]</b> BPA staff will address this comment in its presentation at the June 26 <sup>th</sup> BP/TC-26 workshop.
26	Seattle City Light	<b>GI Reform – LGIA</b> City Light supports efforts to align BPA's Tariff LGIA template with TC-25 reforms and/or the pro forma Tariff.	Thank you for your comment.
27	Savion	<b>GI Withdrawal Penalties</b> Savion, LLC ("Savion") strongly recommends the Bonneville Power Administration ("Bonneville") implement interconnection withdrawal penalties consistent with Federal Energy Regulatory Commission ("FERC") guidance...One potential deviation Bonneville should explore with stakeholders is whether there should be "penalty free" exit points in either Bonneville's Transition Cluster Study and the Durable Cluster Study Processes.	Thank you for your comment. We will consider this as we are determining our alternatives and proposal.
28	Savion	<b>GI Withdrawal Penalties</b> 1. Bonneville Must Establish Withdrawal Penalty Policies That Encourage Non-Viable Projects to Exit the Queue Voluntarily  Consistent with FERC's final rules, Savion encourages Bonneville to implement withdrawal policies that: <ol style="list-style-type: none"> <li>1) Aim to minimize re-studies and cascading withdrawals that are likely to have negative impacts on other interconnection customers;</li> <li>2) Escalate as customers progress through the interconnection process;</li> <li>3) Allow for reasonable exceptions, exemptions; and</li> <li>4) Allocate penalty funds to hold other interconnection customers harmless.</li> </ol>	Thank you for your comment. We will consider this as we are determining our alternatives and proposal.

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29	Savion	<p><b>GI Withdrawal Penalties</b> 2. Bonneville Should Consider Specific Exit Points for “Penalty-Free” Withdrawals Before Network Upgrade Costs, Allocations are Provided.</p> <p>When considering the best way to utilize withdrawal penalties to reach the goals outlined above, Savion notes that FERC’s rules set penalty amounts that are akin to a penalty-free withdrawal before network upgrade costs estimates are allocated. For simplicity, Bonneville should consider applying withdrawal penalties only after the phase one (“P1”) study results.</p> <p>Under a pro forma tariff, if an interconnection request is withdrawn during the initial cluster study or after the initial cluster study report the customer is assessed only the higher of the study deposit or two times the actual study costs. FERC refers to this as a “withdrawal penalty” but this amount is essentially immaterial in the context of a standard large generator. Despite FERC’s unfortunate terminology, the penalty amount before network upgrade estimates are assigned does little more than compensate the transmission provider for the costs of running the study. This is not really a penalty.</p> <p>Although Savion believes that all commercially viable projects should be backed by escalating amounts that are “at risk”, any such amounts that truly seek to penalize are not appropriate until the interconnection customer has had the opportunity to review the facilities and network upgrade cost estimates associated with their projects. To that end, Savion recommends Bonneville either waive penalties during P1 or at a minimum limit cost exposure to the study deposit amount.</p>	Thank you for your comment. We will consider this as we are determining our alternatives and proposal.
30	Savion	<p><b>GI Withdrawal Penalties</b> 3. Bonneville May Want to Reconsider Deposit Amounts That Are Now “At Risk” as Withdrawal Penalties to Ensure There is Sufficient Security to Give Withdrawal Penalties Meaning</p>	Thank you for your comment. We will consider this as we are determining our alternatives and proposal.

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		<p>Savion understands that Bonneville is considering implementing withdrawal penalties, which may be based upon deposit amounts established in the TC-25 settlement. Savion also notes, however, that FERC clarified in Order No. 2023-A that withdrawal penalties cannot exceed the amount collected from interconnection customers. To the extent appropriate, Bonneville should review each of the interconnection decision points to ensure:</p> <ol style="list-style-type: none"> <li>1) Study deposit amounts are set sufficient to recover study costs (and not set higher to help provide security);</li> <li>2) Commercial readiness deposit amounts are set sufficient to demonstrate viability (and not set higher to provide security); and</li> <li>3) Security postings are collected to advance beyond P1 study results where needed to ensure penalties provide sufficient “at-risk” incentives.</li> </ol>	
31	NIPPC and RNW Joint Comments	<p><b>Segmentation</b> Our comments on Segmentation are limited to the proposed “plant in service forecast” for the years 2024-2029. BPA has decided that the BP-26 rate period will cover three years—not the normal two-year rate period for BPA rates. Historically, BPA has struggled to fully and consistently execute the capital spending program approved in the Integrated Program Review (“IPR”) during a two-year rate period. In recognition of the consistent delta between forecast and actual capital investment, BPA now incorporates into its ratemaking process a lapse factor of 10% of the forecast capital spending plan to reflect the inconsistency in BPA’s ability to fully execute its capital spending forecast. Commenting Parties suggest that the uncertainty around a three-year capital spending forecast will be greater than the uncertainty of a two-year capital spending forecast. Further analysis is needed to better evaluate what constitutes an appropriate lapse factor over a three-year rate period.</p> <p>Commenting Parties encourage BPA to apply an appropriate lapse factor to the first two years of the capital spending forecast developed in the IPR, with a higher lapse factor for the third year of the rate period. Rather than locking in higher rates based on a very uncertain capital spending forecast, BPA should rely on the Cost Recovery Adjustment Clause mechanism to temporarily increase rates if BPA is able to fully execute the capital</p>	<p>Bonneville appreciates the comments on segmentation and capital execution rates. The capital spending forecast should be addressed during the Integrated Program Review (IPR) workshops, scheduled to start June 27, as it is not directly a segmentation topic.</p> <p>Bonneville sets rates to recover its forecast costs, by statute. The Commenting Parties appear to suggest Bonneville set rates lower than necessary to recover all forecast costs and instead rely on risk adjustment mechanisms to achieve cost recovery during the rate period. The Commenting Parties’ primary focus issue is the reasonableness of BPA’s cost forecast to be discussed during the IPR process. The transmission cost recovery adjustment mechanism provides for an adjustment to rates if actual results during the rate period differ from the cost forecast at the time rates are set. It is not intended to substitute for setting rates based on that forecast.</p>

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		<p>spending plan developed in the IPR across all three years of the rate period.<sup>1</sup></p> <p><sup>1</sup> Commenting Parties do not agree that the Revenue Distribution Clause (“RDC”) is an effective tool to provide rate relief to customers when BPA is unable to execute its planned capital spending program during the rate period. While BPA Transmission has consistently over-collected revenues from transmission customers to the point where the RDC triggers on a regular basis, BPA has also consistently used the surplus revenues for “other high value uses” rather than using those surpluses to provide the rate relief which customers seek.</p>	
32	NIPPC and RNW Joint Comments	<p><b>ACS Rate for ESDs</b>            Commenting Parties encourage BPA to maintain the status quo for BP-26 and not develop a use-based capacity charge for ESDs given the following uncertainties:</p> <ul style="list-style-type: none"> <li>• BPA acknowledges that it does not yet have sufficient data on the effect of ESDs on its system to calculate the amount of balancing capacity needed.</li> <li>• As far as requests in the queue, BPA has not yet begun the Transition Cluster Study for interconnections; many of the requests to interconnect ESDs may withdraw or be unable to meet the requirements to remain in the Transition Cluster.</li> <li>• Even if ESDs come onto BPA’s transmission system, it is not clear what their impact on balancing reserves would be. Many ESDs are quite flexible...ESDs do not share the operating limitations that some thermal and renewable generators have that drive the need for imbalance reserves.</li> <li>• It is not yet clear how the owners of ESDs will operate those devices.</li> </ul>	<p>Thank you for your comments. BPA staff will consider them as we continue to evaluate the alternatives. We will address comments in further detail and present the staff proposal (steps 5-6) at the August 27-28 BP/TC-26 workshop.</p>
33	NIPPC and RNW Joint Comments	<p><b>ACS Rate for ESDs</b>            If the pace of installation of ESDs towards the end of the upcoming rate period and other market developments justify it, BPA can initiate a stand-alone rate case to develop its proposed use-based charge for ESDs. At that time, there may be more clarity around the day-ahead market rules that would apply.</p>	<p>Thank you for your comment.</p>

