



Post-2028 Residential Exchange Program Residential Purchase and Sale Agreement Workshop 1 September 11-12, 2025

Sept. 11th 9:00 am – 4pm; Sept. 12th 9:00 am – 3:00pm

[RHR and WebEx](#)

POST
2028
REP



September 11th – 12th, Workshop Agenda

Workshop #1 Topics	Presenter(s)
Opening Remarks	Kim Thompson
Introductions and Agenda	Scott Winner
Phase 2 Engagement and RPSA Process	Paulina Cornejo
REP Background	Rich Greene
Section 5(c)(1) of the NW Power Act	Rich Greene
Duration, Activation, Termination, and Suspension	Neal Gschwend
Exchange Loads as a Billing Determinant	Paulina Cornejo and Michael Edwards
Closeout and Next Steps	Scott Winner
Breaks	Est. Times
Lunch	Noon – 1:00 pm

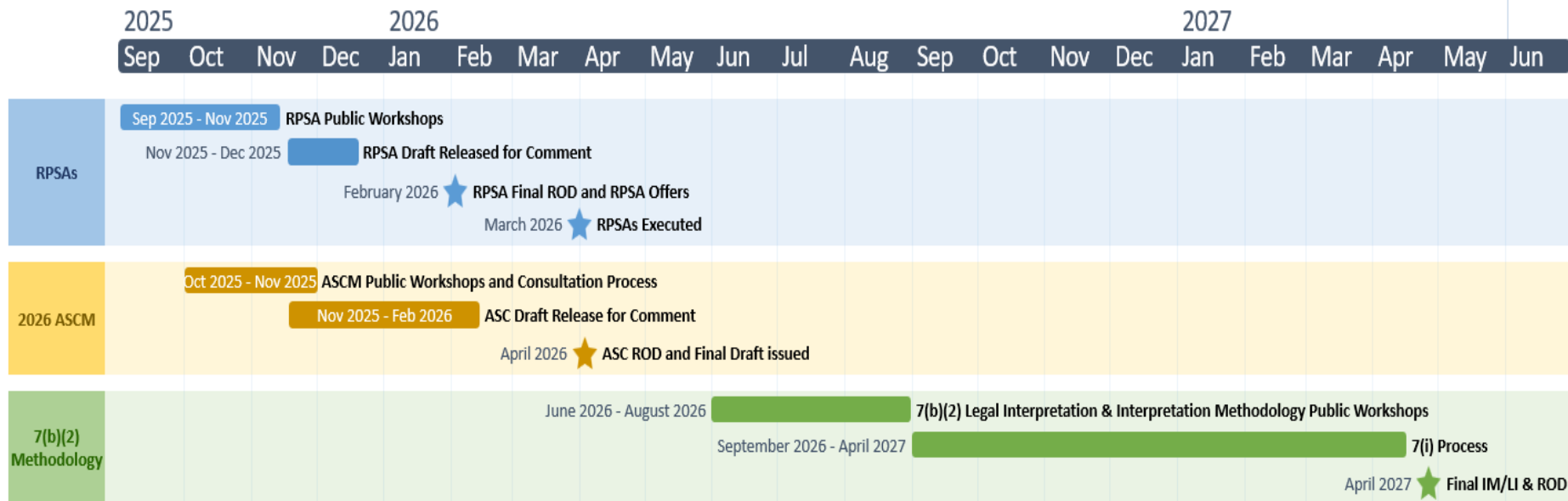


Post-2028 REP Team

- Kim Thompson, REP Sponsor (VP of NW Requirements Marketing)
- Paulina Cornejo, REP Policy Lead (PSRF)
- Michael Edwards, REP Technical Lead (PSRF)
- Aimee Robinson, Economist (PSRF)
- Rich Greene, Legal Counsel
- Neal Gschwend, Legal Counsel
- Stephanie Adams, Rates and 7(b)(2) Lead (PSR)
- Jonathan Ramse, Economist (PSR)
- Daniel Fisher, Power Rates Manager (PSR)
- Scott Winner, PSRF Supervisor

Phase 2 Public Engagement Timeline

BP-29 ASC
Filings Due
Jun 1, 2027



Phase 2 Public Engagement Process

Phase 2 focuses the post-2028 REP Public Engagement Process on development of three foundational components to prepare for a traditional implementation of the REP post-expiration of the 2012 REP Settlement agreements. The 2012 Settlement expires September 30, 2028.

1. Residential Purchase and Sale Agreements (RPSA)
2. Average System Cost Methodology (ASCM)
3. 7(b)(2) Legal Interpretation and Implementation Methodology

PHASE 2 – TRADITIONAL REP PREPARATION

RPSA Template Development and
ROD Publication
(September 2025 – February 2026)

ASCM Consultation Process and
ROD Publication
(October 2025 – April 2026)

7(b)(2) L/I and I/M Process and
ROD Publication
(June 2026 – April 2027)

BP-29

Phase 2 Public Engagement Objectives

Bonneville's Objectives for Phase 2 of the Post-2028 REP efforts are to:

- ❖ Complete Phase 2 before BPA's BP-29 Rate Case Proceedings.
Phase 2 target completion date is April 2027.
- ❖ Facilitate a robust engagement process for BPA and regional parties to constructively work through applicable issues.

Phase 2 Public Engagement Approach

Broad approach to successfully achieve Phase 2 objectives:

- ❖ Hold regular public in-person workshops that include a virtual participation option. *BPA encourages parties that intend to engage in significant discussions to attend in-person.*
- ❖ Foster a collaborative workshop environment through informative presentations.
- ❖ Communicate priorities and expectations in each of the three Phase 2 processes.
- ❖ Provide multiple opportunities for regional parties to submit comments, feedback and questions.
- ❖ Respect one another and assume good intentions. Bring a constructive mentality. Be solution-oriented. Identify “parking lot” items for complicated / technical issues.

