



Post-2028 Residential Exchange Program ASCM Informal Comments Workshop Tuesday, January 27, 2026

9:00 am – 12:00 pm

[WebEx Only](#)

POST
2028
REP



January 27th Workshop Agenda

Workshop Topics	Presenter(s)
Introductions, Agenda, and Schedule	Scott Winner
Informal Comment Discussion	Team
Transmission	Richard Greene
Account 925 / Injuries and Damages	Neal Gschwend
Energy Storage Plant	Neal Gschwend
Disallowed Costs	Richard Greene
Grab Bag	Team
Next Steps and Closeout	Scott Winner



Post-2028 REP Team

- Kim Thompson, REP Sponsor (VP of NW Requirements Marketing)
- Paulina Cornejo, REP Policy Lead
- Michael Edwards, REP Technical Lead
- Aimee Robinson, Economist
- Richard Greene, Legal Counsel
- Neal Gschwend, Legal Counsel
- Stephanie Adams, Rates and 7(b)(2) Lead
- Jonathan Ramse, Economist
- Daniel Fisher, Power Rates Manager
- Scott Winner, PSRF Supervisor

Phase 2 Schedule Update

Date	RPSA	ASCM
Jan 21, Wed	Comments due , Full draft	Comments due , Preliminary draft
Jan 27, Tues		Workshop , Preliminary comments
Feb 3, Tue		Post , Incremental draft
Feb 10, Tues		Comments due , Incremental
Feb 13, Fri		Workshop , Incremental comments
Feb 20, Fri		Post , Full draft
Mar 6, Fri (est.)	ROD publication	
Apr 2, Thurs		Comments due , Full
May 22, Fri (est.)		ROD publication

ASCM Informal Comment Workshop Topics

Informal Comment Workshop: Jan. 27th

- BPA Staff Proposals
- Prior discussion of topics
- Informal comments on topics

Incremental Comment Workshop 2: Feb. 13th

- Discussion of informal comments on incremental draft

Full Draft ASCM Release: Feb. 20th

- BPA releases full ASCM Draft for formal comment
- Regional parties submit comments through BPA Public Comments site: [Make a Public Comment](#)
- Comments due Apr. 2nd

ROD release: May 22nd

- Final ROD released

Informal Comment Discussion

Presenter – Team

BPA Staff Proposal – Transmission

- **Discussed at the Dec. 3, 2025 ASCM workshop, and introduced in Settlement Concept proposal.**
- **Draft ASCM text:**

“(x) Transmission costs. Unless otherwise provided in paragraph (x) of this section, transmission costs are not included in ASC.

 - (1) Transmission of Electricity by Others (Wheeling), Account 565. Costs included in Account 565 will be functionalized to Production and included in the Utility’s ASC; provided however that costs included in Account 565 that are payable to an affiliated, associated, or subsidiary company will be functionalized to transmission and excluded from ASC.
 - (2) Transmission (delivery) costs associated with Sales for Resale, Account 447. Costs included in Account 447 are assumed to include transmission costs associated with Sales for Resale. The Utility may record additional transmission costs not included in Sales for Resale in Schedule 3B in the line item “Transmission for Sales for Resales” and perform a Direct Analysis.” [Part I, Section 301.4(x)]

Informal Comments – Transmission

- **COUs:** “We are supportive of BPA’s proposal to remove all transmission costs from the ASC except for those which are in principle as near to the transmission costs included in the PF rate as possible.”
- **IOUs:** “...the IOUs strongly oppose BPA’s transmission cost proposal. Excluding transmission costs harms IOU customers. The lack of access to BPA’s resources, which are centrally located, results in the IOUs having to incur “additional” transmission beyond that incurred by COUs, who have more direct access to BPA federal power. Furthermore, this proposal creates a disincentive for utility investment in transmission, while creating an incentive for investment in BPA’s transmission, as BPA is proposing to allow wheeling costs over its system.”
- **WUTC:** “As Washington IOUs seek to comply with CETA, they must site and build renewable resources that may be farther away from load centers, which requires more transmission infrastructure... While the transmission-related costs included in the ASCM should be the same for IOUs and preference customers, BPA should include other transmission related costs into the ASCM that better reflects the nature of Washington’s statutory environment.”