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34	NIPPC and RNW Joint Comments	<p><b>ACS Rate for ESDs</b> BPA's generation inputs SMEs should prioritize updating the generation inputs rates to reflect the EIM rather than developing a new charge for ESDs without the data or analysis to support it.</p>	<p>Thank you for your comment. Please see slides 32, 34-35 of the Feb. 22 customer workshop presentation on Balancing Reserves, OCBR and OMP, where BPA staff address the BPA BA need to maintain Balancing Capacity Levels in the EIM. The slides are available in the Meetings and Workshops section of the BP-26 Rate Case <a href="#">webpage</a>.</p>
35	NIPPC and RNW Joint Comments	<p><b>GI Withdrawal Penalties</b> Commenting Parties share the concerns BPA has articulated regarding the impact of withdrawals from the interconnection queue, particularly on the delays in completing the cluster study. Customers who withdraw from the interconnection queue may impact other customers in a variety of ways. Customer withdrawals may create a need for additional studies/restudies and may impact the cost burden of other customers. In addition to the impact on other customers, withdrawals also strain the workload of BPA staff. Other transmission owners have noted that withdrawals trigger restudies and cost reallocations that trigger subsequent withdrawals, thus making it difficult to complete studies on schedule. The Federal Energy Regulatory Commission ("FERC") has attempted to address this problem in Orders 2023 and 2023-A by providing for withdrawal penalties in the pro forma Open Access Transmission Tariff. Commenting Parties recommend that BPA adopt a withdrawal penalty mechanism consistent with Orders 2023 and 2023-A.</p>	<p>Thank you for your comment. We will consider this as we are determining our alternatives and proposal.</p>
36	NIPPC and RNW Joint Comments	<p><b>GI Withdrawal Penalties</b> <i>How to Calculate the Withdrawal Penalty</i></p> <p>Commenting Parties recommend that BPA align with FERC Orders 2023 and 2023-A with respect to calculation of withdrawal penalties.</p> <ul style="list-style-type: none"> <li>• If a customer believes that its project is ready to enter the interconnection cluster study process, then the customer should be willing to demonstrate that confidence by having funds at risk above its share of the cost of the interconnection study (as explained further below).</li> <li>• The magnitude of the penalty should increase with each phase.</li> </ul>	<p>Thank you for your comment on how to calculate the withdrawal penalty. We will consider this as we are determining our alternatives and proposal.</p>

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		<ul style="list-style-type: none"> <li>In the initial phase of the cycle, the withdrawal penalties should be based on a multiple of the study costs.</li> <li>In subsequent phases, calculation of the withdrawal penalty for any given customer should be based on a percentage of that customer's forecast network upgrade costs.</li> </ul>	
37	NIPPC and RNW Joint Comments	<p><b>GI Withdrawal Penalties</b> <i>When to Apply a Withdrawal Penalty (Transition Cluster)</i></p> <ul style="list-style-type: none"> <li>No withdrawal penalties should be applied to any customer who withdraws from the Transition Cluster before the effective date of the BP-26 transmission rates (October 1, 2025).</li> <li>Even if there are delays in the cluster study cycle, no withdrawal penalty should attach to customers who withdraw after their receipt of the initial Phase 1 Study results of the Transition Cluster</li> <li>Withdrawal penalties should attach only to cluster study phases that begin after the effective date of the BP-26 rates; thus, such penalties could apply to any restudies of Phase 1 or the initial Phase 2 Study.</li> </ul> <p>Encourage BPA to provide stakeholders with additional information on how BPA envisions applying such penalties.</p>	Thank you for your comment on when to apply a withdrawal penalty. We will consider this as we are determining our alternatives and proposal.
38	NIPPC and RNW Joint Comments	<p><b>GI Withdrawal Penalties</b> <i>When to Apply a Withdrawal Penalty (Durable Cluster Study Process)</i></p> <ul style="list-style-type: none"> <li>Support BPA adopting withdrawal penalties for the durable Cluster Study process consistent with FERC Orders 2023 and 2023-A.</li> <li>Any withdrawal penalty that applies to the initial Phase 1 Study should be relatively low. Customer need to gain insight into the interconnection costs associated with potential projects, no matter how "ready" those projects might be.</li> <li>Support withdrawal penalties that escalate at each stage; the deeper into the process an interconnection customer proceeds, the steeper the penalty should be if that customer withdraws (subject to the exceptions). Penalties should attach in</li> </ul>	Thank you for your comment on when to apply a withdrawal penalty. We will consider this as we are determining our alternatives and proposal.

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		<p>accordance with the following penalty structure if the customer withdraws during or after the identified phase and before entering the subsequent phase on the list:</p> <p>Phase 1 Initial Study    2 times study costs            Phase 1 Restudy(ies)    5% of Network Upgrade costs            Phase 2 Initial Study    5% of Network Upgrade costs            Phase 2 Restudy(ies)    5% of Network Upgrade costs            Facilities Study            10% of Network Upgrade costs            LGIA                            20% of Network Upgrade costs</p>	
39	NIPPC and RNW Joint Comments	<p><b>GI Withdrawal Penalties</b>  <i>When to Apply a Withdrawal Penalty (Exemptions)</i></p> <p>Commenting Parties support an exemption from withdrawal penalties if subsequent studies significantly increase the customer’s projected interconnection costs. A customer should not be subject to penalties if (1) the customer withdraws after receiving the most recent cluster study report and the network upgrade costs assigned to the customer have increased 25% compared to the previous cluster study report; or (2) the customer withdraws after receiving the individual Facilities Study report and the costs assigned to the customer’s request have increased by more than 100% compared to costs identified in the cluster study report.</p> <p>Commenting Parties also support an exemption for withdrawals that do not materially impact the cost or timing of projects remaining in the cluster.</p> <p>In thinking through the potential exemptions, Commenting Parties also note that there should be some accountability and incentives for BPA to complete its interconnection studies in a timely fashion.</p>	Thank you for your comment on exceptions. We will consider this as we are determining our alternatives and proposal.