Communication and Resources

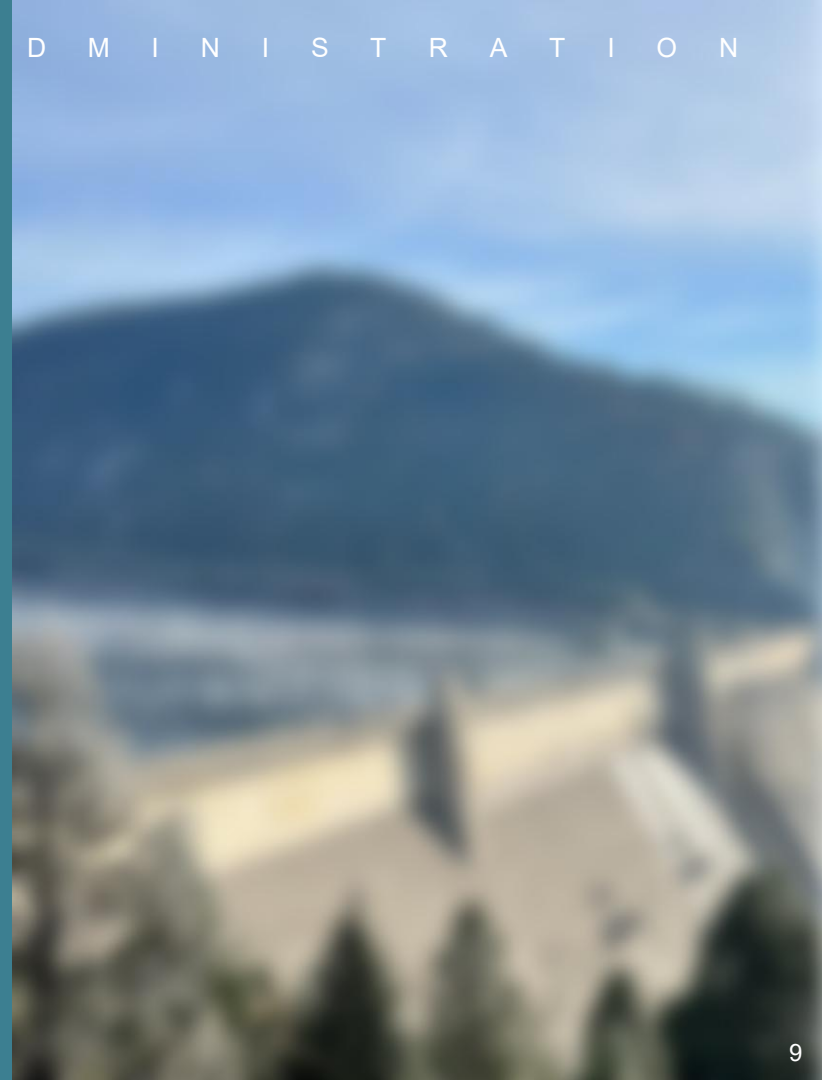
- ❖ Submit written comments and questions to rep2028@bpa.gov.
- ❖ Details to attend all Post-2028 REP Phase 2 workshop can be found on [BPA's event calendar](#).
- ❖ For REP background, post-2028 public workshop materials, public notices, and additional REP resources, go to the [Post-2028 REP webpage](#).
- ❖ To receive pertinent notifications related to this process sign up for [Tech Forum](#).

RPSA Process

Presenter - Paulina Cornejo

REP Policy Lead

POST
2028
REP



RPSA Engagement Timeline



RPSA Engagement Timeline - Matrix

Event	RPSA Workshops					RPSA Drafts & Offers
	WS1	WS2	WS3	WS4	WS5	
RPSA WS1	9/11 - 9/12					
RPSA WS2		9/23 – 9/24				
RPSA WS3			10/9			
RPSA WS4				10/22		
RPSA Preliminary Draft Released						10/29
RPSA WS5					11/4	
Comments due on Preliminary Draft						11/11
RPSA Full Draft Released						11/17
Comments due on Full Draft						12/18
RPSA ROD and Offers						February 13, 2026
RPSA Executed						April 14, 2026

Structure of RPSA Workshops

Workshop Structure

- ❖ BPA will host a total of four two-day workshops between September through October. Most workshops are scheduled from 9am – 4pm. See BPA's Event Calendar for specific timeframes.
- ❖ BPA plans to fully utilize workshop days, however, two-day workshops may be reduced to a single-day depending at the pace at which materials are covered and on participant engagement.
- ❖ ASCM workshops will overlap starting October 10th, 2025. At which point, Day 1 will be reserved for RPSA topics and Day 2 will shift to ASCM.
- ❖ BPA will attempt to post on the Post-2028 REP external site workshop materials three business days in advance.
- ❖ BPA will post a word doc containing the initial RPSA provisions tied to the workshop topics alongside the workshop materials. Participants may download the document and submit their redlines, if any, to BPA.
- ❖ Following the publication of the preliminary RPSA draft, BPA will host a 5th workshop to walk-through the full document.

The first part of subsequent workshops will be reserved for:

- ❖ Participant questions and BPA responses on previous workshop content.
- ❖ Participant-led topics on previous workshop content and discussion.
- ❖ Spillover of topics from the previous workshop.

RPSA Workshop Topics Schedule

Workshop 1: Sept. 11th-12th

Workshop 2: Sept. 23rd – 24th

Workshop 3: Oct. 9th
(Oct. 10th is reserved for ASCM)

Workshop 4: Oct. 22nd
(Oct. 23rd is reserved for ASCM)

Workshop 5: Nov. 4th
(Run-through of Full Preliminary Draft)

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17. Information Exchange and Confidentiality	
18. Signatures	
Exhibit A	Residential Load Definition
Exhibit B	CF/CT and New Large Single Loads
Exhibit C	Average System Cost Methodology
Exhibit D	In-Lieu Scheduling and Settlements
Exhibit E	Compliance Program

Preliminary and Draft RPSAs

Full RPSA Preliminary Draft:

- ❖ A full initial, preliminary, draft of the full RPSA will be released on October 29th for informal comment and input.
- ❖ A redline version will also be provided for comparison to the initial verbiage presented at the workshops.
- ❖ BPA will hold a workshop on November 4th to run through the full draft.
- ❖ An informal comment period will open for two weeks. Comments to the preliminary draft due November 11th.

Draft RPSA:

- ❖ The Draft RPSA template will be released on November 17th for formal comment.
- ❖ A redline version will also be provided for comparison to the preliminary draft.
- ❖ Participant's formal comments will be due by COB December 18th.
- ❖ ***Target date for the RPSA ROD and Final RPSA template is February 13th, 2026.***

In addition to workshop engagement, BPA will provide three methods to provide input during the RPSA development (next slide).

RPSA Engagement Methods

	Informal 1: Participants may submit informal comments on workshop topics/discussions and redlines to provisions after each workshop.	Informal 2: Participants may submit initial comments on the full RPSA preliminary draft after its release on October 29th .	Formal Comment: BPA will open a public <u>formal</u> comment period on November 17th, 2025 , to respond to the Draft RPSA.
Comment Deadline	Feedback submittal and redlines are due within 1 week following each workshop.	Comments will be due by COB Tuesday, November 11th .	Formal comments will be due by COB Thursday, December 18th .
Comment Repository	via email to REP2028@bpa.gov	via email to REP2028@bpa.gov	Upload to a “Comments” page created for the Post-2028 REP RPSA process on bpa.gov. <i>Details to upload comments will be provided at Workshop 4.</i>
BPA Responses	BPA will consider all comments received and attempt to respond as applicable and as time permits at a subsequent workshop.	A redline copy will accompany the preliminary draft to crosswalk to the initial provisions.	BPA will provide its responses to formal comments in a published Record of Decision, accompanied by the final RPSA Template. Customers will have 60 days to sign.
Additional Notes	Participant comments will be made publicly available by being uploaded to the Post-2028 REP website.	Participant comments will be made publicly available by being uploaded to the Post-2028 REP website.	A Tech Forum notice will be sent out when the Draft RPSA is published. Comments will be posted on the “Comments” page on bpa.gov.

