

Update Notice of Open Season for McNary-John Day Transmission Project

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Project Update

Bonneville's Transmission Business Line has begun a 30-day "open season" ending July 30, for eligible customers to request transmission service that result in capacity that would primarily cross the West of McNary (WOM)/West of Slatt (WOS) transmission path. Applications that would use multiple constrained paths that require upgrades will not be eligible for the open season.

The objective of the open season is to invite eligible customers to submit transmission service requests through the submittal of a completed application, OATT Section 17.2, that require, in aggregate, sufficient capacity crossing the WOM/WOS paths to enable the TBL to construct the McNary-John Day 500-kilovolt transmission line project. The McNary-John Day project was initially proposed in response to market demand (i.e., primarily generator requests), versus system reliability concerns. Recently, several applicants with requests affecting the WOM/WOS paths voluntarily withdrew their applications following offers for advance funding arrangements.

TBL policy is to protect existing customer commitments against stranded costs associated with market driven infrastructure additions by requiring those applicants to provide advance funds to finance the infrastructure additions. The advance funding or pre-payment obligation of each applicant will be based on a pro-rata share of the project cost. TBL needs commitments for enough long-term transmission service to generate the funds required to construct the McNary – John Day project. Transmission credits will be applied against the participating customers' transmission services charges over the WOM/WOS path during the term of the contract, up to the amount of the pre-payment share including interest.

How to Participate

The process for requesting service during this open season is the same as TBL's current process for requesting transmission service, with the exception that the deposit requirement for entering the queue will be suspended. To participate, eligible customers must submit a transmission capacity request for point to point service or Network service as outlined on the TBL website and consistent with Section 17.2 of the OATT no later than 5:00 p.m. PDT on July 30. BPA will review and provide preliminary estimates of the customer's share of the project financing (prepayment) requirements, based on their request.

Applicants currently in the transmission service queue whose requests could be met by completing the McNary-John Day project will be automatically included in the process. These applicants will be notified of their involvement in the process after July 30. If sufficient new transmission requests are received in combination with applicants already in the queue, to fund and therefore, support construction of the McNary – John Day project, financial agreements reflecting the pro rata share of the project cost for all applicants in the queue (Precedent Agreements) will be sent in the first half of September. Applicants will have 30 days to respond to the offers. Applicants that decline to sign a Precedent Agreement will be deemed to have voluntarily withdrawn from the transmission request queue.

Applicants determined to be ineligible to participate in funding the McNary – John Day project (because their request requires additional infrastructure projects be built) will have the option to remain in the queue by paying the standard deposit. These requests will be processed in accordance with TBL's standard business practice.

TBL will determine by Oct. 15 whether executed precedent agreements provide sufficient prepayments to fund and therefore, support construction of the McNary – John Day project. If TBL does not receive sufficient commitments to finance the cost of the project, TBL may, at its option, either terminate the open season process, or tender revised agreements that reallocate the contribution from those applicants whose requests require the project and who had previously signed financial agreements. The open season process is designed to attract the highest number of customers possible to contribute to the project costs, thereby minimizing the financing obligation of any particular customer.

A customer meeting will be held on July 7 to discuss the open season. See [calendar](#) or meeting information. For a table outlining the steps associated with the open season timeline see the attached file below. Additional information regarding the McNary-John Day project is posted on the McNary – John Day [project page](#).