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Row #	Stakeholder	Comment	BPA Staff Response
40	NIPPC and RNW Joint Comments	<p><b>GI Withdrawal Penalties</b> <i>BPA Use of Penalty Funds</i></p> <p>Consistent with FERC Orders 2023 and 2023-A, penalty funds should first be applied to fund studies and restudies in the same cluster as the withdrawing customer. If penalty funds remain after using those funds to offset study costs for those remaining in the cluster, penalties collected should be applied to offset the incremental cost increases to other customers remaining in the cluster study for network upgrade costs that the withdrawals caused, including incremental financial security requirements that are associated with higher network upgrade costs.</p>	Thank you for your comment. We will consider this as we are determining our alternatives and proposal.
41	NIPPC and RNW Joint Comments	<p><b>GI Withdrawal Penalties</b> <i>Alternatives to Withdrawal Penalties</i></p> <p>Commenting Parties do not have other suggestions for mechanisms that would prevent the need for restudies as effectively as withdrawal penalties. We recognize that withdrawal penalties will not completely eliminate the need for restudies. Some customers will enter the interconnection cluster study process in good faith, but ultimately need to withdraw for any number of potential valid reasons. The withdrawal penalties will mitigate the cost shifts and other impacts to the customers remaining in the interconnection process.</p>	Thank you for your comment. We will consider this as we are determining our alternatives and proposal.
42	NIPPC and RNW Joint Comments	<p><b>GI Reform – Affected Systems</b></p> <p>When BPA is the affected system, Commenting Parties encourage BPA to comply with the Order 2023/Order 2023-A timelines for completing Affected System Studies with its neighbors. The Affected System Studies that BPA must undertake for its neighbors are just as important for the region as the studies BPA undertakes directly. To the extent possible, BPA should conduct Affected System Studies for its neighbors independently and in parallel with its interconnection cluster study processes. Orders 2023 and 2023-A require all the investor-owned utilities in the region to adopt a cluster study process for interconnection requests. Commenting Parties note that BPA’s neighboring transmission providers – at least the ones subject to FERC jurisdiction – will need to comply with the Order 2023/Order</p>	[UPDATED] BPA staff will address this comment in its presentation at the June 26 <sup>th</sup> BP/TC-26 workshop.



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Row #	Stakeholder	Comment	BPA Staff Response
		2023-A timelines when BPA identifies them as an affected system. BPA should make every effort to deliver its own Affected System Studies on the same timeline.	
43	NIPPC and RNW Joint Comments	<p><b>GI Reform – Affected Systems</b>            Commenting Parties also encourage BPA to coordinate and collaborate with its neighbors to develop a regional process to complete Affected System Studies. The schedule and timelines for interconnection cluster studies are known well in advance. It may become obvious in the early stages of a cluster study that a neighbor may be an affected system. Ideally, a formal request for an Affected System Study is not a surprise but rather a confirmation of earlier informal information exchanges between the transmission providers on the potential need to conduct an Affected System Study. As the region gains experience with cluster studies for interconnections, it may be appropriate to align the timing of interconnection cluster studies across the region to achieve efficiencies in Affected System Studies.</p>	[UPDATED] BPA staff will address this comment in its presentation at the June 26 <sup>th</sup> BP/TC-26 workshop.
44	NIPPC and RNW Joint Comments	<p><b>GI Reform – Affected Systems</b>            Affected System Study processes and timelines should be transparent. Commenting Parties suggest that when BPA is asked to conduct an Affected System Study, it should provide the transmission provider and the transmission provider’s customer(s) with the estimated timeline to complete the study, as well as regular updates on progress.</p>	[UPDATED] BPA staff will address this comment in its presentation at the June 26 <sup>th</sup> BP/TC-26 workshop.
45	NIPPC and RNW Joint Comments	<p><b>GI Reform – LGIA</b>            Commenting Parties agree that BPA should review and propose edits to the LGIA consistent with the TC-25 settlement.</p>	Thank you for your comment.
46	Avangrid	<p><b>ACS Rate for ESDs</b>            Avangrid applauds Bonneville’s proactive thinking but is hesitant to spend time musing over hypothetical problems that may or may not come into fruition during this rate period (or ever) when setting a new rate based on actual numbers would be an exponentially better approach. As a threshold matter, Bonneville sells its power at cost-based rates and the agency has yet to incur any costs to base the new rate on. Moreover, Avangrid is</p>	Thank you for your comments. BPA staff will consider them as we continue to evaluate the alternatives. We will address comments in further detail and present the staff proposal (steps 5-6) at the August 27-28 BP/TC-26 workshop.

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Row #	Stakeholder	Comment	BPA Staff Response
		<p>struggling even conceptually to see these new interconnection requests for storage as a likely balancing problem for the agency. Although Avangrid acknowledges that Bonneville must stand ready to serve batteries that in theory could charge (or discharge) quickly at inopportune times, it is hard to imagine scenarios where a battery owner would choose to go against market signals to charge, discharge at inopportune times. Normally speaking, it seems like the vast amount of charging is going to happen when prices are low (and their capacity would be welcome) and the vast amount of discharging will happen when prices are high (and the capacity would be welcome). Because Bonneville does not have any recommendations to capture diversity benefits, e.g., crediting batteries that are helping the agency attain load-resource balance, Avangrid believes a storage capacity rate is not yet ripe for consideration.</p> <p>If Bonneville decides to develop a new capacity rate for storage devices, which it should not, Avangrid asks that Bonneville review in detail the pilot program referenced at the April Workshop, which could potentially provide a path for avoiding the new capacity charge.</p>	
47	Avangrid	<p><b>GI Withdrawal Penalties</b> Avangrid continues to believe that withdrawal penalties are a critical component of the interconnection queue reform that ideally should have been implemented along with the TC-25 tariff changes. To that end, Avangrid recommends Bonneville add withdrawal penalties consistent with FERC's final rules. As a matter of policy, however, Bonneville should refrain from applying any TC-26 rule changes to the transition process, including withdrawal penalties, because any such changes were not transparently discussed during the TC-25 proceeding and will not be established with any level of certainty before the transition cluster request window opens next month.</p>	Thank you for your comment. We will consider this when we evaluate the alternatives.
48	Avangrid	<p><b>GI Withdrawal Penalties</b> <i>How to Calculate a Withdrawal Penalty?</i></p> <p>FERC's rules for calculating withdrawal (e.g., two times the study costs to 5 and then 10 percent of network upgrade costs) appear appropriate for Bonneville. Avangrid would</p>	Thank you for your comment on how to calculate a withdrawal penalty. We will consider this as we are determining our alternatives and proposal.

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Row #	Stakeholder	Comment	BPA Staff Response
		support a penalty fee that escalates throughout the GI process and looks forward to discussing the merits of any proposed details, deviations with stakeholders in future workshops.	
49	Avangrid	<p><b>GI Withdrawal Penalties</b> <i>When Should a Withdrawal Penalty Apply?</i></p> <p>Acknowledging that Bonneville declined to implement the portions of FERC Order No. 2023 that provided public access to interconnection information, Avangrid recommends exploring with stakeholders whether there should be a penalty-free withdrawal when the first study results are provided. Without increased public access to interconnection information, submitting an interconnection request is still the only means to determine whether a proposed project can be commercially viable. If Bonneville is able to provide more information publicly later, it may be appropriate to consider removing this initial penalty free withdrawal at that time.</p>	Thank you for your comment on when a withdrawal penalty should apply. We will consider this as we are determining our alternatives and proposal.
50	Avangrid	<p><b>GI Withdrawal Penalties</b> <i>Should There Be Exceptions to When a Penalty is Applied?</i></p> <p>As Bonneville explained in the April Workshop, FERC's GI rules permit penalty-free withdrawal where there is either no material impact on other requests in the queue or where there has been a significant increase in the network upgrade cost estimates. Avangrid recommends following FERC's rules (e.g., a 25% increase from the prior cluster study or a 100% increase in a facilities study report) unless Bonneville's unique process provides a compelling reason to deviate, in which case Avangrid welcomes additional discussion.</p>	Thank you for your comment on exceptions to when a withdrawal penalty is applied. We will consider this as we are determining our alternatives and proposal.

