



# Post-2028 Residential Exchange Program ASCM Incremental Draft Workshop Friday, February 13, 2026

9:00 am – 12:00 pm

[WebEx Only](#)

POST  
2028  
REP



# February 13<sup>th</sup> Workshop Agenda

Workshop Topics	Presenter(s)
Introductions, Agenda, and Schedule	Scott Winner
Incremental ASCM Draft Changes	Paulina Cornejo and Richard Greene
Incremental ASCM Redline Walkthrough	Richard Greene
Other Comments and Responses	Paulina Cornejo and Richard Greene
Next Steps and Closeout	Scott Winner



# Post-2028 REP Team

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

# Phase 2 Schedule

Date	RPSA	ASCM
Jan 21, Wed	<del>Comments due</del> , Full draft	<del>Comments due</del> , Preliminary draft
Jan 27, Tues		<del>Workshop</del> , Preliminary comments
Feb 3, Tue		<del>Post</del> , Incremental draft
Feb 10, Tues		<del>Comments due</del> , Incremental
Feb 13, Fri		<del>Workshop</del> , Incremental comments
Feb 20, Fri		<del>Post</del> , Full draft
Mar 6, Fri (est.)	ROD publication	
Apr 2, Thurs		Formal comments due, Full
May 22, Fri (est.)		ROD publication

# ASCM Schedule Details

Informal Comment Workshop: Jan. 27 <sup>th</sup>	Incremental Comment Workshop 2: Feb. 13 <sup>th</sup>	Full Draft ASCM Release: Feb. 20 <sup>th</sup>	ROD release: May 22 <sup>nd</sup>
<ul style="list-style-type: none"><li>• BPA Staff Proposals</li><li>• Prior discussion of topics</li><li>• Informal comments on topics</li></ul>	<ul style="list-style-type: none"><li>• Discussion of informal comments on incremental draft</li></ul>	<ul style="list-style-type: none"><li>• BPA releases full ASCM Draft for formal comment</li><li>• Regional parties submit comments through BPA Public Comments site: <a href="#">Make a Public Comment</a></li><li>• Comments due Apr. 2<sup>nd</sup></li></ul>	<ul style="list-style-type: none"><li>• Final ROD released</li></ul>

# ASCM Incremental Draft Changes

**Presenter – Paulina Cornejo and  
Richard Greene**

REP Policy Lead and Senior Attorney-Advisor

# Distribution Losses Calculation – Preliminary

## Preliminary ASCM Proposal – Part I, Section 301.4(n)

Streamline options to calculate distribution loss factor for Base Period ASC determination by eliminating Method 1 – Distribution Loss Study, and Method 2 – Revenue Grade Meters. Keep Method 3 – Default method calculates a 5-year average of total system losses subtracting BPA's 12-month weighted average transmission system loss factor.

Parties	Key Message	BPA's Response
IOUs	Keep Method 1 as some utilities utilize distribution loss studies.	Reinstate Method 1 but eliminate Method 2 as no IOU implements it.

# Distribution Losses Calculation – Incremental

## Incremental ASCM Proposal – Part I, Section 301.4(n)

Streamline options to calculate distribution loss factor for Base Period ASC determination by eliminating Method 2 – Revenue Grade Meters. Keep Method 1 – Distribution Loss Study and Method 3 – Default method which calculates a 5-year average of total system losses subtracting BPA's 12-month weighted average transmission system loss factor.

Parties	Key Message	BPA's Leaning
IOUs	Support retention of Method 1.	Retain incremental proposal: reinstate Method 1 and eliminate Method 2.
WUTC		
COUs	Oppose more than one method of calculating distribution losses because of the increased risk of ASC inflation.	
AWEC	Opposes an approach that provides the opportunity for cherry picking; no final position.	



# Energy Storage Plant Costs – Preliminary

## Preliminary ASCM Proposal – Part I, Section 301.4(v)

Functionalize costs using a PTD ratio which will allocate costs across all business functions regardless of energy storage plant usage.

Parties	Key Message	BPA's Response
COUs	May not capture appropriate usage and overstate costs in ASC.	<p>Allow the option to functionalize costs by DIRECT analysis, or default account to a PTD ratio. Utilities must provide supporting documentation for DIRECT analysis.</p> <p>Add relevant expense accounts to Schedule 3 and mirror same functionalization.</p>
IOUs	May not capture appropriate usage and understate costs in ASC.	
WUTC	IOUs should be allowed functionalization discretion.	
NWPCC	All batteries should be functionalized to PROD.	

# Energy Storage Plant Costs – Incremental

## Incremental ASCM Proposal – Part I, Section 301.4(v)

Allow option to functional costs by DIRECT analysis, or default account to a PTD ratio. Utilities must provide supporting documentation for DIRECT analysis. Add relevant expense accounts to Schedule 3 and mirror same functionalization.

