

Contract High Water Mark Calculation Model

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Version Changes

(1) Updated customer names to reflect utility names as reflected in their Provider of Choice contract. (2) Economic adjustment amounts based on near final data. (3) NLSL amounts for Grant PUD. (4) Flathead's non-federal resource amount associated with the Off-site Green Exception/Off-site Renewables Exception in line with Attachment A Footnote G of the CHWM Implementation Policy. (5) Any additional self-funded conservation savings for FY 2022 and FY 2023 reported to BPA by September 2025.

Disclaimer:

The data included in this model is close to the final numbers that will be used for the FY 2026 CHWM calculation. Sources for data are identified below. The estimated CHWMs provided are based on best data available at time of publishing and may change prior to the model being published for comment. BPA anticipates publishing the model for formal comment in March 2026.

Context:

Bonneville developed an updated CHWM calculation model to reflect the CHWM calculation described in the Provider of Choice Policy. As a reminder, CHWMs are an allocation of Tier 1 costs, not an allocation of the system or physical resources. For questions about this spreadsheet, please email the Provider of Choice team at post2028@bpa.gov and/or reach out to your Power Account Executive.

Bonneville has published the draft CHWMs on March 10 and opened a public comment period consistent with the CHWM Implementation Policy, published August 14, 2025. The draft CHWMs have been calculated consistent with Section 2.4 of the Provider of Choice Policy, published March 2024, and the CHWM Implementation Policy, Section 2 and Attachment A. For questions about this spreadsheet, please email the Provider of Choice team at post2028@bpa.gov and/or reach out to your Power Account Executive.

Table of Contents	
Tab	Description
Info	Tab provides context, calculations and description and source of all data included in the workbook.
Calculation	Tab provides the estimated CHWM calculation including preliminary determination for PF-eligible load.
Data	Hidden tab includes the conservation data included in the conservation adjustment in the Calculation tab. The tab also includes data for potential economic adjustments and resource removals as requested in October 2024.
Attachment A	Hidden tab includes the draft final CHWM Implementation Policy Attachment A values as well as pivot table to sum values by customer. If a resource note suggests a formula approach, formula is calculated in the appropriate cells and highlighted.
Proportional Share Calculation	Hidden tab that computes the proportional share calculation for the Calculation tab.

PF-Eligible Load Equation

$$PF \text{ Eligible Load in Index Year} = Total \text{ Retail Load} + Economic \text{ Adjustment} - New \text{ Large Single Loads} - Dedicated \text{ Resources} + Resource \text{ Removal}$$

CHWM Equation:

$$Provider \text{ of Choice CHWMs} = Base \text{ Allowance} - Headroom \text{ Adjustment} + Conservation \text{ Adjustment} + New \text{ Specified Resource Adjustment} + Load \text{ Growth Adjustment} + Proportional \text{ Share Adjustment}$$

Above-CHWM Equation

$$Provider \text{ of Choice Above CHWM Load} = PF \text{ Eligible Load in Index Year} - Provider \text{ of Choice CHWM}$$

**Negative Above-CHWM load indicates headroom*

Data

Category	Description of Data	Source Data	Source Tab	Where data will be discussed
Index Year	The index year, FY 2023, is the year used to establish PF-eligible load in the CHWM calculation.	N/A	N/A	The index year was established in the Provider of Choice Policy.
Total Retail Load	Total retail load data is based on weather normalized total retail loads for FY 2023.	N/A	N/A	The Provider of Choice Policy and the CHWM Implementation Policy provide any adjustments that Bonneville will make to total retail load amounts including the weather normalization process. Customers had the opportunity to comment on their weather normalized results and final results will be available Fall 2025. Customers will be able to may comment on the accuracy of the math

				during the FY 2026 CHWM Calculation Process comment period .
Economic Adjustment	The economic adjustment reflects how loads are adjusted if a consumer load qualified for the economic adjustment to total retail load. Data included in the model is in final review with customers and may change prior to March publication.	N/A	N/A	The adjustment was determined in the Provider of Choice Policy. Data included in the model is the current expected adjustment amount pending any final review with Qualifying customers submitted data that was reviewed and approved by BPA ahead of the FY 2026 CHWM Calculation Process. Customers may comment on the accuracy of the math during the FY 2026 CHWM Calculation Process comment period.
New Large Single Loads	New large single load data is based on actual loads for FY 2023.	N/A	N/A	Customers had the chance to discuss the NLSL data values with their Power AE in parallel to the TRL weather normalization process and final results will be available Fall 2025. Customers will be able to may comment on the accuracy of the math during the FY 2026 CHWM Calculation Process comment period .

<p>Non-federal Existing and Other (SNEER, COR, and Green Exception Resources)</p>	<p>Existing resources are based on existing resources included in the Regional Dialogue contract Exhibit A. Other resources include Small Non-dispatchable New Resource Treated Equivalently to an Existing Resource (SNEER), consumer-owned resource and green exception resource amounts are included in the Regional Dialogue contract Exhibit A. Data is based on Attachment A of the CHWM Implementation Policy. The March 4, 2025, version of the CHWM model includes estimates for any resource notes that result in an equation.</p>	<p>CHWM Implementation Policy, August 14, 2025</p>	<p>I_ER</p>	<p>Attachment A identifies which non-federal resources will be included in the FY 2026 CHWM Calculation and the resource amounts that will be used.</p>
<p>Non-federal New Specified Resources</p>	<p>New specified resources, under Regional Dialogue, are resources added after September 30, 2006, and included in Regional Dialogue contract Exhibit A as new resources. Data is based on Attachment A of the CHWM Implementation Policy.</p>	<p>CHWM Implementation Policy, August 14, 2025</p>	<p>N/A</p>	<p>Attachment A identifies which non-federal resources will be included in the FY 2026 CHWM Calculation and the resource amounts that will be used.</p>

