



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



In reply refer to: PS-6

May 28, 2026

Jessica Matlock
President and Chief Executive Officer
PNGC Power
8440 SE Sunnybrook Boulevard, Suite 200
Clackamas, Oregon 97015

Thad S Ballard
Chief Executive Officer
Wells Rural Electric Company
PO Box 365
Wells, Nevada 89835-0365

Dear Ms. Matlock and Mr. Ballard:

The Bonneville Power Administration (BPA) received Wells Rural Electric Company's (WREC) written statement¹ invoking dispute resolution in the Fiscal Year (FY) 2026 Contract High Water Mark (CHWM) Calculation Process on May 14, 2026. On May 15, 2026, BPA notified all customers that dispute resolution had been invoked consistent with BPA's May 4, 2026 communication² announcing that preliminary final CHWMs were posted. Following the May 15, 2026 communication, BPA reviewed WREC's written statement and determined that WREC does not qualify for dispute resolution. Section 2.1.1 of the CHWM Implementation Policy, published August 14, 2025,³ (CHWM Policy) requires the dispute, if resolved in the customers favor, "[to] result in an adjustment to the subject CHWM of 10% or more." CHWM Policy at 4. WREC's dispute does not meet this threshold.

First, BPA evaluated the four individual loads that make up Nevada Gold Mine's (NGM) load (comprising Long Canyon, Dry Hills, Gold Rush, and Gold Quarry) to determine whether they would qualify for the economic adjustment as defined in Section 2.4.1.2 of the Provider of

¹ WREC's written statement on dispute resolution is available at <https://www.bpa.gov/-/media/Aep/power/provider-of-choice/Implementation/wrec-chwm-dispute-resolution-notice-20260514.pdf>.

² Kim Thompson's, vice president of Northwest Requirements Marketing, May 4, 2026 letter is available at <https://www.bpa.gov/-/media/Aep/power/provider-of-choice/CHWM/2026-05-04-kim-thompson-fy-2026-chwm-closeout-letter.pdf>.

³ The CHWM Policy is available at <https://www.bpa.gov/-/media/Aep/power/provider-of-choice/chwm-implementation-policy-20250814.pdf>.

Choice Policy, published March 2024⁴ (POC Policy). The POC Policy required that a customer provide information that “could include load data, potentially hourly, if Bonneville does not have a way to measure the load with its own meters.” POC Policy at 18. WREC did not provide BPA with data for all necessary months and years to do the evaluation for the economic adjustment. BPA does have access to meters for the Dry Hills, Gold Rush, and Gold Quarry load but does not have access to a meter for the Long Canyon load. BPA’s analysis is based on the data it has access to, which does not include complete data for Long Canyon. However, WREC’s own September 2024 submission shows the Long Canyon load as under 1 aMW; therefore, it would meet neither the 5 aMW nor the 10% of total retail load qualifying thresholds outlined for the economic adjustment in the POC Policy. The Dry Hills and Gold Rush loads are also under the qualifying economic adjustment threshold.

BPA had identified in its December 12, 2024 communication, included in WREC’s written statement, that Gold Quarry may qualify for the economic adjustment. However, analysis revealed Gold Quarry would not qualify for the economic adjustment as its 2023 load was 41.325 aMW and its recovery load⁵ was 37.631 aMW. The POC Policy stated, “[i]f the recovery load was lower than its FY 2023 load, the customer would receive no economic adjustment.” POC Policy at 18. Therefore, WREC would not receive an economic adjustment for the Gold Quarry load, regardless of what its historic high load may have been.

Second, BPA evaluated, if the varied NGM loads were to be treated as an aggregated single retail consumer load, whether it would qualify for the economic adjustment. While BPA maintains the stance described in its December 12, 2024 communication, that the NGM loads are not co-located within a complex and instead are on separate points of delivery and miles apart, BPA evaluated if WREC’s position would grant them standing for dispute resolution. As noted above, BPA did not have complete data from Long Canyon. Further, BPA has records demonstrating that starting in FY 2024, Long Canyon was placed on care and maintenance status. Therefore, BPA does not expect that load to have grown significantly in FY 2025 in a way that would meaningfully change its analysis of the aggregate load. Aggregated, NGM’s FY 2023 load was 43.911 aMW, and its recovery load was 41.955 aMW. Following the rationale described for Gold Quarry above, WREC would not receive an economic adjustment for the load if aggregated as WREC requests BPA treat the loads.

Regardless of whether BPA considers the loads on an individual basis or as an aggregate load, if decided in WREC’s favor, WREC would not receive an economic adjustment because their recovery load was lower than their FY 2023 load. The adjustment to WREC’s CHWM would be less than a 10% change to WREC’s preliminary final CHWM, which was 83.885 aMW.

⁴ The POC Policy is available at <https://www.bpa.gov/-/media/Aep/power/provider-of-choice/provider-of-choice-policy-march-2024.pdf>.

⁵ Recovery load is defined in the POC Policy as the highest 12-month consecutive load in FY 2024 and FY 2025.

Therefore, BPA has determined that WREC does not meet the 10% threshold required to invoke dispute resolution.

BPA also contemplated WREC's request that the third-party neutral "[d]etermine an appropriate CHWM allocation for WREC that accurately reflects both actual consumption and the reasonably anticipated load growth at NGM's Gold Rush facility, consistent with the documented 16.16 aMW projection." WREC at 3. WREC claimed that "reasonably anticipated load growth" that has not yet occurred should be considered. The scope of dispute resolution is limited to factual matters. This is not a factual matter but a request to change the POC Policy.

During the POC Policy development, BPA received requests, including one from WREC, to include additional years in the recovery period, which is what WREC's dispute is requesting here. In Issue 49 of the Provider of Choice Policy Record of Decision, published March 2024,⁶ (POC Policy ROD) BPA stated, "Bonneville must ensure that it has all the data it needs to complete the calculation by FY 2026, therefore it is critical that the recovery period not extend into FY 2026." POC Policy ROD at 113. WREC's concern over the recovery period should have been challenged at the time the POC Policy was published. This issue is not a factual matter to be determined in the dispute resolution process.

For the reasons outlined above, BPA has determined WREC's request for dispute resolution does not meet the requirements in Section 2.1.1 of the CHWM Policy. BPA will not be moving forward with dispute resolution. BPA will cancel its noticed hearing and publish final CHWMs.

Sincerely,

Kim Thompson
Vice President for Northwest Requirements Marketing

cc:

Dave Angell, Consultant (WREC)

⁶ The POC Policy ROD is available at <https://www.bpa.gov/-/media/Aep/about/publications/records-of-decision/2024-rod/rod-20240321-bonneville-power-administration-provider-of-choice.pdf>.

bcc:

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