BPA Staff Proposal – Account 925

- Discussed at the Dec. 3, 2025 ASCM workshop and introduced in Settlement Concept proposal.
- **Draft ASCM text:**
 - “(w) Injuries and Damages. Costs in FERC Account 925 will be functionalized to Dist/Other.
 - (1) State approved Injuries and Damages. Costs from FERC Account 925 approved for retail rate recovery by state commissions will be functionalized using the Labor Ratio. The ASCM will not allow double recovery of these costs housed in other accounts (e.g. Regulatory Assets or Liabilities).” [Part I, Section 301.4(w)]

Informal Comments – Account 925

- **COUs:** “We recommend that BPA exclude all wildfire related costs from production for purposes of the ASCM on the basis that such costs are (i) likely to arise from the exchanging utility’s transmission and distribution business lines and (ii) akin to costs arising from “uncontrollable events” that would be excluded from the §7(b)(2) rate test.”
- **IOUs:** “Limiting charges in FERC account 925 to only amounts specifically approved by PUCs is a step backwards... The 2008 ASCM streamlined the ASC process by basing the inputs on FERC Form 1s. This was and remains appropriate because PUC rate proceedings do not always result in a clear determination of injuries and damages that can be reported under FERC account 925.”
- **WUTC:** “As part of the post-2028 REP, BPA proposes to include Commission approved costs related to injuries and damages (Account 925) within individual utilities’ ASCs. The Commission supports the inclusion of these costs into the ASCM as a baseline as the Commission has seen increased amounts claimed by regulated utilities in Account 925 due to wildfires and extreme weather events... Although the Commission supports the inclusion of these costs into the ASCM, these costs are not always addressed in Commission orders for a variety of reasons and the costs approved by the Commission may differ from what is reported on FERC Form 1.”
- **NWPCC:** “The Council is supportive of many of the proposed updates included in the preliminary draft, including the treatment of New Large Single Loads, the updated approach to transmission costs, and the method for incorporating costs for injuries and damages that have been approved by state commissions for rate recovery.”

BPA Staff Proposal – Energy Storage Plant

- Discussed at the Dec. 3, 2025 ASCM workshop.
- **Draft ASCM text:**
“(v) Treatment of Energy Storage Plant: Bonneville will functionalize Energy Storage Plant costs using the PTD ratio.” [Part I, Section 301.4(v)]

Informal Comments – ESP

- **COUs:** "...we are concerned that reliance on this ratio may not always result in a balanced or representative allocation of Energy Storage Device costs, particularly where such resources are developed to address Transmission and/or Distribution needs. In those circumstances, it may be appropriate for BPA to consider alternative ratios that better align cost allocation with the underlying drivers of the investment..."
- **IOUs:** "While the IOUs support consolidation of these accounts consistent with FERC Order 898, the use of the PTD functionalization method may not reflect the specific use of the batteries being installed. The IOUs recommend a direct functionalization method based on reasonable analysis of procurement conditions, interconnection status, or usage characteristics in the base year. This allows utilities to reflect how energy storage devices contribute to a utility's average system cost.
- **WUTC:** "While BPA proposes to functionalize these costs using the PTD plant ratio and include battery storage costs deemed as Production, the Commission's Cost of Service (CoS) rules offer flexibility for IOUs and intervenors to submit their own method of functionalizing these accounts during a rate case. The Commission believes the Commission's rules provide all parties with the flexibility to fully understand how different utilities operate battery storage systems in unique ways..."
- **NWPCC:** "... The process of parsing out the specific attributes of each resource during a rate setting would require significant time and likely be contentious. The Council supports Bonneville's historical approach to functionalizing resource costs using PROD...Energy storage should also receive consistent treatment."