WS1 Topics and RPSA Sections

Workshop 1:
Thursday Sept. 11th and Friday, Sept. 12th

WS 1 Topics

RPSA Section(s)

- | | | |
|----|---|---|
| 1. | Purchase and Exchange Sale | <ul style="list-style-type: none"> Section 5: Purchase and Exchange Sale Section 3: Applicable PF Exchange Rate |
| 2. | Termination, Suspension, Duration, and Activation | <ul style="list-style-type: none"> Section 1: Term Section 4: Establishment of ASC to Activate Purchase and Exchange Sale Section 11: Termination and Suspension Agreement |
| 3. | Residential Load as a Billing Determinant | <ul style="list-style-type: none"> Section 6: Invoicing for Cost Benefits |

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- Exhibit A Residential Load Definition
 Exhibit B CF/CT and New Large Single Loads
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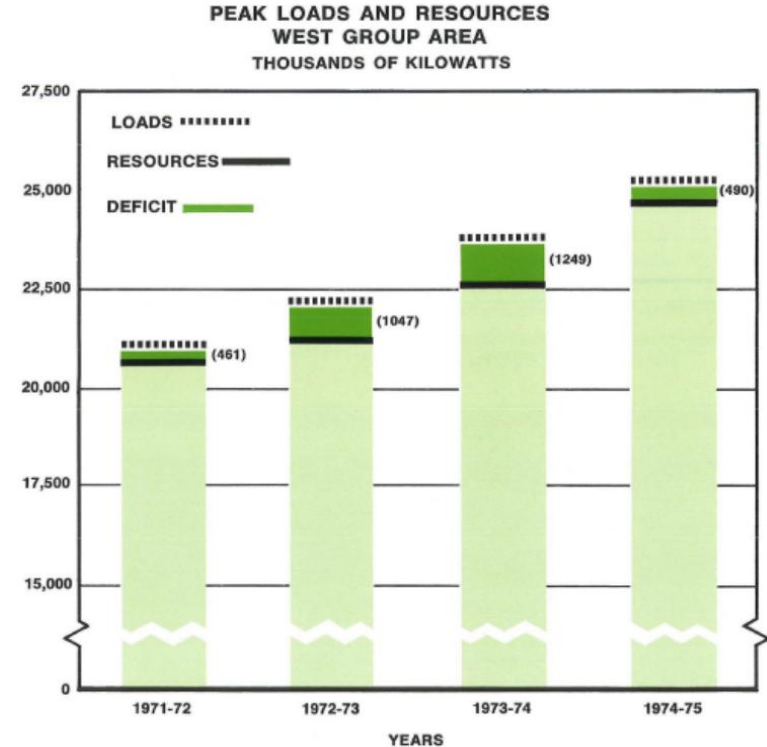
REP Background

Presenter – Richard Greene

Senior Attorney-Advisor

History: The View from Circa 1960s & 1970s

- ❖ “The forecast indicates that Northwest electric energy requirements will triple in the next 20 years and that within a few years . . .” (BPA’s Annual Report, December 31, 1970.)
- ❖ 7% load growth across the region.
- ❖ In 1973:
 - BPA stopped selling to IOUs.
 - BPA periodically reduced sales to Direct Service Industries (aluminum plants, steel plants, etc...) and would not renew contracts post expiration.
- ❖ In 1976 - BPA issued a “notice of insufficiency” to its preference customers.
 - Notified preference customers that BPA would be short on power by 1983.
 - BPA would have to allocate Federal power among public power.

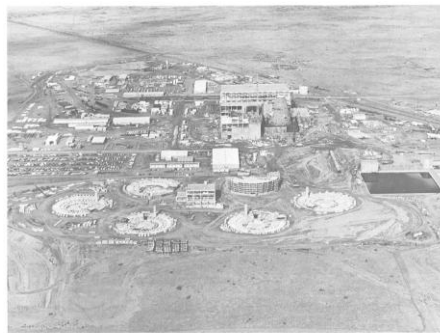


The Hydro-Thermal Power Program & Issues

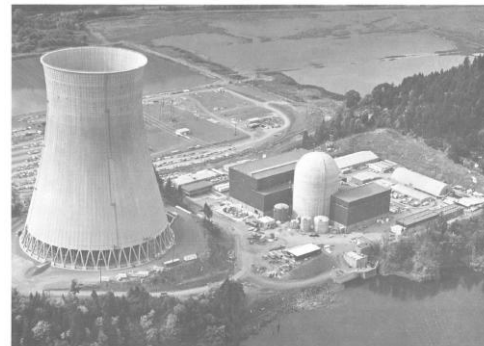
- ❖ In 1968, BPA and over 100 utilities outlined the Hydro-Thermal Power Program (HTPP) to supply the region through 1981.
- ❖ Federal, private and public utilities collaborated to build generation and transmission.
- ❖ HTPP proposed developing **20 nuclear plants and 2 coal** and projected to cost \$17.9 billion (~\$141 billion today).

Problems with the HTPP

- Reduced forecast for power
- Cost overruns
- Construction delays
- Community opposition
- Environmental opposition
- Court injunction. BPA's participation in Phase 2 paused until BPA completed an EIS



By the end of October 1975 overall construction of Washington Public Power Supply System's Nuclear Project No. 2 was about 20 percent complete. Plant's six circular cooling towers are being constructed in the foreground. (Photo courtesy of WPPSS)



The 1,320,000-kilowatt Trojan Nuclear Plant, which first put power into the Pacific Northwest grid in December 1975.

Rate Disparity: Publics and Private

- ❖ HTPP costs included in rates meant costs of serving customers of IOUs and Publics rapidly increased.
- ❖ IOUs' consumers were hit harder. Paying 3x what public consumers paid.
- ❖ BPA required by federal law to serve Publics' needs first (preference).
- ❖ Only sell to IOUs if surplus available.
- ❖ As rates between private and public utilities diverge, political pressure builds to provide consumers of IOUs with a share of low-cost federal power.

Preference and Regional Division

- ❖ Washington is primarily served by COUs.
- ❖ Oregon is served primarily by IOUs.
- ❖ Turning Point: In an effort to gain access to a share of cheaper BPA power, Oregon prepared legislation creating “Domestic and Rural Power Authorities” (DRPA).
 - DRPA would sell power to IOUs’ consumers at a melded rate (some DRPA and some IOU).
 - DRPA would have asserted rights as a BPA preference customer.
- ❖ Other states considered proposing the same type of legislation. This opened the door to a regional fight over BPA’s allocation of power.
- ❖ City of Portland lawsuit – Opposed BPA offering new contracts to publics.

The Northwest Power Act (NWPA) and REP

- ❖ To avert conflict, Congress passed the NWPA in 1980.
- ❖ One aspect of the NWPA was the REP, which was designed to help address the wholesale rate disparity between residential and farm customers in IOU vs. Publics territories.
- ❖ NWPA created an “exchange” between IOUs and BPA.
- ❖ Preference battle avoided.
 - IOUs’ consumers received some economic value from Federal power system through the exchange. Publics received no diminishment in the amount of power sold to them, and “rate protection” through section 7(b)(2) of the NWPA.
- ❖ The first 5 years of REP implementation was paid exclusively by DSIs. 7(b)(2) rate protection did not kick in until 1985.