Base Allowance	The base allowance is the amount from which all adjustments are added or subtracted. The base allowance is equal to customers' 2024 Rate-Period High Water Mark (RHWM) values from the bi-annual RHWM process.	2024 RHWM Final Outputs	RHWM	The base allowance was determined in the Provider of Choice Policy. The amounts were determined in the 2024 RHWM process that concluded in August 2022.
Headroom Adjustment	The headroom adjustment applies to customers whose PF-eligible load is lower than their base allowance. It reduces their base allowance to their PF-eligible load by subtracting out headroom.	N/A	N/A	The adjustment was determined in the Provider of Choice Policy. Customers will be able to <u>may</u> comment on the accuracy of the math during the FY 2026 CHWM Calculation Process <u>comment period</u> .
Conservation Adjustment	<p>The conservation adjustment takes into account self-funded conservation achievements approved by Bonneville during a defined time horizon of the Regional Dialogue contract period. The adjustment credits a customer 50% of their self-funded achievements.</p> <p>The first type of qualifying data is self-funded conservation that is reported to Bonneville and meets the eligibility and reporting requirements of the</p>	Data Data	N/A	<p>The adjustment was determined in the Provider of Choice Policy. Customers will be able to <u>may</u> comment on the accuracy of the math during the FY 2026 CHWM Calculation Process <u>comment period</u>.</p> <p>Conservation data will be updated in the FY 2026 CHWM calculation to include any self-funded conservation reported by the September 30, 2025, deadline.</p>

	<p>Bonneville Energy Efficiency Implementation Manual. The data includes actuals for FY 2012 through FY 2023 based on reporting approved through January 2024. FY 2022 and FY 2023 data may be reported through September 2025.</p> <p>The second type of data included is self-funded Northwest Energy Efficiency Alliance (NEEA) savings. The amount is based on a customer's self-funded savings proportional to each direct funding utility's annual funding percentage of the annual regional savings reported by NEEA. The data includes actuals for calendar year (CY) 2012 through CY 2023.</p>			
New Specified Resource Adjustment	The new specified resource adjustment applies to customers who added new specified resources, defined under Regional Dialogue as resources added after September 30, 2006. The adjustment adds 50% of the aMW amount of the resource	CHWM Implementation Policy, August 14, 2025	I_NR	<p>The adjustment was determined in the Provider of Choice Policy. Customers will be able to <u>may</u> comment on the accuracy of the math during the FY 2026 CHWM Calculation Process <u>comment period</u>.</p> <p>Attachment A identifies which non-federal resources will qualify for the adjustment and the resource amounts</p>

	to the Provider of Choice CHWM for any new resource dedicated in a customer's Regional Dialogue Exhibit A and noted as a new resource.			that will be used in the FY 2026 CHWM calculation.
Load Growth Adjustment	The load growth adjustment applies to customers whose PF-eligible load in the index year is greater than their base allowance. The adjustment increases a qualifying customer's CHWM by 25% of the difference between their PF-eligible load and the base allowance.	N/A	N/A	The adjustment was determined in the Provider of Choice Policy. Customers will be able to <u>may</u> comment on the accuracy of the math during the FY 2026 CHWM Calculation Process <u>comment period</u> .
Proportional Share Adjustment	The proportional share adjustment provides an equitable adjustment to all customers as part of the CHWM calculation. The adjustment increases individual CHWMs (as calculated prior to the proportional adjustment being applied) by an amount equal to the customer's pro rata share where a customer's share is based on its individual CHWM relative to the aggregate CHWMs of all	The calculation is available on the Proportional Share Calculation tab.	N/A	The adjustment was determined in the Provider of Choice Policy. Customers will be able to <u>may</u> comment on the accuracy of the math during the FY 2026 CHWM Calculation Process <u>comment period</u> .

	customers. The adjustment is limited so that aggregated CHWMs do not exceed 7,250 aMW. If the initial aggregate CHWMs is greater than 7,250 aMW, the proportional share adjustment will not apply.			
Exceptions				
Returning Public Utility (Grant)	Per the Provider of Choice Policy, Grant's base allowance amount is set equal to the last Block purchase amount Grant made from Bonneville prior to Regional Dialogue.	N/A	N/A	Data inputs for the CHWM calculation will be final similar to those described above unless an exception is noted in the Provider of Choice Policy or CHWM Implementation Policy.
Flathead	The CHWM Implementation Policy stated that if Flathead elects the exception for POC, Bonneville intends to set the resource amount for the FY 2026 CHWM calculation at contract signing based on the final terms of the Off-site Green Exception/Off-site Renewables Exception provision. The resource amount has been updated to reflect Flathead's election. The amount listed in Attachment A of the CHWM Implementation Policy does	N/A	N/A	Data input from Flathead's election of the Off-site Green Exception/Off-site Renewables Exception.

	not reflect the amount included in the FY 2026 CHWM calculation for the resource.			
Alder Mutual and Ohop Mutual Light Company	Alder Mutual and Ohop Mutual Light Company merged and Alder Mutual's Regional Dialogue contract was assigned to Ohop Mutual Light Company. Bonneville expects to complete contract actions in April 2024 and thereafter terminate the Alder Regional Dialogue contract. Therefore, Bonneville has aggregated their FY 2023 load and 2024 RHWMs for purpose of the calculation. The calculation now only reflects Ohop Mutual Light Company. This is consistent with how Bonneville intends to treat annexations between two existing customers as described in Issue 66 of the Provider of Choice Policy ROD.	N/A	N/A	N/A