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Row #	Stakeholder	Comment	BPA Staff Response
51	Avangrid	<p><b>GI Withdrawal Penalties</b> <i>Should a Penalty Apply During the Transition Process?</i></p> <p>Strongly recommends that any mid-stream rule changes should not apply until the beginning of the next cluster study process. If Bonneville does ultimately apply withdrawal penalties to the transition cluster, Avangrid asks that the agency clarify whether there was sufficient notice of any such application during the TC-25 process (or otherwise) so that parties can understand whether Bonneville might make other “midstream” changes to its GI rules during its cluster study process...applying withdrawal penalties to the transition process should have been discussed transparently during the TC-25 process if Bonneville intended to apply them to the transition cluster after they were adopted in the BP-26 and TC-26 proceeding...Moreover, the cluster-study process outlined by FERC is intended to be an annual process, which places Bonneville’s withdrawals in a different context. Bonneville’s cluster study is unlikely to achieve that cadence, but also has unique aspects that equally impact the context for its withdrawals.</p>	<p>Thank you for your comment on when a withdrawal penalty should apply. We will consider this as we are determining our alternatives and proposal.</p>
52	Avangrid	<p><b>GI Withdrawal Penalties</b> <i>Should a Penalty Apply During the Transition Process?</i></p> <p>Avangrid recommends that Bonneville provide a straw proposal as soon as possible that includes clarity as to where the agency expects the transition process to be when the new tariff becomes effective to anchor this discussion. It is imperative that Bonneville set a reasonable expectation for how long the phase-one restudies will take with the agency’s unique scalable-block concept, which allocates network upgrades based on capacity rather than FERC’s impact based allocation. During the TC-25 proceeding, Bonneville argued that a capacity-based allocation would allow the agency to make changes more quickly when there is a withdrawal—and to mitigate impacts to others in the queue. Avangrid would like to better understand Bonneville’s expectations for process timing, withdrawal impacts and exceptions before weighing in. Absent any such direction, however, Avangrid simply reiterates that Bonneville should follow FERC’s rules and generally avoid mid-stream rule changes.</p>	<p>Thank you for your comment. In the April 24 workshop, BPA provided the transition process timeline and shared expectations around process timing. Although the shared timeline does not have specific dates, it does show the phases of the process.</p>

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53	Avangrid	<p><b>GI Withdrawal Penalties</b> <i>How Should Withdrawal Penalty Funds be Allocated?</i></p> <p>FERC's GI rules direct that any withdrawal penalties be allocated first to cover study costs, then to offset increased network upgrades caused by the withdrawal with any remaining amounts returned to the withdrawing customer. This policy, which was fully vetted during the FERC rulemaking appears reasonable, but Avangrid would like Bonneville to explore in greater detail in future workshops how these determinations would be made by the agency, whether there would be any transparency or ability to challenge the allocations, etc. Avangrid looks forward to hearing from Bonneville and stakeholders familiar with other cluster-study implementations.</p>	<p>Thank you for your comment on penalty funds allocation. We will consider this as we are determining our alternatives and proposal. As for transparency or the ability to challenge the allocations, this would be discussed more in the Business Practice process if BPA staff proposes a withdrawal penalty in BP-26 and it is finalized in the ROD.</p>

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**III. Comments Received in Response to the May 22, 2024 BP/TC-26 Workshop [UPDATED]**

<b>Row #</b>	<b>Stakeholder</b>	<b>Comment</b>	<b>BPA Staff Response</b>
54	Seattle City Light	<b>Transmission Line Ratings – FERC Order 881 Implementation</b> City Light supports BPA’s overall approach to implementation of FERC Order 881. City Light suggests that there would be value in BPA developing explanatory material supporting BPA’s decision to not follow the pro forma language.	BPA staff will address this comment in its presentation at the July BP/TC-26 workshop.
55	Seattle City Light	<b>ROFR Queue Management</b> City Light supports BPA’s Alternative 2 to change the Tariff to harmonize BPA’s practices fully with the Tariff.	Thank you for supporting Bonneville staff’s recommendation of Alternative 2.
56	Seattle City Light	<b>Western Resource Adequacy Program (WRAP)</b> City Light supports continuing the WRAP principles put in place in BP-24. City Light additionally supports the BPA proposal for Above-RHWM Load and New Large Single Loads.	Thank you for your comment.
57	Seattle City Light	<b>Intentional Deviation in the EIM</b> City Light suggests BPA continue to closely monitor the impacts of VERs scheduling off forecasts and consider how any future policy changes may cause cost shifts between customer groups.	Thank you for your comment. BPA staff will continue to monitor impacts of VER scheduling in the BPA BA.
58	Snohomish PUD	<b>ROFR Queue Management</b> Snohomish supports BPA’s “Alternative 2” proposal to change the language of Section 2.2(a) of BPA’s Tariff to align with BPA’s existing process to offer ROFR to customers who request at least five years of service...Snohomish concurs that the process to complete studies and contract approvals are inherently lengthy. Modification of Bonneville’s tariff will continue to allow BPA to accommodate new transmission service needs without procedural setbacks and will provide significant benefits and prevent significant harm when compared to the pro forma alternative.	Thank you for supporting Bonneville staff’s recommendation of Alternative 2.
59	Portland General Electric	<b>Transmission Line Ratings – FERC Order 881 Implementation</b> Portland General Electric Company (“PGE”) hereby respectfully submits that Bonneville Power Administration (“BPA”) should provide TTC values in compliance with FERC Order No. 881 (“Order”) for jointly owned transmission paths where BPA is the path operator...On May 22, BPA explained that it does not plan on providing TTC values that are compliant with Order 881, which would put BPA’s path ratings out of line with the rest of the	BPA staff will address this comment in its presentation at the July BP/TC-26 workshop.