Parties	Key Message	BPA's Leaning
COUs	Concerned that BPA proposal creates structural asymmetry that can bias ASCs upward. Propose using PTDG ratio.	Retain incremental proposal: allow DIRECT analysis, or default account to a PTD ratio.
IOUs	Support.	
WUTC	Support; with language clarification suggestion.	
NWPCC	All batteries should be functionalized to PROD.	
AWEC	Prefer PTD ratio. Require evidence for DIRECT.	

# Account 925 – Preliminary

## Preliminary ASCM Proposal – Part I, Section 301.4(w)

Functionalize costs to DIST/OTHER, and only permit into ASC by way of the LABOR ratio the costs approved by the utility's state commission for recovery in its retail rates.

Parties	Key Message	BPA's Response
COUs	Exclude all wildfire-related costs.	Initial functionalization of Account 925 will be LABOR. Require commission order if costs functionalized to PROD exceed 1% of the utility's total system costs. Alternatively, utilities can opt out of providing supporting documentation and cap account to 1%.
IOUs	New treatment is a jurisdictional approach and a step backwards.	
WUTC	Commission reports may not be detailed enough.	
NWPCC	Supportive of BPA's proposal.	

# Account 925 – Incremental

## Incremental ASCM Proposal – Part I, Section 301.4(w)

Initial functionalization of Account 925 will be LABOR. Require commission order if costs functionalized to PROD exceed 1% of the utility's total system costs. Alternatively, utilities can opt out of providing supporting documentation and cap account to 1%.

Parties	Key Message	BPA's Leaning
COUs	Oppose 1% threshold; return to 2008 approach.	Retain incremental proposal.
IOUs	Oppose.	
WUTC	Support.	
AWEC	Oppose. Only allow costs approved by state commissions; exclude all wildfire liability costs.	

# Account 925 – 1% Threshold Context

IOU	Production Cost	925 Total	925 Production	925 Trans	925 Dist	% of Production	Base Year
Avista	499,572,217	10,784,299	3,947,815	1,719,840	5,116,643	0.79%	2023
Idaho	1,068,613,579	4,152,400	1,563,536	719,708	1,869,156	0.15%	2023
Northwestern	517,953,420	11,705,425	2,774,048	2,288,995	6,642,382	0.54%	2023
PAC	2,523,097,942	727,189,314	303,131,339	82,063,715	341,994,259	12.01%	2023
PGE	1,569,848,966	6,021,871	1,953,878	515,623	3,552,371	0.12%	2023
PSE	1,538,532,114	8,919,311	3,031,051	1,154,107	4,734,153	0.20%	2023
IOU	Production Cost	925 Total	925 Production	925 Trans	925 Dist	% of Production	Base Year
Avista	493,331,381	7,352,763	2,758,155	1,143,145	3,451,463	0.56%	2021
Idaho	872,907,836	6,484,661	2,547,281	1,154,408	2,782,972	0.29%	2021
Northwestern	438,191,678	7,950,235	1,888,403	1,470,154	4,591,678	0.43%	2021
PAC	1,514,047,701	11,767,564	5,139,336	1,314,473	5,313,755	0.34%	2021
PGE	1,330,548,261	6,121,365	2,019,324	428,555	3,673,487	0.15%	2021
PSE	1,410,755,945	6,364,506	2,214,918	947,672	3,201,916	0.16%	2021
IOU	Production Cost	925 Total	925 Production	925 Trans	925 Dist	% of Production	Base Year
Avista	509,806,578	4,177,429	1,614,684	588,817	1,973,928	0.32%	2019
Idaho	799,941,332	5,349,936	2,136,767	938,834	2,274,334	0.27%	2019
Northwestern	NA	NA	NA	NA	NA	NA	2019
PAC	1,444,935,151	4,401,062	1,988,099	452,239	1,960,724	0.14%	2019
PGE	1,282,647,505	5,454,493	2,116,987	338,614	2,998,892	0.17%	2019
PSE	1,312,174,449	6,404,903	2,309,499	854,310	3,241,094	0.18%	2019

# Weighting of Prices to Escalate ASCs – Preliminary

## Preliminary ASCM Proposal – Part I, Section 301.5(b)(1)(2)(i)(A) & (D)

Change weighting of short-term purchase power prices and short-term sales for resale prices from 3-years to 5-years.

Parties	Key Message	BPA's Response
IOUs	Retain 3-year weighting as current prices are better predictors of future prices.	Revert to 3-year weighting.
WUTC	Supportive of 5-year weighting.	

