

Semi-annual Transmission Update

November 21, 2022



Why We're Here Today

No Action Required

Transmission Policy Update

- Tariff implementation
- FERC transmission developments
- Other transmission developments



Tariff Implementation

Interconnection request queue

- Applications and studies proceeding under approved processes

Legacy transmission service

- Discussions underway with Lake Chelan Reclamation District about transition to network transmission service under the tariff after expiration of current contract

FERC Transmission Developments

Regional Transmission Planning NOPR (discussed at last update) still pending

Improvements to Generator Interconnection Procedures and Agreements Notice of Proposed Rulemaking (NOPR)

- Proposed changes to FERC's pro forma interconnection process
- Only applies directly to Chelan PUD if we voluntarily adopt
- Chelan PUD has largely adopted the FERC interconnection process and agreements

FERC Transmission Developments

Generator interconnection proposed reforms

- “First-ready, first-served” study process
 - Informational studies, interactive maps of available interconnection capacity
 - Annual cluster studies and shared cost allocation
 - More stringent financial commitments and readiness requirements, including site control and withdrawal penalties

FERC Transmission Developments

Generator interconnection proposed reforms (continued)

- Firm deadlines in study process
 - Currently, the utility uses “reasonable efforts” to complete studies
- Affected system study process
 - Standardized process and pro forma agreements for affected system studies
 - Currently, the customer negotiates individually with each utility

FERC Transmission Developments

Generation interconnection NOPR's potential impact

- Could greatly improve BPA's queue if BPA adopts reforms
 - Improved transmission system planning
 - Fewer speculative interconnection inquiries to Chelan PUD
- Only applies directly to Chelan PUD if we voluntarily adopt
- Chelan PUD involvement in the FERC docket through LPPC—
comments were submitted October 13

Other Transmission Developments

Inflation Recovery Act

- \$2B in loans for transmission development within National Interest Electric Transmission Corridors
- \$760M in grants for siting authorities to facilitate onshore/offshore transmission
- \$100M to convene stakeholders and conduct analysis for interregional and offshore development

Washington State Activity

- CETA's Transmission Corridors Work Group—recommended state agencies staff up to take a role in transmission planning and siting
- Governor's draft transmission bill—would call for a study of state role to build and finance transmission lines