

November 22, 2024

Via Electronic Submission

John Hairston
Administrator and Chief Executive Officer
Bonneville Power Administration
911 NE 11th Avenue
Portland, OR 97232

Re: Transmission RDC

Dear Administrator Hairston:

The Alliance of Western Energy Consumers (“AWEC”) appreciates the opportunity to comment on the use of the 2024 Transmission RDC funds. The importance of this RDC and the use of these funds is critical, particularly given the extremely large Transmission rate increases included in BPA’s initial rate sheets that have been released in advance of the upcoming BP-26 Rate Adjustment Proceeding.¹

At the Q4 Quarterly Business Review, BPA announced that the Transmission RDC will trigger in the amount of \$82.8 million. Staff’s initial recommendation is to apply this amount to flexible debt reduction. This proposal would produce an expected benefit of approximately \$3.7 million per year by reducing interest expense, which Staff notes is expected to approximately double due to the increase in capital investment in the transmission system. AWEC recognizes that there is significant need for investment in the transmission system, but we note that the increase in interest expense, while significant, is presently a relatively minor concern for BPA customers, when compared to the prospect of rate increases of 21% for NT and 27% for P2P as indicated by the rate schedules BPA has recently published.

Rather than spreading the benefit of the RDC over many future years at a relatively low annual benefit, AWEC strongly urges the Administrator to use the RDC to buffer the rate increases included in BPA’s initial rate sheets. The most direct way to do this would be to return the RDC funds immediately as a rate credit in 2025 to the same customers who paid rates during the past year. Return of these funds will make customers better equipped to weather the harm that will be caused by potentially elevated rates during the upcoming rate period. This return of customer funds would also be directly responsive to BPA’s statutory mandate to provide electric power at the lowest possible rates.

¹ For avoidance of doubt, AWEC’s comments are not advocating or directed to the merits of any issue in the currently pending BP-26 Rate Adjustment Proceeding, in recognition of section 1010.5 of Bonneville’s Rules of Procedure.



In addition, return of RDC funds better meets the principle of intergenerational equity. RDC funds represent an overcollection from customers that occurred during the BP-24 rate period, so it is appropriate to return the benefit of these dollars during that same rate period rather than spreading the benefits across potentially decades.

/s/ William Gaines
Executive Director
Alliance of Western Energy Consumers