BPA Staff Proposal – Disallowed Costs

- Brought up by COUs at the Oct. 23, 2025 ASCM workshop; submitted by COUs as comments on the same workshop.
- **Draft ASCM text:**

“Each ASC Filing shall be reviewed by BPA and subject to a public process to determine whether the Contract System Costs are consistent with Generally Accepted Accounting Principles for electric utilities, whether Contract System Costs contain only allowed costs, and whether the ASC Filing complies with the requirements of this Methodology, including applicable definitions and requirements incorporated from the Commission’s Uniform System of Accounts.” [Part II, Section 3.2.1]

Informal Comments – Disallowed Costs

- **COUs:** “Costs included in FERC accounts that are disallowed by the IOU’s regulatory commission(s) for retail ratemaking must be identified (nature and amount) and removed for ASC purposes. This will better align utility ASC filings with retail ratemaking. If the utility’s ASC FERC accounting period doesn’t match the test period used by the regulatory commission for IOU retail ratemaking, such like disallowed costs should be identified and removed from specific accounts in the utility’s ASC filings if applicable.”
- **AWEC:** “AWEC supports removal of costs disallowed by a state commission from an IOU’s Base Period ASC Filing inputs submitted for ASC purposes. By definition, costs that a state commission has disallowed are unreasonable (in the case of expenses) and imprudent (in the case of capital costs), and therefore do not meet applicable state public interest standards such as “fair, just, reasonable and sufficient rates” and “fair, just and reasonable rates...”

Comment – Variance Analysis

- Brought up by COUs at the Oct. 23, 2025 ASCM workshop; submitted by COUs as comments on the same workshop.
- **Draft ASCM text:**

“... a separate variance analysis, which includes the accounts (amounts and functionalization) from Appendix 1 Schedules: 1, 3, 3A, 3B, and Load Forecast tab for the current Base Period ASC Filing Appendix 1 and the prior Base Period ASC Filing final Appendix 1 inputs... In years when BPA is not conducting a Base Period ASC Review Process, the Utility shall submit an Informational ASC Filing that includes information outlined in section 2.1.1.1 (a), (b) and (d). [Part II, Sections Section 2.1.1.1(d) and 2.1.2]
- **COUs on variance analysis:** “For each Appendix 1 input, the Base Period ASC filling should establish variance between the current filing year and each of the four previous years as well as between the current filing year and the four-year historical average.”

Comment – Distribution Losses

- **Discussed at the Oct. 23, 2025 ASCM workshop.**
- **Draft ASCM text:**

“(n) Method to Calculate Distribution Losses. The losses will be the distribution energy losses occurring between the transmission portion of the Utility’s system and the meters measuring firm energy load. The distribution loss factor will be measured using the following method:

 - Calculate a 5-year average total system loss factor, using data from the Base Period plus the preceding 4 years. IOUs will use data from the FERC Form 1.
 - From this 5-year total system loss factor, subtract Bonneville’s 12-month weighted average transmission system loss factor.
 - The resulting loss factor will be deemed to be the exchanging Utility’s distribution loss factor for calculating Contract System Load and exchange loads under the REP.” [Part I, 301.4(n)]
- **IOUs:** “The difference between Method 1 and Method 3 results in a change in the losses applied to eligible retail loads. This change could result in either a positive or negative change in ASC for other utilities... BPA should keep the current options pending additional explanation and discussion between BPA and stakeholders regarding this proposed change.”

Comments – Escalation of ASC

- **Discussed at the Dec. 3, 2025 ASCM workshop.**
- **Draft ASCM text:**
“(A) The Utility's average short-term purchased power price and short-term sales for resale price will be calculated for each year for the most recent five years of actual data (Base Period and prior four years).” [Part I, Section 301.5(b)(2)(ii)(A)]
- **WUTC:** “BPA proposes to utilize a five-year weighted average to escalate the base period ASC to the Rate Period ASC. BPA's rationale for this change is to mitigate the year-over-year volatility of the escalations by smoothing out the weighting ratios over a longer period. After reviewing this proposal, the Commission is supportive of the five-year average...”
- **IOUs:** “The IOUs request that BPA retain the three-year weighted average calculation. The IOUs believe that current prices are a better predictor of future prices. Extending the period considered in calculating the weighted average price reduces the volatility of prices.”