# Weighting of Prices to Escalate ASCs – Incremental

## Incremental ASCM Proposal – Part I, Section 301.5(b)(1)(2)(i)(A) & (D)

Revert to 3-year weighting of short-term purchase power prices and short-term sales for resale prices from 5-year weighting in preliminary draft.

Parties	Key Message	BPA's Leaning
IOUs	Support.	Retain incremental proposal: revert to 3-year weighting.
WUTC	Support.	
COUs	Favor 5-year weighting; not opposed outright.	

# Major Resource Additions and Removals – Preliminary

## Preliminary ASCM Proposal – Part I, Section 301.5(c)(4)

Rollover 2008 approach which applies a 2.5% materiality threshold for single resources, or a 0.5% threshold to group smaller resources to achieve the materiality threshold. All smaller resources must come online for the group to be picked up in the utility's Exchange Period ASC.

Parties	Key Message	BPA's Response
IOUs	Resources that become operational prior to the Exchange Period should only have to meet the 0.5% threshold without grouping.	Resources that become operational prior to the publication of the Final ASC Report will only be subject to the 0.5% threshold, no grouping required. Within Exchange Period resources must meet the 2.5% materiality threshold.



# Major Resource Additions and Removals – Incremental

## Incremental ASCM Proposal – Part I, Section 301.5(c)(4)

Resources that become operational prior to the publication of the Final ASC Report will only be subject to the 0.5% threshold, with no grouping required. Within Exchange Period resources must meet the 2.5% materiality threshold.

Parties	Key Message	BPA's Leaning
IOUs	Support.	Retain incremental proposal: resources that become operational prior to the publication of the Final ASC Report will only be subject to the 0.5% threshold, no grouping required. Within Exchange Period resources must meet the 2.5% materiality threshold.
COUs	Oppose, introduces unwarranted ASC volatility without improving cost accuracy.	

# ASC Review Process Notices – Preliminary

## Preliminary ASCM Proposal – Part II, Section 4.1

Rollover 2008 approach wherein BPA posts notices of upcoming ASC Review Processes to its external REP page.

Parties	Key Message	BPA's Response
COUs	BPA should notify all stakeholders of upcoming process and the kick-off workshop and make workshop materials publicly available.	BPA will provide regional notice of the kick-off workshop and upcoming ASC Review Process.

# ASC Review Process Notices – Incremental

## Incremental ASCM Proposal – Part II, Section 4.1

BPA will provide regional notice of the kick-off workshop and upcoming ASC Review Process.

Parties	Key Message	BPA's Leaning
COUs	Support.	Retain incremental proposal: BPA will provide regional notice of the kick-off workshop and upcoming ASC Review Process.
AWEC	Support COUs' recommendation.	

# Additional Incremental Changes

## Section 301.5

- (c)(7) – Projecting resources costs to midpoint of Exchange Period
  - Added clarifying text
- (d) – Forecasted contract system load and exchange load
  - Corrected the Endnote reference

# Table 1 Changes

## Table 1

- Energy Storage Plant – added DIRECT functionalization
- Energy Storage Expenses: Operation – added account
- Energy Storage Expenses: Maintenance – added account
- O&M Expenses: Solar, Wind, Other Renewables – added accounts

## Table 1 Endnotes

- j/ - added missing section 301.4(n) reference

# Walkthrough ASCM Incremental Redline

**Presenter – Richard Greene**

Senior Attorney-Advisor

# Other Comments and Responses

**Presenter – Paulina Cornejo and  
Richard Greene**

REP Policy Lead and Senior Attorney-Advisor

# Transmission Costs – Preliminary

## Preliminary ASCM Proposal – throughout ASCM

Exclude all transmission costs from ASCs, except for like-for-like transmission akin to those costs in BPA's PF exchange rate, such as transmission costs incurred to move power across another balancing authority (third-party wheeling) and transmission costs incurred to deliver sales for resale.

Parties	Key Message	BPA’s Response
COUs	Supportive of BPA’s proposal.	Retain preliminary proposal.
IOUs	Oppose proposal. IOUs are disadvantaged in incurring more transmission costs than COU counterparts as they are not tied to BPA’s system.	
WUTC		
NWPCC	Supportive of BPA’s proposal.	



# Transmission Costs – Incremental

## Incremental ASCM Proposal – throughout ASCM

Exclude all transmission costs from ASCs, except for like-for-like transmission akin to those costs in BPA's PF exchange rate, such as transmission costs incurred to move power across another balancing authority (third-party wheeling) and transmission costs incurred to deliver sales for resale.

Parties	Key Message	BPA's Leaning
COUs	Support, with questions about implementation: <ul style="list-style-type: none"> <li>• Meaning of "like-for-like"</li> <li>• Need more transparency for Account 447</li> </ul>	Retain incremental proposal: exclude all transmission costs except for like-for-like transmission.
IOUs	Oppose, inconsistent with NWPA and BPA's own policy.	
AWEC	Support.	

