

Summary of Comments Received on BPA’s Residential Exchange Program Background Presentation	BPA’s Response
<p>One set of commenters would like to work collaboratively with all stakeholders to explore a potential settlement of the post-2028 REP.</p>	<p>BPA is supportive of collaborative discussion between all stakeholders. If another mutually agreeable settlement is reached it can both provide the region certainty in REP benefits and costs as well as sustain agreement for another contract period.</p>
<p>Two commenters shared a similar sentiment with BPA--that because the Residential Exchange Program is a cost driver, it is critical for customers to have as much certainty as possible early in post-2028 policy and contract discussions. One set of commenters note that the process should recognize the overlap between resolution of the REP post-2028 and decisions to be made as part of the “Provider of Choice” process in order to maximize the potential benefits of coordination between these initiatives. [IOUs] Some would like to see stakeholders start discussions at a faster pace than outlined in the November 18 presentation--a schedule that would have stakeholders begin working on the Residential Exchange issue in a parallel process, simultaneous with our other post-2028 work, and would have an initial position by the end of 2025, so quantifiable REP costs are available by contract signing.</p>	<p>This request is consistent with BPA staff’s proposed timeline (shared on November 18, 2021) to produce an Initial Position by 2025.</p> <p>BPA and its customers are aligned in the desire to reduce future cost structure uncertainty where possible. Outside of REP settlement, it is unlikely that BPA will be able to provide the level of certainty requested due to potential volatility in REP benefits and costs. Resolution of the REP could be accomplished prior to post-2028 contract signing as suggested by the commenter if a settlement is reached by IOUs, Publics, and BPA as to the program’s future implementation. For these reasons, BPA encourages its customers and stakeholders to develop potential solutions for the region to explore on a timeline consistent with signing of new contracts.</p>
<p>One commenter asked for more information about how BPA plans to engage the IOUs. A set of commenters suggest the process should primarily involve “big tent” meetings of all interested parties to enhance and promote transparency, coordination and communication. They suggest smaller “focus group” meetings of similarly situated parties may be necessary, but should be limited to those meetings that are necessary to facilitate settlement. All commenters expressed a desire to keep dialogue open with all stakeholders.</p>	<p>BPA intends to hold public meetings inclusive of all relevant stakeholders with focus groups/breakout sessions - as well as targeted separate meetings when appropriate - following Bonneville’s Provider of Choice Concept Paper. BPA expects public engagement regarding the REP to be transparent and recognizes that stakeholders may elect to utilize a different, non-BPA forum for more targeted discussions amongst themselves.</p>

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<p>To achieve a more accelerated timeline than BPA proposed in its Nov. 18th presentation, a commenter requests that BPA run a pro forma rate test for the previous two rate periods (BP-20 and 22) and for BP-24 (at the earliest possible time) to determine what Residential Exchange costs would have been under the established rate test for these rate periods absent the current settlement. This information, the commenter states, will inform public power’s approach to conversations regarding the Residential Exchange program after 2028 and give them perspective on how BPA plans to implement the numerous variables that comprise the rate test. A set of commenters similarly stressed that the early stages of the process should include robust modeling of various scenarios and options for implementation of the REP that should (i) drive a collaborative decision making process and (ii) serve as a basis for REP implementation through settlement or otherwise. The commenters suggest that modeling should be based on a common understanding amongst all parties as to the modeling, assumptions and inputs to be used, which commenters feel could be accomplished with a pre-modeling work stream that includes one or more workshops or discussions designed to facilitate this common understanding.</p>	<p>There currently is no “pro forma” rate test. The last Section 7(b)(2) Legal Interpretation and Implementation Methodology was developed by BPA in 2008-09 and was withdrawn as part of the 2012 REP Settlement. As a practical matter, BPA’s analysis will be forward looking to the post-2028 period. BPA intends to release more information regarding REP analysis in the Provider of Choice Concept Paper. Additionally, BPA plans on hosting additional educational workshops during the early stages of the public process to aid in achieving a common understanding amongst participants.</p>
<p>One commenter cautioned that BPA should avoid “analysis paralysis” with too many scenarios for customers to consider, but advocates for starting the process to figure out with a REP would look like post-2028.</p>	<p>BPA is committed to evaluating the REP in as clear and digestible fashion as possible, and we look forward to working with customers on defining a set of reasonable scenarios.</p>