Comment – New Resource Grouping

- **Discussed at the Dec. 3, 2025 workshop.**
- **Draft ASCM text:**

“(4) Major resource additions or reductions that meet the criteria identified in paragraph (c)(3) of this section will be allowed to change a Utility's ASC within an Exchange Period provided that the major resource addition or reduction results in a 2.5 percent or greater change in a Utility's Base Period ASC. Bonneville will allow a Utility to submit stacks of individual resources that, when combined, meet the 2.5 percent or greater materiality threshold, provided, however, that each resource in the stack must result in a change to the Utility's Base Period ASC of 0.5 percent or more.” [Part I, Section 301.5(c)(4).
- **IOUs:** “The IOUs believe that resources that come online prior to the Exchange Period should be reflected in the ASC to ensure an accurate representation of system costs. Excluding operational resources due to grouping rules undermines the intent of the methodology and creates distortions in cost recovery... As utilities increasingly integrate smaller, distributed, and emerging technologies, this issue will become more pronounced, making a more flexible and transparent approach essential for fairness and accuracy.”

Comment – NLSLs

- **Discussed at Dec. 3, 2025 workshop.**
- **Draft ASCM text:**

“(p) Treatment of New Large Single Load (NLSL). Bonneville will remove from the Utility’s ASC any NLSL and the cost of additional resources sufficient to serve any NLSL that was not contracted for, or committed to, prior to September 1, 1979. The commensurate resource costs to be removed will be determined as follows:

(1) For a Utility with NLSLs that become operational after the effective date of this 2026 ASCM, the resource costs will be based first on the average costs of post-2026 resources and long-term (LF) power purchases(five-year duration or longer), and then at the Utility’s Base Period ASC for any remaining NLSL load.

(i)For purposes of determining the average costs of the Utility’s post-2026 resources, Bonneville will include an individual resource’s fixed and annual costs, and a portion of general plant, A&G, other expenses and revenues, and LF power purchases. The resource costs will exclude (a) purchases at the NR rate; (b) purchases at the PF Exchange rate, pursuant to Section 5(c) of the Northwest Power Act; and (c) resources sold to Bonneville, pursuant to Section 6(c)(1) of the Northwest Power Act.

(2) For legacy NLSLs online prior to the effective date of this 2026 ASCM, the resource costs will be based on the Utility’s Base Period ASC.

(3) ASCs will only be adjusted for loads that have been designated as NLSLs prior to the end of the Base Period.” [Part I, Section 301.4(p)]

Comment – NLSLs cont.

- **Draft ASCM text:**

“(10) Bonneville will escalate the components of the resource costs used to serve NLSLs to the Exchange Period using the following steps:

 - (i) Escalate the components of the fully allocated resource costs to the Exchange Period.
 - (ii) Add the fully allocated costs for major resource additions/retirements to the Exchange Period fully allocated costs.
 - (iii) The cost to serve NLSLs may change when the ASC changes due to resource additions/retirements.
 - (iv) The Exchange Period NLSL load will equal the Base Period NLSL load.” [Part I, Section 301.5(c)(10)]
- **IOUs on NLSLs:** “The IOUs request that BPA delay implementing the above proposed changes pending further discussion.”

Comment – ASC Review Process

- **Brought up by COUs in comments on the Oct. 23, 2025 ASCM workshop.**
- **Draft ASCM text:**

“The ASC Review Process commences on June 1 of the Review Period, or such other date as may be established by BPA (Day 1). BPA will review all Utilities’ ASCs concurrently in a public process... Each spring prior to a Review Period, BPA will post on its ASCM website (<https://www.bpa.gov/energy-and-services/power/residential-exchange-program/asc-utility-filings> or its successor), a detailed schedule, accommodating applicable holidays and weekends, that shall be the official schedule for that Review Period.” [Part II, Sections 4.1 and 4.2]
- **COUs:** “To enhance transparency and ensure stakeholder engagement, BPA should incorporate into its ASC review procedures a requirement that each review process begin with a publicly noticed workshop (such as via tech forum) held at least two weeks before the review process formally begins.”

Comment – ASC Consultation

- **Brought up by COUs in Nov. 24 comments, discussed at Dec. 16, 2025 workshop**
- **Draft ASCM text:**

“(a) The Administrator, at his or her discretion, may initiate a consultation process as provided in Section 5(c) of the Northwest Power Act. After completion of this process, Bonneville’s Administrator may file the new ASC Methodology with the Commission.

(b) The Administrator will not initiate any consultation process until one year of experience has been gained under the then-existing ASC Methodology, that is, one year after the then existing ASC Methodology is adopted by Bonneville and approved by the Commission, through interim or final approval, whichever occurs first.