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		<p>Northwest. PGE requests that BPA provide forecasted hourly AARs for the required (and now industry standard) 240 hours into the future.</p> <p>As the path operator, BPA calculates the TTC for the jointly owned paths and provides PGE its share of the TTC for All Lines in Service (ALIS) and outage conditions as part of the operating agreements for such paths. BPA's disposition towards complying with the 240 hours of hourly Ambient Adjusted TTC Ratings will impact PGE's ability to provide its transmission customers the hourly transmission capacity of its share of the jointly owned transmission scheduling paths operated by BPA.</p>	
60	NIPPC and RNW Joint Comments	<p><b>Transmission Line Ratings – FERC Order 881 Implementation</b> BPA staff...proposes that BPA will not comply with Order 881's requirement to calculate and post separate daytime and nighttime transmission line ratings. BPA has a framework to determine the circumstances in which it will propose tariff provisions that deviate from the FERC pro forma Open Access Transmission Tariff ("OATT"). BPA staff, however, has not presented any analysis that explains to customers why it is appropriate for BPA to deviate from FERC's Order 881 on this issue. FERC conducted a rulemaking process and upon full consideration of the record, FERC determined the requirements of Order 881 were necessary to ensure accurate line ratings and avoid rates that are unjust and unreasonable. Based on the information presented to date, it is not clear why BPA staff has come to a different conclusion than FERC on the usefulness of separate daytime and nighttime transmission line ratings.</p>	BPA staff will address this comment in its presentation at the July BP/TC-26 workshop.
61	NIPPC and RNW Joint Comments	<p><b>Transmission Line Ratings – FERC Order 881 Implementation</b> Staff also seeks to insert additional language to the definition of "Ambient-Adjusted Rating" proposed by FERC. On the one hand, it seems reasonable that BPA would "evaluat(e) the need to curtail paths or develop(e) Operating Plans to prevent/mitigate an (sic) System Operating Limit (SOL) exceedance on the network." On the other hand, that additional language does not seem to be appropriate within the definition of an Ambient Adjusted Rating. Rather, it seems to be an ongoing action that BPA would take to ensure the reliability of its system and not limited to any requirement to develop or post ambient</p>	BPA staff will address this comment in its presentation at the July BP/TC-26 workshop.

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		adjusted line ratings. Moreover, BPA has not provided any analysis under its OATT deviation framework that explains how this additional language meets that standard.	
62	NIPPC and RNW Joint Comments	<p><b>Transmission Line Ratings – FERC Order 881 Implementation</b>            Commenting Parties also note that BPA’s neighboring transmission systems will be complying with Order 881 and posting daytime and nighttime Ambient Adjusted Ratings for their transmission facilities connecting to BPA’s network. Commenting Parties request further explanation from BPA staff about whether its proposal to deviate from the language of Order 881 will create any unnecessary seams with its adjoining transmission providers. At this time, Commenting Parties do not have a formal recommendation as to BPA’s proposed deviations from Order 881, but simply seek to better understand BPA’s reasoning for proposing them.</p>	BPA staff will address this comment in its presentation at the July BP/TC-26 workshop.
63	NIPPC and RNW Joint Comments	<p><b>ROFR Queue Management</b>            Commenting Parties support Alternative 2. We agree that transmission customers who seek transmission service for five years or more should not lose their right of first refusal due to delays in BPA offering the requested service. The defining feature of rollover rights should be that the customer initially requested service for five years or more; if BPA experiences delays to the point that the term of service offered to a customer is less than the five years of service the customer requested, then rollover rights should still apply.</p>	Thank you for supporting Bonneville staff’s recommendation of Alternative 2.
64	NIPPC and RNW Joint Comments	<p><b>Attachment A – Conditional Firm Service Agreement Exhibit</b>            Commenting Parties support Alternative 2. We agree that the Conditional Firm Service Agreement should be included in Attachment A along with other form Service Agreements.</p>	Thank you for supporting Bonneville staff’s recommendation of Alternative 2.
65	NIPPC and RNW Joint Comments	<p><b>Section 4 Update to Align with Attachment C (ATC)</b>            Commenting Parties support Alternative 2. Attachment C of the BPA tariff documents BPA’s methodology for calculating Available Transfer Capability (“ATC”) and Total Transfer Capability (“TTC”). BPA recently updated Attachment C as part of the TC-24 tariff revision process. Commenting Parties agree that BPA should conform Section 4 of its OATT to reflect BPA’s practice as documented in Attachment C.</p>	Thank you for supporting Bonneville staff’s recommendation of Alternative 2.



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66	NIPPC and RNW Joint Comments	<b>Intentional Deviation in the EIM</b> See complete comment submitted in response to the May 22 workshop, which is posted in the Customer Comments section on the <a href="#">BP-26 Rate Case webpage</a> .	<b>[UPDATED]</b> See the BPA staff response below on page 26-27.

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**[NEW] The following is BPA staff's response to comments on the topic of Intentional Deviation in the EIM submitted by NIPPC following the May 22 BP/TC-26 Workshop. See comment on row 66.**

NIPPC and RNW expressed concerns regarding the Intentional Deviation (ID) rate. Specifically, NIPPC and RNW argue that the ID should not apply to any scheduling or bidding behavior allowed by the CAISO EIM Tariff. BPA disagrees that ID is unnecessary in the EIM.

ID exists to incentivize proper scheduling behavior and avoid scheduling error that are inconsistent with BPA's rate case assumptions. The Balancing Reserve Quantity Forecast methodology sets capacity requirements based on VER error measured relative to BPA's VER forecast. Use of a less accurate schedule than BPA's VER forecast is inconsistent with BPA's rate case assumptions and may make the amount of reserves BPA has planned to provide insufficient. Whether in or out of the EIM, VER customers will continue to independently submit tags to establish their schedule, and use of a less accurate schedule will continue to pose the same issues. This is true of both EIM Participating and Non-Participating VER Resources.

Ensuring accurate scheduling is critical to BPA's operation of a reliable Balancing Authority Area (BAA), as the EIM does not address the BA's responsibility. Inaccurate scheduling by VERs in the EIM continues to impact the BAA by: (1) consuming available INC/DEC in the BAA and the EIM (both Regulation and Non-Regulation), (2) consuming available Transmission donations to the EIM; and (3) directly impacting the ability of BPA to maintain reliability during Resource Sufficiency Test failures, power-balance constraints, and periods where BPA must pause/exit EIM participation.

The Energy Imbalance Market does not sufficiently incentivize accurate scheduling through price signals. As an energy only market, the EIM fails to capture the capacity costs associated with providing that energy. The capacity of energy that is needed before the operating hour is to pass EIM Resource Sufficiency Tests (hourly test required for participation in the EIM). During the operating hour, the real-time use of energy is what is being captured in the EIM price signals.

ID prevents impacts to the BPA BA (as the EIM Entity) to the EIM Resource Sufficiency Tests from inaccurate scheduling. These include impacts to both the Capacity and Flex Ramp Tests where the difference in schedule to forecast difference must be made up with INC/DEC energy Bids with adequate ramping ability.

BPA realizes that VERs that become EIM Participating Resources may receive an instructed dispatch from the Market Operator that alters a VER's output. The ID rate contains provisions excluding any five-minute interval during which a VER Participating Resource was economically dispatched by the EIM. Because an economic dispatch from the EIM would alter the natural output of the VER Participating Resource, it may skew the accuracy of the schedule compared to BPA's VER forecast, making assessment of ID inappropriate.

