



Department of Energy

Bonneville Power Administration
P.O. Box 3621
Portland, Oregon 97208-3621

July 23, 2024

In reply refer to: PS-6

Dear Customers and Interested Stakeholders:

The historic milestone in the years-long effort to modernize the Columbia River Treaty offers an opportunity to benefit many customers with Regional Dialogue contracts for BP-26. I am pleased to share that we will adjust the ongoing Rate Period High Water Mark (RHWM) process to incorporate relevant updates, expected to increase the Tier 1 System Firm Critical Output (T1SFCO) calculations and many RHWM results.

After incorporating updates, Bonneville Power Administration (BPA) staff expect a T1SFCO increase due to reduction in the amount of Canadian Entitlement (the amount of energy that BPA is obligated to deliver to Canada) under the modernized treaty. Staff also expect T1SFCO increases due to updated information and anticipated hydropower operations expected in the Agreed Operating Plan (AOP). Together, staff expect a notable elevation of T1SFCO.

While we expect a straightforward calculation for impacts associated with the Canadian Entitlement change, quantifying the impact of the AOP will require BPA to reinitiate the hydro modeling that will be used to recalculate the T1SFCO. This will delay the timeline for this summer's FY 2026 RHWM Process. However, in light of the positive impacts BPA expects these changes to have on many preference customers' above-RHWM load, this delay is well-justified.

BPA expects the previously scheduled July 31 workshop related to RHWM to be rescheduled to August 15. Please see [Rate Period High Water Mark Process - Bonneville Power Administration \(bpa.gov\)](https://www.bpa.gov) for meeting and workshop dates.

Please engage your Account Executive if you would like more detail on the RHWM process, or on the modernized Columbia River Treaty.

Kim Thompson
Vice President, Northwest Requirements Marketing