(c) The Administrator may, from time to time, issue interpretations of the ASC methodology. The Administrator also may modify the functionalization code of any Account to comply with the limitations identified in Sections 5(c)(7)(A)-(C) of the Northwest Power Act or to conform to Commission revisions to the Uniform System of Accounts.” [Part I, Section 301.6]
- **COUs on ASC Consultation Process:** “The COUs oppose BPA’s proposed rewrite section 301.6. to exclude customer groups – COUs and IOUs – from initiating a 5(c)(7) consultation process. The COUs strongly recommend that BPA maintain the language from the 2008 ASCM.”

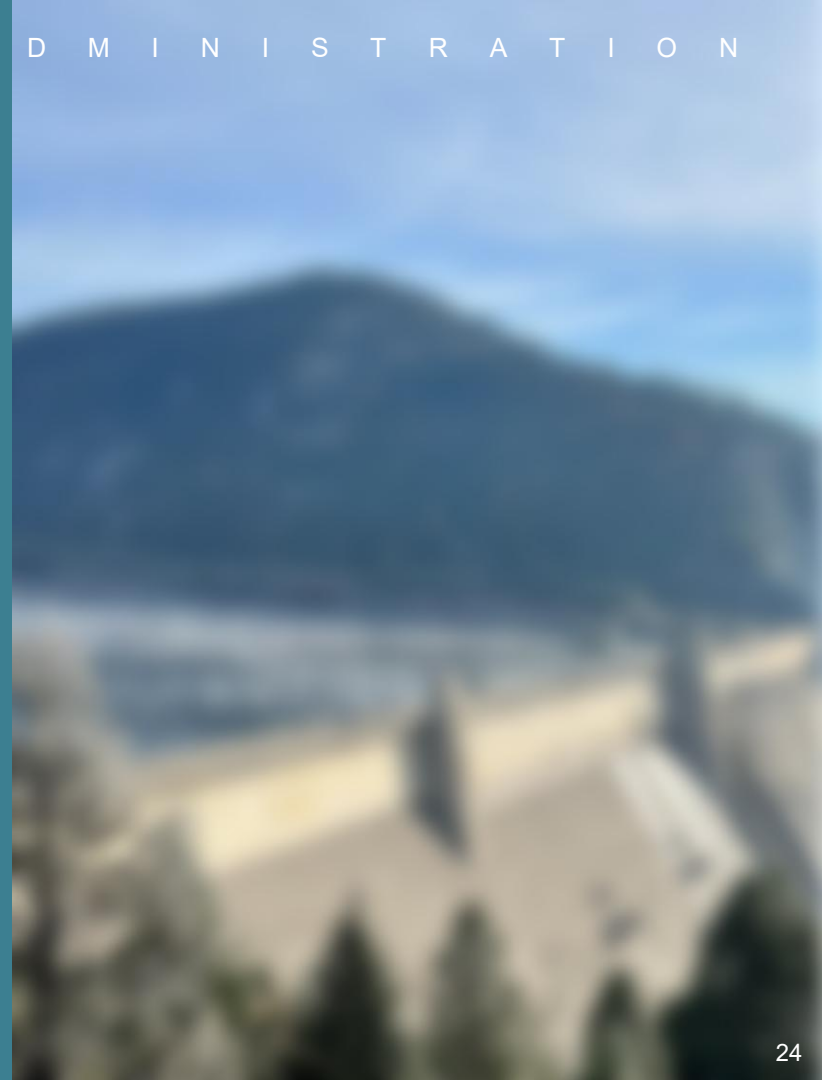
Q&A



Closeout

Presenter – Scott Winner

Power Planning and Forecasting Supervisor



Phase 2 Schedule Update

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Jan 21, Wed	Comments due , Full draft	Comments due , Preliminary draft
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Communication and Resources

- ❖ Submit written comments and questions to rep2028@bpa.gov.
- ❖ Details to attend all Post-2028 REP Phase 2 workshop can be found on [BPA's event calendar](#).
- ❖ For REP background, post-2028 public workshop materials, public notices, and additional REP resources, go to the [Post-2028 REP webpage](#).
- ❖ To receive pertinent notifications related to this process sign up for [Tech Forum](#).

Thank you!
Post 2028 REP Team