NIPPC and RNW also assert that the CAISO wind forecast is more accurate because it provides a forecast for each 15-minute interval rather than the single hourly value that the BPA forecast provides. The logistics of how the EIM RS Tests are applied to EIM Entities and CAISO do not allow for an even comparison to be done on this statement. CAISO subjects themselves to a different standard than any other EIM Entity by leveraging their DA market within the CAISO BAA to exempt themselves from the Balancing Test. As an EIM Entity, BPA is subject to the Balancing Test, which compares hourly resource schedules to hourly load forecasts. While a VER is allowed to use 15-min scheduling in the BPA BAA, the Balancing Test requires they provide an hourly Base Schedule prior to doing so. BPA has opted not to use the CAISO hourly wind forecast because BPA has found that the BPA hourly forecast is more accurate. In addition, the VERBS rate is based on generators scheduling to the BPA forecast, as such, use of a different forecast would be at odds with rate case assumptions. VERs may use a different forecast, but if the forecast is less accurate than the BPA forecast, the VERs will be subject to ID. If a VER Participating Resource desires to use the CAISO hourly wind forecast, it will likely need to work with BPA and CAISO to integrate a separate forecast for the BAA and pay the CAISO for the use of the forecast. However, the VER Participating Resources will still be in BPA's BAA and will need reserve capacity provided by BPA. As a result, BPA will also need to adopt a separate rate that incorporates the impacts of using the CAISO forecast on BPA's reserve requirements, like the previous use of scheduling elections in the VERBS rate. This will likely result in a higher VERBS rate, and ID will likely still be needed to ensure a VER schedules to the CAISO forecast. Inaccurate scheduling, whether to BPA's forecast or another forecast, has the same effect on the BAA and must be incentivized.

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NIPPC and RNW also assert that “a customer who schedules to a forecast different from the CAISO VER Forecast and does not deliver its Expected Energy to the market is subject to an Under/Over Delivery Charge.” If, as NIPPC and RNW assert, a customer scheduled to the CAISO VER Forecast, it “would not be exposed to the Under/Over Delivery Charge and would rely far less on BPA to provide balancing reserves to serve its schedule.” BPA is unaware of any Under/Over Delivery Charge that applies to customers in the EIM. The CASIO Tariff has sections that apply to entities within its own BAA and to entities within the EIM. While there is an Under/Over Delivery Charge under section 11.31 of the CAISO Tariff (a non-EIM section of the CASIO Tariff), the EIM is subject to Section 29 of the CAISO Tariff unless specified. Section 29.11(a) of the CAISO Tariff provides:

Section 29.11, rather than Section 11, shall apply to the CAISO Settlement with EIM Entity Scheduling Coordinators, EIM Sub-Entity Scheduling Coordinators, and EIM Participating Resource Scheduling Coordinators, except as otherwise provided, but not to other Scheduling Coordinators.

Section 29.11 of the CAISO Tariff does not have an Under/Over Delivery Charge that applies.

NIPPC and RNW also comment that BPA should “develop a decision matrix similar to the one that BPA applies when it considers tariff deviations from the pro forma OATT against which to measure this and future extra-market penalties.” Adopting such a framework is not appropriate with respect to rates. There is no pro forma rate structure against which BPA can compare itself to. Under section 7(a)(1) of the Northwest Power Act, BPA is required to set rates to recover its costs. The ID and similar rates are intended to ensure cost recovery by establishing incentives to keep customer behaviors in line with rate case assumptions. However, as explained previously, the EIM does not sufficiently incentivize accurate scheduling. If changing landscapes, such as a Day-Ahead Market, provide enough incentive for customers to schedule accurately, then BPA and customers can reassess whether ID, or any other rate, remains necessary.

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**IV. Comments Received in Response to the June 26, 2024 BP/TC-26 Workshop [NEW]**

<b>Row #</b>	<b>Stakeholder</b>	<b>Comment</b>	<b>BPA Staff Response</b>
67	Seattle City Light	<p><b>Non-EIM Balancing</b> City Light supports the proposed Option 2: General Language and agrees that this should include language regarding recovering imbalance costs not assessed through EIM. City Light suggests that the Locational Marginal Prices (LMP) should be used for imbalance cost recovery if available. If an LMP is not available, using the EIM Load Aggregation Point (ELAP) should be used for imbalance cost recovery.</p> <p>City Light additionally suggests that BPA include an appeal process for Non-EIM Balancing charges like the UIC appeal process.</p>	Thank you for your comment. BPA will consider the suggestion of using the LMP first and the ELAP as a backup when developing its recommendation. Appeal language specific to this rate isn't necessary as customers may use the existing Billing Dispute Procedures Business Practice. BPA only has rate-specific waiver processes for rates that are intended to incent certain behaviors, such as the UIC, Failure to Comply, Persistent Deviation, and Intentional Deviation. The proposed rate is intended to recover BPA's actual costs.
68	Seattle City Light	<p><b>GI Withdrawal Penalties</b> See complete comment submitted in response to the June 26 workshop, which is posted in the Customer Comments section on the <a href="#">BP-26 Rate Case webpage</a>.</p>	Thank you for your comment. We will consider your comments as we develop a staff recommendation and present at the August workshop.
69	Seattle City Light	<p><b>WA Cap and Invest Program Charge</b> City Light supports BPA's proposal to preserve the BP-24 language and principles regarding the WA Cap and Invest Program Charge.</p>	Thank you for your comment.
70	Seattle City Light	<p><b>GI Reform – Affected System Studies</b> City Light requests that BPA commit to holding a customer workshop addressing GI Affected Systems Studies by March 1<sup>st</sup>, 2026.</p>	For the TC-26 tariff proceeding, BPA is focusing on following its commitments made in the TC-25 Settlement Agreement. BPA intends to continue to evaluate FERC Order 2023 and 2023-A to identify additional changes that may be necessary to BPA's Tariff, including changes related to Affected System Studies in the next tariff proceeding. As an interim step, BPA will be working to update its implementation of Affected System Studies through a business practice. BPA values stakeholder input and intends to undertake stakeholder engagement around the Affected Systems topic through BPA's Business Practice Process.

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71	Avangrid	<p><b>Non-EIM Balancing</b> Avangrid appreciates Bonneville’s adherence to cost causation principles but is not able to recommend one option over the other given the amount of information presented to date, and is not convinced that this issue would be best remedied with a new rate schedule. It is not yet clear how customers would be made aware that they were causing these charges or whether passing the charges along to generators is appropriate in all circumstances. Additionally, Avangrid agrees with comments from stakeholders at the June Workshop that given this lack of understanding and transparency, Bonneville’s proposed alternatives would benefit from some type of appeal process. Additionally, as noted during the discussion, Bonneville’s proposed solutions may have been mooted by the agency’s recently announced leaning to join the SPP day-ahead market, which would necessarily limit the amount of EIM mismatches the agency could expect to incur going forward under the TC-26 tariff. Should Bonneville proceed with a new rate schedule, Avangrid recommends the agency identify a process or mechanism to ensure that the agency isn’t over (or under) collecting in situations where improved data exchanges or system alignment would avoid incurring any such EIM imbalance charges.</p>	<p>Thank you for your comment. BPA will continue to communicate with customers when BPA identifies correctable customer behavior that may be causing the imbalance. In addition, appeal language specific to this rate isn’t necessary as customers may use the existing Billing Dispute Procedures Business Practice. BPA only has rate-specific waiver processes for rates that are intended to incent certain behaviors, such as the UIC, Failure to Comply, Persistent Deviation, and Intentional Deviation. The proposed rate to recover imbalance costs is intended only for cost recovery. Finally, BPA did issue a recommendation in April that the agency join SPP Markets+, but a final decision has yet to be announced so it is premature to conclude whether this issue is moot. Furthermore, any time spent in the EIM without an additional rate will result in under recovery of costs. Implementation of this rate will include adjustments to the EIM Detailed Data File issued, which will provide a level of transparency sufficient to ensure that the agency isn’t over or under collecting.</p>
72	Avangrid	<p><b>GI Withdrawal Penalties</b> Avangrid continues to believe that withdrawal penalties are a critical component of FERC’s interconnection cluster study process and sees little reason to deviate from FERC rules. At the June Workshop, Bonneville described possible alternatives to implement withdrawal penalties at seven unique withdrawal stages throughout the cluster study process,<sup>7</sup> proposed unique exceptions that would permit a penalty-free withdrawal,<sup>8</sup> and noted that eligibility and allocation would be discussed in future workshops.<sup>9</sup> Of the alternatives presented, Avangrid would support Alternative 2 because it more closely aligns with FERC’s rule.<sup>10</sup> Avangrid looks forward to future discussions with Bonneville and stakeholders on the merits of the various components to a potential withdrawal penalty.</p> <p>Given the timing of a potential implementation of withdrawal penalties during the current Transition Cluster, Avangrid reiterates that a penalty-free withdrawal during the Transitional Cluster is appropriate. Assuming the withdrawal penalties will be effective</p>	<p>Thank you for your comment. We will consider your comments as we develop a staff recommendation and present at the August workshop.</p>