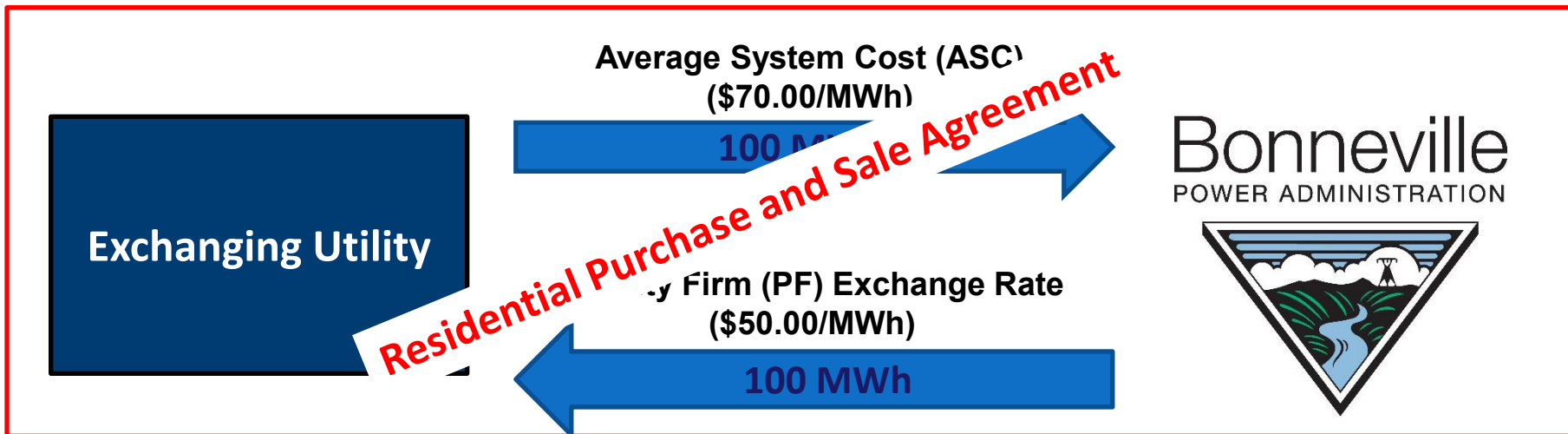


Purchase and Exchange Sale

Presenter – Richard Greene

Senior Attorney-Advisor

Calculating the REP Payment



- $(ASC - PF \text{ Exchange Rate}) \times \text{Residential and Farm Load} = \text{REP } \$\$\$$
- $(\$70 \text{ MWh} - \$50 \text{ MWh}) \times 100 \text{ MWh} = \2000 (“REP benefit”)
- Historically, no actual power exchanged. Implemented as a “paper transaction.”

REP Benefits Calculation

Section 5(c) of NWPA
(ASC Methodology)

Sections 3(18),
5(c)(1) of NWPA

$(\text{Average System Cost} - \text{PF Exchange Rate}) \times \text{Res\&Farm Load} = \text{REP } \$\$$

Section 7(b)(2) of NWPA
(Legal Interpretation)
(7(b)(2) Methodology)

WS1 Topics and RPSA Sections

Workshop 1:
Thursday Sept. 11th and Friday, Sept. 12th

WS 1 Topics

RPSA Section(s)

- | WS 1 Topics | RPSA Section(s) |
|-------------------------------|---|
| 1. Purchase and Exchange Sale | • Section 5: Purchase and Exchange Sale |

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Statutory Guidance – Purpose

- ❖ “These industries will also pay significantly higher rates under the new contracts. These higher rates permit the Administrator to enter into contracts with the region's investor-owned utilities for an exchange of power equal to the utilities' residential load. This exchange will permit residential customers of investor-owned utilities to share in the benefits of the lower-cost Federal resources. The power sold to BPA will be sold at the utilities' average system cost and purchased back at the rate paid by the preference customers' utilization their general requirements. The loss in revenue to the Administrator is in effect returned by the higher direct service industry rates. By providing these residential customers wholesale rate parity with residential customers of preference utilities, the amendment serves in a substantial way to cure a major part of the allocation problem.” House Report (Commerce) at 29.
- ❖ “This exchange will allow the residential and small farm consumers of the region's IOUs to share in the economic benefits of the lower-cost Federal resources marketed by BPA and will provide these consumers wholesale rate parity with residential consumers or preference utilities in the region.” House Report (Interior) at 35.
- ❖ “The exchange program is designed to provide rate relief for consumers served by IOUs.” *Alcoa v. Central Lincoln*, US Supreme Court, at 398 (1984).

The RPSA – Physical or Financial?

❖ Section 5(c)(1) of the NWPA:

- Whenever a Pacific Northwest electric utility offers to sell electric power to the Administrator at the average system cost of that utility's resources in each year, the Administrator shall acquire by purchase such power and shall offer, in exchange, to sell an equivalent amount of electric power to such utility for resale to that utility's residential users within the region.

Statutory Text – Physical?

- ❖ Terms used in Section 5(c)(1) could arguably refer to a physical transaction.
 - “sell electric power” can mean electric peaking capacity, or electric energy, or both. 16 U.S.C. 839a(9).
 - BPA shall “acquire by purchase...”
 - “Acquire” shall not be construed as authorizing the Administrator to have ownership of any electric generating facility. 16 U.S.C. 839a(1).
 - “such power....”
 - “for resale to that utility's residential users within the region.”

Statutory Text – Financial?

- ❖ Terms used in Section 5(c)(1) points to financial outcome.
 - Energy neutral: “the Administrator shall acquire by purchase such power and shall offer, in exchange, to sell an equivalent amount of electric power to such utility . . . ”
 - Inextricably linked – never one without the other (referred to as “purchase and exchange sale”.)
 - Only operative term of 5(c)(1) is the offsetting prices.

Statutory Context – Section 5(c)

❖ Section 5(c)(2) – ‘ramp in’ provision.

- Begins exchange at 50 percent of IOUs’ residential load and then ramps this to 100 percent by 1985.
- 50 percent of IOU residential load around 1800 aMW in 1980-81 growing to 4000 aMW by 1985. See Appendix B, Senate Report.
- No limits identified here for physical sales; e.g., transmission, generation capacity. Presumes can be done immediately.

Statutory Context – Section 5(c)

❖ Section 5(c)(3) – “Cost Benefit” provision.

- *The cost benefits, as specified in contracts with the Administrator, of any purchase and exchange sale referred to in paragraph (1) of this subsection which are attributable to any electric utility's residential load within a State shall be passed through directly to such utility's residential loads within such State, except that a State which lies partially within and partially without the region may require that such cost benefits be distributed among all of the utility's residential loads in that State.*
- Makes clear the thing solved for in Section 5(c)(1) is a “cost benefit...”
- What the “cost benefit” is and how it is determined is “specified in contracts with the Administrator . . .”

Statutory Context – Sections 5(g)(1) and 9(b)

❖ Section 5(g)(1) – Do it quick...

- BPA required to offer 5(c) contract within 9 months of Dec. 5, 1980. Contract would become “effective” upon execution, and exchange start as soon as 10 months after NWPA passed. Section 5(g)(1)(C); 5(g)(4).
- (IOUs signed in November 1981).

❖ Section 9(b) – business-like manner...

- “The Secretary of Energy, the Council, and the Administrator shall take such steps as are necessary to assure the timely implementation of this chapter in a sound and business-like manner.”

