Submitted electronically via Tech Forum

## RE: Northern Wasco County PUD Comments on NITS Access to Transmission Capacity

Northern Wasco County PUD ("Northern Wasco") appreciates this opportunity to comment on issues raised in BPA's "NITS Access to Transmission Capacity" process. Northern Wasco is a Load Following customer of BPA Power and we rely on Network Integration Transmission Service (NITS) to serve load. Unlike many Load Following customers, Northern Wasco serves the majority of our total retail load with non-federal resources.

Northern Wasco is a member of the NT Customer Group and fully supports those joint customer comments. The remainder of our individual comments will go into greater detail on issues of specific interest to Northern Wasco.

Northern Wasco is relatively agnostic among the three specific options presented at the May 20<sup>th</sup> workshop for a NITS "Planning Threshold" assuming existing transmission encumbrances remain intact. However, we note that a fixed threshold will likely not fit all NITS customers well and therefore fixed threshold options create the potential for conflicts and unintended consequences.

Regardless of the specific threshold chosen, it is essential that BPA and customers work together to ensure that NITS load that enters the Commercial Planning process is handled in a way that meets customer needs. Northern Wasco and other load serving entities have an obligation to serve load placed on us by our end use customers, and that in turn requires being able to obtain firm transmission service from BPA in a predictable, timely, and cost-effective manner regardless of whether that load is studied through System Assessment or Commercial Planning processes.

Because over 60% of Northern Wasco's load is served by non-federal resources, our most pressing concerns relate to utilities being able to effectively utilize transmission encumbrances to serve load with non-federal resources. The current reality of wholesale power markets is that sellers are often using a portfolio of resources on the BPA network and net interchange into the balancing authority to fulfill their obligation under firm wholesale power contracts (such as WSPP Schedule C transactions). This includes the output of variable renewable energy resources that is impossible to know months or years in advance. Although this can present some challenges from a transmission planning perspective, this is a desirable and economically efficient use of generating and transmission resources in the BPA balancing authority.

Under current practice, this reality makes it extremely difficult in many instances for Northern Wasco to specify upstream PORs for wholesale power contract purchases and in turn obtain firm transmission based on our FTSRs for Mid-C to our load on a long-term basis. The current Network Integration Transmission Service Request Data Exhibit is particularly ill-suited to this type of transaction. Beginning with Order 888, FERC described NITS as a transmission service that allows Network Customers to efficiently and economically utilize their Network Resources (as well as other non-designated generation resources) to serve their Network Load. Northern Wasco urges BPA to focus efforts achieving the goal of the "integration" concept embedded in the Open Access Transmission Tariff.

We would like to work collaboratively with BPA on creative solutions to enable customers to use a dynamic portfolio of network resources to serve load, rather than the current paradigm which resembles a PTP system of NITS. One potential solution is to enable the use of contiguous PORs (e.g. similar to MidC Remote, PACW and the FCRPS). Is a specific upstream source really necessary for BPA Transmission to determine whether a NITS request is feasible on a planning basis? TSRs are currently path specific, but if the System Assessment looks at a contiguous POR such as the FCRPS, then could TSRs be granted on that basis? We believe this is similar to how BPA Power uses its portfolio of generating resources to meet its preference marketing obligations on the network.

We have heard a clear message from BPA leadership that the agency is committed to pursuing disruptive and novel approaches to the transmission challenges of the region. We share the goal of assuring the Pacific Northwest has a transmission system that is adequate to the task of integrating and transmitting power from federal and non-federal generation on an economical and reliable basis to meet customer needs. This goal can best be achieved by close collaboration between BPA and customers. Northern Wasco stands ready to be a partner in this effort.