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Bonneville Power Administration
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In reply refer to: PS-6

April 17, 2026

To Regional Stakeholders Participating in the Post-2028 Residential Exchange Program Process:

The Bonneville Power Administration (BPA) is reaching out to regional parties and customers involved in the Residential Exchange Program (REP) Post-2028 process to provide a process update and describe next steps.

Background

Section 5(c) of the Northwest Power Act establishes the REP, which gives residential and farm consumers of regional utilities, primarily investor-owned utilities, economic access to the benefits of the low-cost federal power BPA sells. The REP is currently administered pursuant to a settlement agreement that expires September 30, 2028.

In its Post-2028 REP Comprehensive Plan, published July 17, 2025, BPA described three initiatives and processes that would be undertaken to prepare regional parties to implement the REP for BP-29. The key initiatives outlined in the paper are:

1. Residential Purchase and Sale Agreements (RPSA) process;
2. 2026 Average System Cost Methodology (ASCM) consultation;
3. Section 7(b)(2) Legal Interpretation and Implementation Methodology proceeding.

The RPSA public process concluded on March 6, 2026, with the release of the RPSA final Record of Decision and transmittal of RPSA offers to IOUs. This notice provides an update on the schedule of the two remaining processes.

2026 ASCM Consultation

The ASCM consultation commenced in October 2025 and is ongoing. Formal comments on the draft ASCM were due on April 2, 2026. BPA received four formal comments. These comments included suggestions on new areas of the ASCM. In addition, during its final review of the draft ASCM, BPA identified certain additions and corrections to Table 1 of the ASCM that BPA had not previously discussed with stakeholders. Consequently, in response to these formal comments and the need for further clarifications to Table 1, BPA has decided to issue a draft Record of Decision and offer an opportunity for additional public comment. Thus, on April 17, 2026, BPA updated the schedule for the ASCM consultation, adding a draft Record of Decision and ASCM for comments for May 15, 2026. Comments on the draft 2026 ASCM ROD and ASCM are due

May 29, 2026. The final 2026 ASCM ROD and ASCM are expected to be issued no later than June 26, 2026.

Thereafter, BPA will file the new ASCM at FERC in July 2026. BPA will hold a technical workshop on Appendix 1 on July 15, 2026.

7(b)(2) Legal Interpretation and Implementation Methodology Process

Although BPA is not required to issue either a methodology or legal interpretation of Section 7(b)(2), BPA has historically done so to provide a framework from which to implement this provision. The legal interpretation is designed to state BPA’s position on certain legal issues relating to the approach BPA intends to take when implementing the 7(b)(2) rate test. These legal interpretations are then used in the 7(b)(2) Implementation Methodology, which describes the steps and assumptions BPA uses to produce the rate test results. In addition to the 7(b)(2) Legal Interpretation and Implementation Methodology, BPA relies on a Rates Analysis Model (RAM) to perform the calculations called for in Section 7(b)(2).

Moreover, the 2012 REP Settlement requires BPA to “conduct a proceeding and issue a record of decision to determine, for the period starting with Fiscal Year 2029, whether, and if so, how, to modify or replace its legal interpretation of, and methodology for implementing, Sections 7(b)(2) and 7(b)(3)” of the Northwest Power Act. *See* 2012 REP Settlement, § 11.3.

Consistent with BPA’s past practice, and to fulfill the requirements of the 2012 REP Settlement, BPA will be initiating a Section 7(i) proceeding to develop its methodology and legal interpretation for Sections 7(b)(2) and (3) of the Northwest Power Act.

Provided below is a tentative timeline for the informal workshop schedule and formal commencement of the 7(b)(2) and (3) Legal Interpretation (LI) and Implementation Methodology (IM) proceeding.

Date	Event
May 20, 2026	Technical 7(b)(2) & (3) in RAM Workshop
June 2, 2026	Pre-proceeding Section 7(b)(2) & (3) Workshop #1
June 16, 2026	Pre-proceeding Section 7(b)(2) & (3) Workshop #2
July 9, 2026	Pre-proceeding Section 7(b)(2) & (3) Workshop #3
July 23, 2026	Pre-proceeding Section 7(b)(2) & (3) Workshop #4
September 2026 (est.)	Begin Section 7(i) Proceeding on Section 7(b)(2) & (3) LI/IM
April 2027 (est.)	Final LI/IM on Section 7(b)(2) & (3) and ROD

BPA intends to hold an initial technical workshop on May 20, 2026, to answer questions about the functionality of the RAM model. The workshop will be referencing the “RAM2029 REP Model Settlement Concept” on the [Post-2028 REP website](#). If parties have specific questions they wish to have answered at the May 20, 2026 technical workshop regarding the operation of RAM, BPA would appreciate parties sending them to REP2028@bpa.gov by May 8, 2026.

BPA greatly appreciates your engagement on the Post-2028 REP process and looks forward to continued collaboration with you over this important component of the Northwest Power Act.

Sincerely,

Kim Thompson
Vice President, NW Requirements Marketing