



3628 South 35th Street

Tacoma, Washington 98409-3192

TACOMA PUBLIC UTILITIES

March 18, 2025

Bonneville Power Administration
905 NE 11th Ave
Portland, OR 97232

Via email: techforum@bpa.gov

Re: Comments of Tacoma Public Utilities (Tacoma or Tacoma Power) to Bonneville Power Administration's March 7, 2025 presentation on "NITS Access to Transmission Capacity Initial Alternatives Meeting"

Tacoma Power appreciates this opportunity to comment on the alternatives BPA suggested at its March 7, 2025 meeting, which was focused on BPA's inability to "award/encumber long-term firm transmission service for many Point-to-Point (PTP) requests and Network Integration Transmission Service (NITS)" due to "insufficient capacity on the existing transmission system."

As a BPA Preference Customer that uses solely Point to Point service to obtain generation from BPA, Tacoma Power finds BPA's alternatives alarming, although not particularly surprising. BPA has a statutory obligation to provide generation over its transmission system to its Preference Customers, whether they use Network Integration Transmission Service (NITS) or Point to Point transmission service. Several of BPA's proposed alternatives to bolster NITS customers are harmful to Point to Point customers, both of which are used by BPA Preference Customers to serve native load and provide energy to retail customers. BPA has often stated its desire to remain as close to the FERC pro forma Open Access Transmission Tariff (OATT) as possible and it has an obligation to provide open access transmission to all customers, but these proposed alternatives step away from both that desire and obligation.

BPA suggested both potential near-term and longer-term solutions in its March 7 presentation. Tacoma Power will focus solely on the potential near-term solutions, which it understands BPA could implement by making changes to its business practices, which would be posted to its OASIS for a 30-day comment period and then would become effective unless withdrawn or altered by BPA. Given the potential deleterious effects of these near-term proposals, Tacoma would prefer a more engaged customer process and would collaboratively engage in such a process.

BPA offers as one of its potential near-term solutions: “Limit renewal/rollover rights on new PTP service offers to accommodate NITS load growth and reassess existing CFS offers biannually as needed.” This proposal is problematic on several fronts. It is a departure from the FERC pro forma tariff, which requires rollover rights on all long-term firm Point to Point transactions of at least five years. These rollover rights provide certainty to long-term firm Point to Point customers and enable them to enter in transmission arrangements with developers, federal marketing entities, etc. to support the growth and build out of the transmission system as financing can be obtained with the certainty of transmission service. Tacoma Power has relied on long-term firm Point to Point service for decades and has long-term firm Point to Point transmission service requests (TSRs) due for renewal with BPA in the future. While BPA limits this proposal to “new” PTP service offers, it does not define what “new” means. Every request for service must be added to OASIS, even if that service is for renewal of an existing contract. BPA should further define that it does not intend to limit any pre-existing transmission rollover rights on long-term firm Point to Point contracts.

Secondly, this provision indicates a clear priority for NITS customers over Point to Point customers. BPA should be including the NITS load in its annual NERC-required transmission planning study, TPL- 001-5, so that it plans for and can fully meet the needs of its transmission customers. BPA cannot deny its Point to Point customers who use the transmission service to meet the needs of its retail consumers, adequate long-term firm contracts with rollover because it has not planned accordingly to serve its NITS load. This treatment is preferential and also falls outside of the basic tenets of open access transmission service.

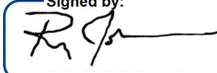
Finally, the risk that a customer assumes with Conditional Firm Service (CFS) is taken when the customer requests the service. Once BPA “firms up” the service for the term of the TSR, it should not be able to review after the fact if the firm service is still available. Customers rely on CFS, once BPA firms it, the same as any firm Point to Point service. If BPA were able to arbitrarily negate those firm awards, customers would not continue to use CFS and could suffer both economic and reliability hardship on those offers BPA rescinded.

BPA also offers as a potential near-term solution: “Offer long-term firm capacity to NITS customers without commercial study in certain instances, perhaps for load growth not deemed “New Network Load” and served from the FCRPS.” The award of NITS service without study on an already-congested system, except in potentially very narrowly limited circumstances, could easily exacerbate the congestion difficulties BPA is currently facing. Because NITS service needs to be able to flow anywhere on the transmission system, any award of NITS without study will add congestion to the grid. This added congestion harms all customers, including those with long-term firm Point to Point customers and existing NITS customers. It also reduces BPA’s capability to make CFS offers and increases reliance on non-firm transmission.

Also problematic with BPA's proposed near-term solutions is the impact these changes could have on: 1. Compliance with the Western Resource Adequacy Program (WRAP) and 2. Participation in a day-ahead energy market. The WRAP program requires that an entity can demonstrate that it has 75% of its capacity needs in NITS, firm Point to Point or CFS met three years before that capacity is needed. If customers cannot guarantee that their long-term firm Point to Point TSRs will receive rollover treatment or that their "firmed up" CFS awards will continue, customers cannot meet this WRAP obligation. Additionally, these proposals make it more difficult moving forward for Point to Point customers to meet their WRAP obligations, while preserving the rights for NITS customers. Also, as the west moves into a day-ahead market, preservation of firm rights and the ability to transfer power across the grid becomes even more fundamentally valuable. A market cannot operate if there is uncertainty in transmission rights, as every balancing authority needs to be able to supply the market with its firm and CFS rights.

Tacoma appreciates the opportunity to comment on these critical topics and looks forward to further engagement with BPA on these issues.

Sincerely,

Signed by:

725A98F3F2BA4A6...

03/19/2025

Ray Johnson
Deputy General Manager
Power Management