Bringing it all together

- ❖ While the statute references “electric power,” “acquire,” and “resale,” the statute requires a purchase and exchange sale that is inextricably linked, is energy neutral, and the only operative term is price.
- ❖ Purpose is to provide rate relief (“cost benefit”) to regional loads with the cost difference paid by the DSIs (initially), and then other rates later (subject to 7(b)(2)).
- ❖ It needs to be implemented quickly (within 10 months of passage of the Act), and in a sound/business like manner.

Physical Sale Implementation

❖ If implemented as a Physical transaction:

- IOUs would deliver physical energy to BPA;
 - Need generating capacity to generate power to BPA;
 - Need transmission capacity to transmit power to BPA.
- BPA would acquire this power and deliver an equal amount of power back to the IOUs
 - Need generating capacity to decrement federal system to accept power from IOUs.
 - Need incremental capacity to “inc” federal system to generate power for IOUs.
 - Need transmission capacity to deliver power back to IOUs.
- Initial amount of power would have been around 1800 MW; increasing to 4000 MW by 1985. Today, IOU Residential Load around 5000 aMW.
- Any “cost benefit” IOUs receive from physical sale must be passed through directly to Residential Load.

Physical Sale Implications

- ❖ **REP implementation limited or delayed until physical exchange can occur**
 - REP would be limited to the amount of energy IOUs could physically deliver to BPA.
 - REP would be limited by the amount of physical energy BPA could absorb, subject to environmental limitation.
 - Full exchange of regional residential load would be delayed until IOUs and BPA had sufficient capability to deliver/accept each others' power.
- ❖ **Potentially disrupts operations**
 - Curtailments/generation interruption could disrupt energy neutrality of the exchange, undermining reliability.
- ❖ **Other provisions of NWPA become difficult to implement or inoperable**
 - How does BPA calculate the “cost benefit” or “net cost” of REP in 5(c)(3); 7(c)(1); 7(b)(2)?
 - Would have to account for over/under deliveries of exchange energy, storage, load shaping, reserves to support deliveries, account for delayed returns of energy (different valuation?).
 - Unclear how physical implementation of 5(c) could work with utilities purchase physical power from BPA under 5(b).
 - BPA sells power to utility under 5(b); utility sells that power back to BPA under 5(c); BPA then sells power back to utility under 5(c).
 - Unclear how “dedicated” use of resource under 5(b)(1)(A)-(B) would be possible with utilities participating in the exchange.

Financial / Bookout Implementation

❖ If implemented as a Financial/Bookkeeping transaction:

- No physical power moves.
- The equal and offsetting energy sales net to zero.
- BPA's price of power (PFx rate) and the IOUs' price of power (ASC) are netted and multiplied by the Residential Load of the utility.
- BPA pays the difference through a monthly invoice.

❖ Financial / Bookkeeping transaction Implications

- Exchangeability of Residential Load not limited by transmission/generation capacity of either IOU or BPA. Full exchange can occur for entirety of IOUs' Residential Loads.
- Immediate implementation can occur; benefits flow to regional consumers without uncertainty of physical flow.
- REP "cost benefit" can be distilled to a financial credit that can be passed through to Residential Load in 5(c)(3) and can operate seamlessly in 7(c)(1) and 7(b)(2).
- No implementation issues with Section 5(b).

How was it described in Leg. History?

- ❖ Sen. Hatfield – describes BPA “selling” federal system power to “meet” IOU residential loads: “Administrator must buy equivalent amounts of power from utilities at their ASC and combine it with the federal hydropower.” 125 C.R. 22,568, Aug. 3, 1979.
- ❖ Sen. Jackson – describes the Northwest Power Act as “expand[ing] the resource pool through BPA purchase authority and to legislatively allocate its costs among customer groups.” 126 C.R. 30,180, Nov. 19, 1980.
- ❖ Sen. Jackson – “The rate provisions of this bill make it possible to immediately extend the economic benefits of the low-cost Federal power to consumers served by investor-owned utilities; this is accomplished by raising rates to the aluminum companies.” 126 C.R. 30,180, Nov. 19, 1980.
- ❖ Rep. Swift – describes near-final bill as 5(c) resulting in “no net BPA power sales to [IOUs] under S.885; the power these utilities receive is the power they supply to BPA themselves.” 126 C.R. Extension of Remarks E4668-69, Sept. 30, 1980.

How did BPA describe it?

- ❖ Sterling Munro (BPA Administrator) explained to Rep. Dingell in a hearing that the exchange with the IOUs would not be delayed to wait for the Council to pass a plan because it was “obviously. . .[a] bookkeeping exchange” with the benefits of that exchange “occur[ing] at a date certain in the bill. . .” House Hearing, Sept. 19, 1978, at 159.
- ❖ Munro also described the different ways the term “purchase” is used in the Act. House Hearing, July 30, 1979, at 81.
 - One way is in reference to “actual acquisition of power”. Munro explains this “mak[e] it possible for BPA to meet preference customer requirements and to carry out the IOU exchange which benefits the residential and small farm customers of IOUs. (An ‘exchange’ necessarily involves a purchase, as well as a sale.)”
 - Other way is a “special meaning of purchase – to make allocation possible.”

After the NWPA Passed...

Dec. 10, 1980 (5 days after Act passed...)

...the Act, which is generally the same as...

1 I'm sure that this is one of the main features that
2 has been there for your own consumers and own considerations
3 throughout. It is something that is initiated by you. If
4 you wish to offer -- to make that power available to us at
5 your average system cost, then we have an obligation to sell
6 it back to you. It is a requirement. That sale, or that
7 exchange, if you like, is not subject to the 5-year pull back,
8 on the grounds that it is not being met with resources that
9 would otherwise go to meet the needs of preference customers.
10 It is being met, in essence, by the same amount of power that
11 you are providing to us.

15 Technically, I suppose money alone exchanges hands in
16 that issue, because really what it is -- but, we are going
17 to have to identify with you specific concerns, as it may
18 relate to the determination of cost and rates on both sides
19 of that equation -- both yours and ours, and whether or not
20 anything else in an operational sense gets impacted, or whether
21 it's a direct counter schedule, if you will, at any point
22 in time on the interchange that takes place.

1981 Contract Hearing, Transcript, at 77, Earl
Gelde (Asst. Administrator) (Dec. 10, 1980)

BPA's past practice of implementing 5(c)

❖ 1981 RPSA (Circa Aug, 1981); signed Nov. 1981.

- Sale by Utility
 - Utility sold electric power not in excess of its Residential load. Power must be “associated with its retail load service areas.” (Sec. 2).
- Sale by BPA
 - BPA sold electric power “not in excess” of the Utility’s residential load.
 - “For billing purposes” a Load Factor was used. (Sec. 3).
- Delivery
 - Utility submitted an “accounting invoice” every 30 days documenting the Residential Load billed during the period. “This accounting invoice shall be deemed to be the receipt for the purchase and sale of power under this agreement.” (Sec. 5).
- Cost Netting
 - After receiving the invoice from Utility, BPA would verify the invoice and “compute the amount due the Utility from the sale under section 2 and the amount due Bonneville from the sale under section 3, and either pay or bill the Utility for the difference, as appropriate.” (Sec. 7).

BPA's past practice of implementing 5(c)

❖ 1995 RPSA (offered, but not signed)

- Sale by Utility to BPA (similar to 1981). Sec. 2.
- Sale by BPA to Utility (similar to 1981). Sec. 3.
- Delivery (similar to 1981). Sec. 7.