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		<p>October 1, 2025, however, and acknowledging that the first GI decision point after that date remains uncertain, Avangrid also believes that applying an Alternative 2 withdrawal penalty during a Phase 1 restudy (or any decision point after the TC-26 tariff effective date) in the Transitional Cluster could also be appropriate.<sup>11</sup> Avangrid believes the key to establishing good policy, and to avoiding retroactive ratemaking, is providing GI customers sufficient time along with costs that are certain to weigh the costs and risks and make reasonable business decisions before advancing an interconnection request into the next study and/or restudy.</p>	
73	Savion	<p><b>GI Withdrawal Penalties</b> See complete comment submitted in response to the June 26 workshop, which is posted in the Customer Comments section on the <a href="#">BP-26 Rate Case webpage</a>.</p> <p>Savion prefers BPA's Alternative 2 due to its cost-causation principles found in the "% of Allocated Costs" criteria. If Alternative 2 were also paired with an up-front gating mechanism comparable to the Volumetric Price Escalator proposed in Savion's May 9th presentation, we believe BPA would have a very strong GI study framework that will thwart the vast majority of unproven GI study requests while standing up to the scrutiny of GI customers seeking just and reasonable treatment.</p>	<p>Thank you for your comment. We will consider your comments as we develop a staff recommendation and present at the August workshop.</p>
74	NIPPC and RNW Joint Comments	<p><b>Non-EIM Balancing</b> NIPPC and RNW suggest that a decision-making framework and further exploration of alternatives are warranted in evaluating the best path forward on this issue. While we generally agree with the principle that customers who create imbalance should pay for the imbalance they create, we do not have a clear enough grasp of the various permutations of this issue, and we have some concerns with BPA's proposed solutions as they relate to the two specific examples discussed at the workshop.</p> <p>As we presented in our customer-led workshop on June 13, NIPPC and RNW suggest that BPA should rely primarily on market signals and market structures to manage customer behavior and recover costs in preference to extra-market rate and penalty mechanisms. Only when price signals and market structures are inadequate should BPA pursue extra-market options for ensuring appropriate cost recovery. It is not clear in this instance that</p>	<p>Thank you for your comment. BPA does not believe adopting a framework for extra-market charges is appropriate with respect to rates. BPA is required to set rates to recover its costs, and the proposed rate is intended to recover actual costs incurred. BPA has and will continue to follow the Rate Case process detailed in Section 7(i) of the Northwest Power Act to set rates. In addition, the expectation that any such mechanism would not be limited to charging customers but would also allocate credits for imbalance energy to customers when appropriate is correct. Further, appeal language specific to this rate isn't required as any need for an appeal will fall under BPA's Billing Dispute Procedures Business Practice. BPA will continue to communicate with customers when BPA identifies correctable customer behavior that may be causing</p>

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		<p>price signals and market structures – including the California Independent System Operator’s (“CAISO”) market monitoring unit – are insufficient at addressing the issues raised in BPA’s presentation. NIPPC and RNW again encourage BPA to adopt a decision-making framework to apply whenever it considers extra-market penalties or restrictions, and to apply that framework to the questions raised in the Non-EIM Balancing presentation.</p> <p>If BPA moves forward with an out-of-market imbalance settlement mechanism, NIPPC and RNW expect that any such mechanism would not be limited to charging customers but would also allocate credits for imbalance energy to customers when appropriate. NIPPC and RNW also agree with the suggestion from WPAG at the workshop that any out-of-market settlement mechanism for imbalance charges (or credits) should include a dispute resolution mechanism for customers to challenge BPA’s allocations.</p> <p>We note that generation imbalance customers themselves have an easy option to mitigate the “Base Schedule Mismatch” scenario that BPA described. In short, customers can ensure that the pMax on file with the CAISO accurately represents their units’ maximum output. If balancing service customers will not take that simple step, then NIPPC and RNW support further exploring BPA’s proposal to establish a mechanism to recover the costs of imbalance energy from customers who create imbalances on BPA’s system but are not charged for those imbalances in the market.</p> <p>More difficult is the “Outage Sync” issue. In these situations, BPA described circumstances where the market communication mechanisms are coordinated poorly and customers – through no fault of their own – may receive an imbalance charge or credit through the market that does not accurately reflect a given customer’s actual imbalance for an interval. In these instances, the customer is not responsible for creating the imbalance, but BPA nonetheless seeks to impose imbalance charges on the customer. Ideally, BPA would continue to work with CAISO to ensure that communications between BPA, CAISO, and units recovering from an outage would be better coordinated. We are concerned that an extra-market settlement mechanism will result in BPA deprioritizing efforts to work with</p>	<p>the imbalance. Finally, a rate to recover Non-EIM Balancing costs does not preclude BPA from working with CAISO to better optimize the EIM. If sufficient adjustments are made such that charges under a Non-EIM Balancing Rate are reduced to a minimum, then the rate may not be necessary.</p>