# Disallowed Costs – Preliminary

## Preliminary ASCM Proposal – Part II, section 3.2.1

Rollover the 2008 approach which sources data from the utilities' FERC Form 1. Each filing shall be reviewed by BPA to determine consistency with GAAP and the ASCM.

Parties	Key Message	BPA's Response
COUs	IOUs should exclude costs not in recovery in their retail rates.	Rollover the 2008 approach which sources data from the utilities' FERC Form 1.
AWEC		

# Disallowed Costs – Incremental

## Incremental ASCM Proposal – Part II, section 3.2.1

Rollover the 2008 approach which sources data from the utilities' FERC Form 1. Each filing shall be reviewed by BPA to determine consistency with GAAP and the ASCM.

Parties	Key Message	BPA's Leaning
COUs	Oppose, IOUs should exclude costs not in recovery in their retail rates. OR and WA have Commission Basis Reports that could be utilized to identify disallowed costs.	Retain incremental proposal: rollover the 2008 approach.
AWEC		

# Variance Analysis – Preliminary

## Preliminary ASCM Proposal – Part II, sections 2.1.1(d) and 2.1.2

One-year variance analysis will be required for each ASC Filing – formal and informational.

Parties	Key Message	BPA's Response
COUs	Require variance analysis cover a 4-year historical period.	Retain preliminary proposal.

# Variance Analysis – Incremental

## Incremental ASCM Proposal – Part II, sections 2.1.1(d) and 2.1.2

One-year variance analysis will be required for each ASC Filing – formal and informational.

Parties	Key Message	BPA's Leaning
AWEC	Support, but recommend expanding length of time and use of variance analysis.	Retain incremental proposal. BPA uses variance analysis to identify accounts with anomalies for further scrutiny, not to average.

# New Large Single Loads Treatment – Preliminary

## Preliminary ASCM Proposal – Part I, section 301.4(p) and 301.5(c)(10)

Costs to serve a utility's NLSL will be based on either, 1) the average resource costs of post-2026 resources and/or 2) the utility's ASC.

Parties	Key Message	BPA's Response
IOUs	Postpone change until proposal is further clarified.	Retain preliminary proposal.

# New Large Single Loads Treatment – Incremental

## Incremental ASCM Proposal – Part I, section 301.4(p) and 301.5(c)(10)

Costs to serve a utility's NLSL will be based on either, 1) the average resource costs of post-2026 resources and/or 2) the utility's ASC.

Parties	Key Message	BPA's Leaning
IOUs	Support.	Retain incremental proposal.
AWEC	Support in principle because directionally consistent; suggest allowing for dedication of specific, new resources in the limited circumstance where there is a clear nexus between the NLSL load and the new resources procured to serve that load.	
COUs	Unopposed.	

# ASC Consultation Process – Preliminary

## Preliminary ASCM Proposal – Part I, section 301.6

Remove text stating that  $\frac{3}{4}$  majority of any stakeholder group may initiate a consultation process to revise the ASCM.

Parties	Key Message	BPA's Response
COUs	Oppose.	Retain preliminary proposal.



# ASC Consultation Process – Incremental

## Incremental ASCM Proposal – Part I, section 301.6

Remove text stating that  $\frac{3}{4}$  majority of any stakeholder group may initiate a consultation process to revise the ASCM.

Parties	Key Message	BPA's Leaning
COUs	Oppose, revert to language in 2008 ASCM.	Retain incremental proposal.

# Additional Incremental Changes

## Incremental ASCM Proposal – Part I, section 301.2

Remove Priority Firm Rate definition.

Parties	Key Message	BPA's Leaning
IOUs	Oppose, inconsistent with NWPA's requirement that BPA implement the REP as a physical exchange.	Retain incremental proposal. The term was included to address functionality of the ASCM with Public Power REP participants with High Watermarks and Regional Dialogue contracts.

# Additional Incremental Changes

## Incremental ASCM Proposal – Part I, section 301.5

Establish a floor on forecasted purchased power prices.

Parties	Key Message	BPA's Leaning
IOUs	Oppose, recommend BPA revise to establish a reasonable floor on forecasted purchased power prices to ensure that the cost of serving unmet load growth is not understated.	Retain incremental proposal.

# Q&A



# Closeout

**Presenter – Scott Winner**

Power Planning and Forecasting Supervisor

# Phase 2 Schedule

Date	RPSA	ASCM
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Mar 6, Fri (est.)	ROD publication	
Apr 2, Thurs		Formal comments due, Full
May 22, Fri (est.)		ROD publication

# Communication and Resources

- ❖ Submit written comments and questions to [rep2028@bpa.gov](mailto: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**