❖ 2000 RPSA (offered, but not signed).

- Offer by Customer and Purchase by BPA. Sec. 5
 - Offer by utility and purchase by BPA of “electric power” equal to Residential Load.
 - Monthly amount of Residential Load “for purposes of determining monetary benefits...”
- Offer by BPA and Purchase by Customer. Sec. 6.
 - Same as above. Monthly Residential Load “for purposes of determining monetary benefits. . .”
 - For “billing purposes”, contract referenced a load factor.
- No Delivery (Exhibit E included Scheduling provision for *in lieu*).

BPA's past practice of implementing 5(c)

❖ 2008 RPSA (Offered, challenged)

- Simultaneousness of sale included...
 - “Beginning with the first month of the initial Exchange Period established under section 4 above, [Customer Name] shall offer and BPA shall purchase each month an amount of electric power up to or equal to the Residential Load Eligible for Monetary Benefits.” (Sec. 5)
 - “Simultaneous with the offer by “Customer Name» and purchase by BPA pursuant to section 5 above, BPA shall offer and “Customer Name» shall purchase each month an amount of electric power equal to the Residential Load Eligible for Monetary Benefits that “Customer Name» offers and BPA purchases each month pursuant to section 5.” (Sec. 6)
- Invoicing and Billing... and payment...
 - Customer submitted monthly invoice. Customer had to include the “kilowatt-hours of energy which «Customer Name» billed to the Residential Load Eligible for Monetary Benefits during the previous month.”
- No delivery provisions...

BPA's proposal for RPSA 2028

❖ BPA's proposal:

- To meet the purpose and intent of the section 5(c), and to implement the REP in a “business-like fashion,” BPA proposes to continue to implement the purchase and exchange sale provisions of section 5(c) as a “bookkeeping” transaction.
- No physical delivery of power by or to the IOU. BPA will pay REP benefits based on the formula of $ASC - PFx \text{ rate} * \text{Residential Load}$.
- BPA will make the “bookkeeping” and energy-neutrality aspects of the section 5(c) exchange more explicit in the 2028 RPSA so it is clear that this is the method for implementing the exchange.

REP and Environmental Attributes

❖ Environmental Attributes (EAs) and Renewable Energy Credits (RECs)

- Under BPA's proposal, EAs and RECs are not exchanged through the REP.
 - REP exchange sales are implemented as “bookkeeping” transactions. No physical MWs are exchanged.
 - The source of BPA's exchange sale to the utility is the utility's own resources.
- BPA's policy is to share its EA information and to provide the EAs associated with physically delivered power to customers.

❖ Value of EAs

- The statutory “cost benefit” provided under the REP is derived from a price differential.
- Revenue that BPA forecasts receiving—including revenue associated with EAs or RECs—would be reflected in its PF and PFx rates and thus be a component of the REP “cost benefit.”
- A utility's costs in acquiring resources to comply with State law would be reflected in its Average System Cost (ASC) and thus be a component of the REP “cost benefit.”

Display provisions in section 5 of RPSA.

Q&A



Applicable PF Exchange Rate

Presenter – Richard Greene

Senior Attorney-Adviser

WS1 Topics and RPSA Sections

Workshop 1:
Thursday Sept. 11th and Friday, Sept. 12th

WS 1 Topics

RPSA Section(s)

- | | |
|-------------------------------|--|
| 1. Purchase and Exchange Sale | • Section 3: Applicable PF Exchange Rate |
|-------------------------------|--|

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- Exhibit A Residential Load Definition
 Exhibit B CF/CT and New Large Single Loads
 Exhibit C Average System Cost Methodology
 Exhibit D In-Lieu Scheduling and Settlements
 Exhibit E Compliance Program

REP Benefits Calculation

Section 5(c) of NWPA
(ASC Methodology)

Sections 3(18),
5(c)(1) of NWPA

$(\text{Average System Cost} - \text{PF Exchange Rate}) \times \text{Res\&Farm Load} = \text{REP } \$\$$

Section 7(b)(2) of NWPA
(Legal Interpretation)
(7(b)(2) Methodology)

Reference to the PFx Rate

- ❖ PFx rate is NOT set in the RPSA; established in each 7(i).
- ❖ Prior to 2012 REP Settlement, RPSA only included generic reference to the PFx rate as the rate for BPA's sale under the REP.
- ❖ PFx rate was set at a single level in rate case – applied to all IOUs.
- ❖ In WP-07 Supplemental rate case, BPA proposed to develop “individual” utility-specific PFx rates, that allocated rate protection among IOUs to spread REP benefits among IOUs more broadly.
- ❖ In the 2012 REP Settlement/REPSIA, BPA codified practice of developing multiple, individual PFx rates for IOUs participating in the REP:

Section 3 of REPSIA:

“BPA will develop the Utility-Specific Exchange Rates applicable to «Customer Name» such that for each Fiscal Year the payments to be made by BPA under this Agreement (i.e., the product of «Customer Name» 's Residential Load for such Fiscal Year multiplied by the amount, if any, by which «Customer Name» 's ASC for such Fiscal Year exceeds the Utility-Specific Exchange Rate applicable to «Customer Name» for such Fiscal Year) are equal to the IOU-Specific REP Settlement Benefit Amount for «Customer Name» calculated for such Fiscal Year pursuant to section 6 of the Settlement Agreement. Purchases under this Agreement by Customer Name» are pursuant to the Utility-Specific Exchange Rates applicable to Customer Name».”

What is BPA's proposal for RPSA 2028?

❖ BPA's proposal:

- BPA proposes to generically refer back to the PFx rate as set in the section 7(i).
- BPA is not taking a position on single vs. multiple PFx rates in the 2028 RPSA.
- Likely to be decided in 7(b)(2) Implementation Methodology and Legal Interpretation.

Display provisions in section 3 of RPSA.

Duration, Activation, Termination and Suspension

Presenter – Neal Gschwend

Attorney-Adviser

WS1 Topics and RPSA Sections

Workshop 1:
Thursday Sept. 11th and Friday, Sept. 12th

WS 1 Topics

RPSA Section(s)

- | WS 1 Topics | RPSA Section(s) |
|--|---|
| 2. Duration, Activation, Termination, and Suspension | <ul style="list-style-type: none"> Section 1: Term Section 4: Establishment of ASC to Activate Purchase and Exchange Sale Section 11: Termination and Suspension Agreement |

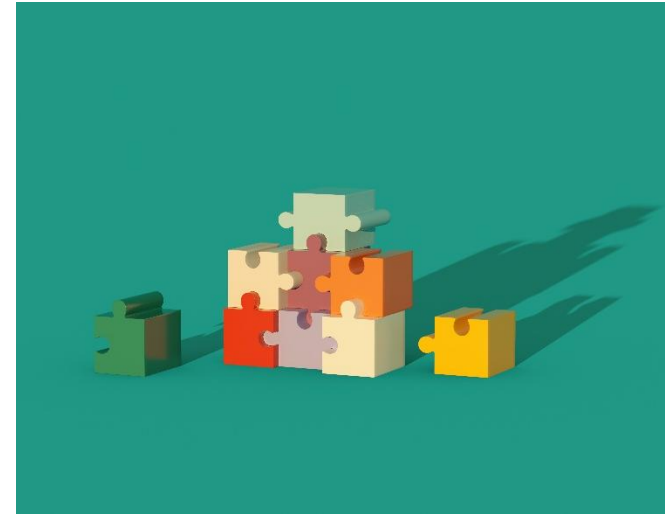
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- Exhibit A Residential Load Definition
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 Exhibit E Compliance Program

Key Constraints and Considerations

- ❖ Limited statutory right to terminate. NWPA § 5(c)(4).
- ❖ Statutory right to request purchase and exchange sale. NWPA § 5(c)(1).
- ❖ Practical considerations for jumping in and out (reasonable terms and conditions).