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		CAISO to improve the coordination of their communications to customers and that once it is adopted, BPA will simply look to the out-of-market settlement to resolve the issue after the fact. We encourage BPA to prioritize system improvements and coordination over imposing a charge on customers for "Outage Sync" issues.	
75	NIPPC and RNW Joint Comments	<p><b>GI Withdrawal Penalties</b> See complete comment submitted in response to the June 26 workshop, which is posted in the customer Comments section on the <a href="#">BP-26 Rate Case webpage</a>.</p> <p>In summary, we encourage BPA to adhere to FERC Order 2023 and 2023-A as closely as possible, while recognizing that BPA must also implement tariff changes that are consistent with both the spirit and letter of the TC-25 Settlement Agreement. While we appreciate BPA staff's efforts in providing customers with a range of alternatives to consider, NIPPC and RNW believe that the recommendations set forth above effectively conform Order 2023 and 2023-A to the TC-25 Settlement Agreement. We look forward to reviewing a proposal from BPA and working with BPA and other customers to develop a more refined withdrawal penalty mechanism.</p>	Thank you for your comment. We will consider your comments as we develop a staff recommendation and present at the August workshop.
76	NIPPC and RNW Joint Comments	<p><b>GI Reform – LGIA</b> Please provide an update on BPA's timeline to implement the reforms of FERC Order 845 allowing customers to self-build interconnection facilities. NIPPC and RNW note that BPA has already adopted the Order 845 self-build option in its tariff, but has yet to implement that functionality for transmission customers.</p>	BPA staff will address this comment in its presentation at the July BP/TC-26 workshop.
77	NIPPC and RNW Joint Comments	<p><b>GI Reform – Affected System Studies</b> NIPPC and RNW are disappointed with BPA's proposal to not evaluate or consider Affected System Studies as part of TC-26. BPA has limited windows to consider changes to its tariff to conform with new FERC requirements. While BPA may generally not be subject to FERC jurisdiction on the terms and conditions of transmission service, Affected System Studies are a critical component of ensuring that the region maintains a safe and reliable grid as that grid must expand to incorporate new generation needed to meet state energy policies. BPA's neighboring transmission operators will rely on BPA's timely completing of Affected System Studies. BPA's suggestion that it will maintain its status quo in the face of a significant reform which FERC has determined is necessary to ensure just and reasonable</p>	See response to comment #70 above.



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		<p>transmission rates is inappropriate. Accordingly, we encourage BPA to reconsider this decision. BPA should work closely now with its neighboring transmission providers to develop coordinated processes, timelines, and expectations for the completion of Affected System Studies so that the long lead times for necessary transmission upgrades are not further extended because of delays in completing these studies.</p>	
78	NIPPC and RNW Joint Comments	<p><b>Attachment K – Regional Planning</b>            NIPPC and RNW are also disappointed with BPA’s update on regional planning and what appears to be a largely passive approach as NorthernGrid considers how to comply with FERC Order 1920. Order 1920 represents a significant reform of the existing regional transmission planning processes and cost allocation. BPA simply indicates that it is monitoring Order 1920 and the compliance plans of jurisdictional utilities in the region and will report developments to customers in the future. As the major transmission provider in the region, BPA must take a leadership role in every process that explores transmission expansion. Outside of NorthernGrid planning, BPA has its own processes – the Transmission Service Request Study and Expansion Process (“TSEP”) and the Bifurcated Commercial Model (“BCM”) – that it uses for transmission planning on its system and considering how to recover the costs of transmission expansion. There is an opportunity now – which will close once NorthernGrid’s compliance filing is complete – for BPA to influence the NorthernGrid process to ensure that the results of studies coming out of NorthernGrid meet the needs of BPA as it considers how transmission expansion projects identified in TSEP should be evaluated as regional projects for purposes of the BCM. Likewise, BPA has a limited opportunity to influence how the NorthernGrid process considers and incorporates the results of TSEP in the Order 1000/1920 regional planning process.</p> <p>Our overall sense is that BPA considers TSEP/BCM and Order 1000/1920 planning and cost allocation as separate silos. NIPPC and RNW urge BPA to consider how those planning processes can inform and build upon each other instead of proceeding independently. We suggest that developing this coordination between TSEP/BCM and NorthernGrid must be happening now while transmission providers in the region are developing the compliance</p>	<p>BPA staff is reviewing this comment and will provide a response by the August 27-28 BP/TC-26 workshop.</p>

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		<p>strategy for NorthernGrid; BPA's customers cannot afford for BPA to wait and see what regional IOUs propose for NorthernGrid. Accordingly, we urge BPA to meet its responsibilities to the region head on and be actively involved in NorthernGrid's compliance process. More specifically, we recommend that BPA actively engage in NorthernGrid members' compliance discussions and advocate that NorthernGrid incorporate mechanisms to develop transmission plans and a cost allocation structure that includes the following:</p> <ul style="list-style-type: none"> <li>• Adopts the "seven benefits" and scenario planning as part of NorthernGrid</li> <li>• compliance with Order 1920;</li> <li>• Incorporates scenario planning on 10- and 20-year timeframes;</li> <li>• Independently considers state policy requirements and other drivers of</li> <li>• demand for transmission service;</li> <li>• Considers a wide range of transmission portfolio future scenarios,</li> <li>• including co-optimizing storage and other technologies, in the 10- and 20-year planning timeframes, in order to identify "no regrets" or "least regrets" portfolios;</li> <li>• Develops a cost-allocation process consistent with the requirements of Order 1920 and that: <ul style="list-style-type: none"> <li>○ Incorporates formal state engagement in the NorthernGrid process;</li> <li>○ Considers joint venture and partnership opportunities that rely on private capital and private projects to relieve BPA of initial development, construction, or subscription risk; and</li> <li>○ Considers whether investor-owned utilities can and would be willing to serve in some form as backstop subscribers for transmission upgrades identified in the NorthernGrid planning process.</li> </ul> </li> </ul>	

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79	Snohomish PUD	<p><b>WA Cap and Invest Program Charge</b> Snohomish is generally supportive of BPA’s proposal to carry forward the approach from BP-24. In light of uncertainty raised by Washington Initiative 2117, which would repeal the Cap-and-Invest Program, it does not make sense for BPA to make a decision on becoming the First Jurisdictional Deliverer (FJD) ahead of the BP-26 rate case. It is therefore appropriate to preserve optionality for BPA to become the FJD during the BP-26 rate period by including a Cap-and-Invest Program Charge in the BP-26 Power Rates.</p> <p>Snohomish also supports BPA’s commitment to conduct a public process prior to any such decision to become the FJD, as there are several implications for BPA and its power customers. Specifically, Snohomish recommends that the public process include consideration of more details around the required transfer of no-cost allowances to BPA.</p> <ul style="list-style-type: none"> <li>• <b><u>Volume of no-cost allowances to be transferred:</u></b> Utilities are allocated no-cost allowances based on utility forecasts of load and resources, while CCA compliance is based on actual emissions, which may differ from the allocated allowances. In addition, a utility’s forecasted purchases from BPA may only comprise a portion of its allocated allowances. Will the number of allowances that a utility must transfer to BPA be based on the allocation of no-cost allowances associated with the utility’s purchases from BPA, a BPA forecast of sales to the utility, actual sales to the utility, or some other measure? How would any backward-looking adjustment to a utility’s allocation be addressed?</li> <li>• <b><u>Timing:</u></b> How will the timing of the determination of allowances owed to BPA and the actual transfer of allowances fit into Ecology’s timelines around allowance allocation and compliance?</li> </ul> <p>While Snohomish believes these are important details to be addressed, they do not need to be determined now and can be worked through during the public process prior to BPA making an FJD determination.</p>	<p>Thank you for your comment. BPA appreciates Snohomish sharing thoughts on considerations for a future public process. As Snohomish indicates, those aspects do not need to be determined at this time. BPA will consider Snohomish’s comments, as well as other input, during any future public process regarding whether BPA will opt to be the FJD for Washington’s cap-and-invest program.</p>