Section 5(c)(4) of the NW Power Act

❖ Section 5(c)(4) of the 1980 NW Power Act states:

An electric utility may terminate, upon reasonable terms and conditions agreed to by the Administrator and such utility prior to such termination, its purchase and sale under this subsection if the supplemental rate charge provided for in section 7(b)(3) is applied and the cost of electric power sold to such utility under this subsection exceeds, after application of such rate charge, the average system cost of power sold by such utility to the Administrator under this subsection.

Section 5(c)(1) of the NW Power Act

❖ Section 5(c)(1) of the 1980 NW Power Act states:

Whenever a Pacific Northwest electric utility offers to sell electric power to the Administrator at the average system cost of that utility's resources in each year, the Administrator shall acquire by purchase such power and shall offer, in exchange, to sell an equivalent amount of electric power to such utility for resale to that utility's residential users within the region.

Practical Considerations

- ❖ What makes practical sense to make sure the parties have the information they need before participating, and to avoid complications?



Provisions under Current Settlement

❖ 2012 REP Settlement/REPSIA:

- **Duration**

- Section 1 “...shall continue through and terminate on September 30, 2028.”

- **Termination**

- N/A

- **Suspension**

- For any reason.
 - 30 days advance written notice prior to the start of the Exchange Period.

- **Activation**

- Reactivation conditional on timely submitting information.

Historical Implementation

❖ 2008 RPSA

- **Termination**
 - Limited to statutory right.
 - Only effective until utility offered to sell pursuant to new RPSA
- **Suspension**
 - For any reason.
 - Effective for the rest of the contract period.
- **Balancing Account**
- **Duration:** through 2028.
- **Activation:** submitting information.

Historical Implementation

❖ 1981 RPSA

- **Termination**
 - Limited to statutory cause.
- **Suspension**
 - For at least one year.
 - Limited to statutory cause.
- **Election to equalize with separate account**
 - May resume participation by repaying BPA.
 - Upon termination, balance not payable but will be carried into any future agreement.
- **Duration:** through 2021.
- **Activation:** obligations to revise exhibits.

BPA's Proposal for Post-2028 RPSA

❖ 2028 RPSA

- **Term/Duration: Section 1**
 - September 30, 2044
- **Activation: Section 4**
 - Submitting information
- **Termination: Section 11.1**
 - Statutory right and “for any reason”
- **Suspension: Section 11.2**
 - Automatic
 - No Deemer Account

Display provisions in RPSA sections: 1, 4, 11.1 and 11.2.

Q&A

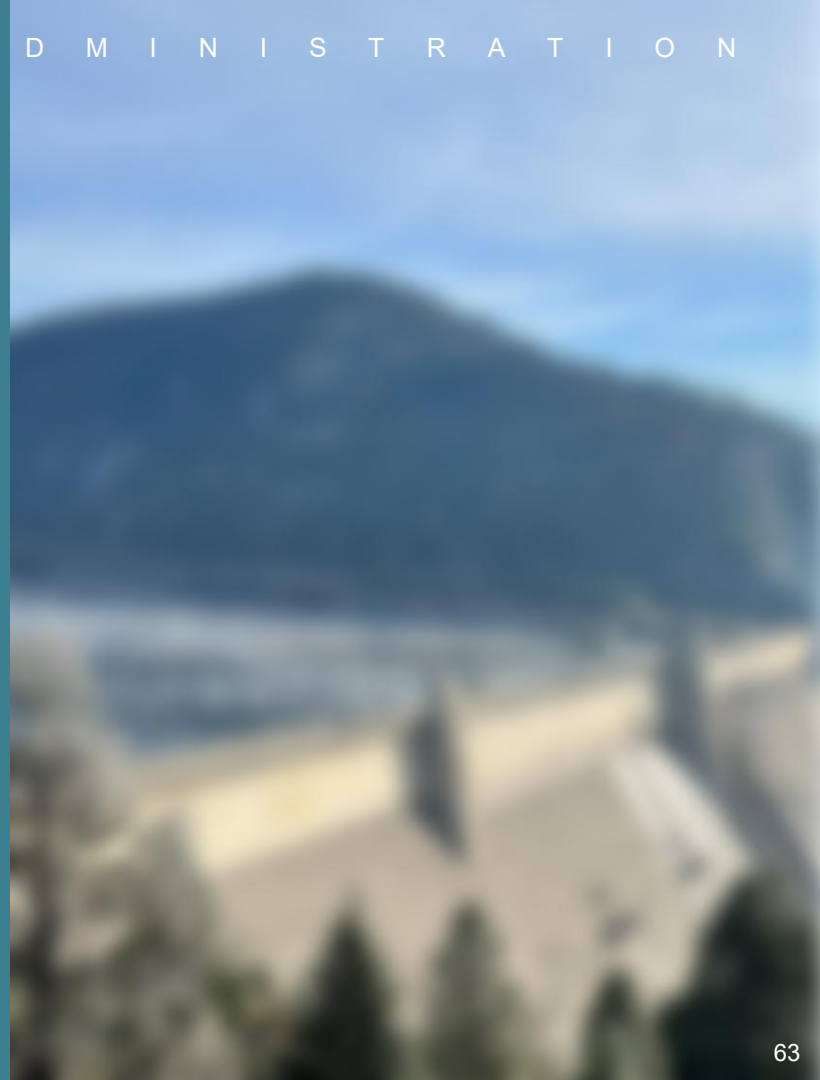


Residential (Exchange) Load for Billing Determinant

**Presenters – Paulina Cornejo
and Michael Edwards**

REP Leads

POST
2028
REP



WS1 Topics and RPSA Sections

Workshop 1:
Thursday Sept. 11th and Friday, Sept. 12th

WS 1 Topics

RPSA Section(s)

- | | |
|--|--|
| 3. Residential Load as a Billing Determinant | • Section 6: Invoicing for Cost Benefits |
|--|--|

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- | | |
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| Exhibit A | Residential Load Definition |
| Exhibit B | CF/CT and New Large Single Loads |
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REP Benefits Calculation

Section 5(c) of NWPA
(ASC Methodology)

Sections 3(18),
5(c)(1) of NWPA

$(\text{Average System Cost} - \text{PF Exchange Rate}) \times \text{Res\&Farm Load} = \text{REP } \$\$$

Section 7(b)(2) of NWPA
(Legal Interpretation)
(7(b)(2) Methodology)

Defining Residential (Exchange) Load

Section 5(c)(2) states

- The purchase and exchange sale referred to in paragraph (1) of this subsection with any electric utility shall be limited to an amount not in excess of 50 per centum of such utility's Regional **residential load** in the year beginning July 1, 1980, such 50 per centum limit increasing in equal annual increments to 100 per centum of such load in the year beginning July 1, 1985, and each year thereafter.

Section 3(18) defines “Residential Load” as

- Residential use or residential load means all usual residential, apartment seasonal dwelling and farm electrical loads or uses, but only the first four hundred horsepower during any monthly billing period of farm irrigation and pumping for any farm.

Simply put, the Residential Load, including farm and irrigation load (up to the first 400 HP), also known as Exchange Load, is a utility's load **eligible to receive the cost benefits of the Purchase and Exchange Sale.**

Detailed descriptions of eligible loads are found in the Customer Load Eligibility Guidelines (CLEG), available on the REP's external site.

Residential Load Background

Prior to 2012 REP Settlement:

- ❖ BPA used a forecast of IOUs' exchange load in rate case and then paid REP benefits on actual monthly exchange loads from IOUs.
 - This approach created a delta between forecast REP benefits and "actual" REP benefits used in setting rates. Difference was addressed with BPA reserves.
 - PF Exchange Rate was subject to risk adjustment (e.g. CRAC, RDC, FRP Surcharge, etc..).

Under the 2012 REP Settlement:

- ❖ Exchange Loads are fixed in the rate case for the duration of the applicable Rate Period. Loads are based on the monthly 2-year average of historical loads.
 - REP benefits for settlement were "fixed" by settlement. Using average of previous two years ensured there was NO variation between the exchange loads used in rate case.
 - Rate case REP benefits MATCH monthly REP benefits because the loads are based on historic average (not actuals).
 - REP benefits paid out by IOUs, to their end-use consumers, is over actual loads.
 - PF Exchange Rate was NOT subject to risk mechanisms.

Billing Determinant Currently

The 2012 REP Settlement Agreement based the residential load billing determinant on the average of two historical years, which states:

- “Residential Load” means, with respect to any IOU for any month of a Rate Period, an amount equal to the average of such IOU’s “Qualifying Residential and Small Farm Load” (as that term is defined in the REP Settlement Implementation Agreements) for
 - (i) the same month in the “Base Period” (as that term is defined in BPA’s ASC Methodology) applicable to such Rate Period, and
 - (ii) the same month in the 12 months following such Base Period.

REP-12 Exchange Load Example

- ❖ For Bonneville's **BP-29 (FY 2029-2030) Rate Period** a REP-Utility's Residential Load are the monthly averages of the utility's **Base Period (CY 2026)** and **Base Period +1 (CY 2027)** data.
- ❖ The averaged loads are then **transposed** to BPA's fiscal year for each year in the Rate Period.

CY 2026

CY 2027

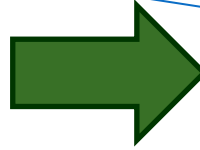
CY 2028

CY 2029

CY 2030

Base Period
January – DecemberBase Period + 1
January - DecemberFY 2029
Oct. 2028 – Sept. 2029FY 2030
Oct. 2029 – Sept. 2030

	Residential Loads		Two-year averaged Residential Loads
	CY 2026	CY 2027	
JAN	72	75	73.5
FEB	85	89	87
MAR	89	110	99.5
APR	100	125	112.5
MAY	105	104	104.5
JUN	110	109	109.5
JUL	125	120	122.5
AUG	135	140	137.5
SEP	126	125	125.5
OCT	120	127	123.5
NOV	95	100	97.5
DEC	85	90	87.5



BP-29 Rate Period			
FY 2029	Residential Load	FY 2030	Residential Load
Oct-28	123.5	Oct-29	123.5
Nov-28	97.5	Nov-29	97.5
Dec-28	87.5	Dec-29	87.5
Jan-29	73.5	Jan-30	73.5
Feb-29	87	Feb-30	87
Mar-29	99.5	Mar-30	99.5
Apr-29	112.5	Apr-30	112.5
May-29	104.5	May-30	104.5
Jun-29	109.5	Jun-30	109.5
Jul-29	122.5	Jul-30	122.5
Aug-29	137.5	Aug-30	137.5
Sep-29	125.5	Sep-30	125.5

Options and RPSA Section 6

Option 1:

- Rollover current determination of Exchange Loads, which would preset benefits for the applicable Rate Period during the Rate Case.
- IOUs initiate monthly invoicing process via the customer portal (RPSA site) but are paid based on historical averages.

Option 2:

- IOUs submit a load forecast for the Rate Period months.
- BPA utilizes load forecast to estimate REP benefits during the Rate Case.
- IOUs are paid on monthly actual loads.

Display provisions in section 6 of RPSA.

Comparison of Option 1 and 2

Option 1: Historical Averages

- ❖ Cost benefits would be set in Rate Case which fixes REP inputs (ASCs, PFx and Residential Load) and eliminates Rate Case variance.
- ❖ Creates certainty and predictability of REP payments during the Rate Period.
- ❖ Administratively facilitates rolling over the current invoicing infrastructure.
- ❖ As bundled package, IOUs' ASCs and PF Exchange Rates would be isolated from BPA's risk adjustment mechanisms (e.g CRAC/FRP Surcharge, and RDC).
- ❖ With that said, IOUs would forego mid-rate period adjustments for new major resource additions and reductions, new NLSLs, changes in service territory.

Option 2: Forecast to Actuals

- ❖ REP payments (ASC-PFx) based on actual residential load creates a delta between cost benefits paid to IOUs and Rate Case estimates.
- ❖ Subject to risk adjustment mechanisms (e.g. CRAC/FRP Surcharge and RDC).
- ❖ Bundled with other mid-rate adjustments to ASC and PF Exchange Rates.
- ❖ Would require additional administrative actions, such as: validation, on a monthly basis, of IOUs' residential loads, enhanced load validation during compliance reviews.

Q&A



Close-out

Presenter – Scott Winner

Power Planning and Forecasting Supervisor

Comments and Workshop 2 Details

- ❖ Workshop 1 comments **due COB Wednesday, September 17th, 2025.**
- ❖ Next workshop agenda:

Workshop 2:
Tuesday Sept. 23rd and Wednesday, Sept. 24th

WS 2 Topics	RPSA Section(s)
1. In-Lieu	<ul style="list-style-type: none"> Section 9: In-Lieu Transactions Exhibit D: In-Lieu Scheduling and Settlements
2. Benefit Pass-Through and Compliance	<ul style="list-style-type: none"> Section 7: Accounting and Review Section 10: Pass-Through of Benefits Exhibit E: Compliance Program
3. Remainder of RPSA Provisions and Exhibits	<ul style="list-style-type: none"> Section 8: Adjustment to Cost Benefits Sections 2, 12-18 Exhibits A, B and C

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Communication and Resources

- ❖ Submit written comments and questions to rep2028@bpa.gov.
- ❖ Details to attend all Post-2028 REP Phase 2 workshop can be found on [BPA's event calendar](#).
- ❖ For REP background, post-2028 public workshop materials, public notices, and additional REP resources, go to the [Post-2028 REP webpage](#).
- ❖ To receive pertinent notifications related to this process sign up for [Tech Forum](#).

Thank you!
Post 2028 REP Team

