

## **COMMENTS OF CONSUMER OWNED UTILITIES<sup>1</sup> REGARDING BPA'S PRELIMINARY DRAFT 2028 RESIDENTIAL PURCHASE AND SALE AGREEMENT**

Submitted: November 25, 2025

The region's investor-owned utilities ("IOUs") will have received approximately \$4.066 billion in total from consumer-owned utilities ("COU(s)") under the 2012 REP Settlement when it expires in 2028. As the primary funders of the Residential Exchange Program ("REP"), the COUs have an interest and responsibility to ensure that the Bonneville Power Administration's ("BPA") implementation of the REP after expiration of the settlement complies with the requirements of the Northwest Power Act (the "Act"), including those provisions of the Act that preserve the preference rights of the COU's to both price and supply. Accordingly, we appreciate the opportunity to submit these informal comments on select portions of BPA's Preliminary Draft 2028 Residential Purchase and Sale Agreement ("Draft RPSA").

### **Draft RPSA § 5 – Purchase and Exchange Sales**

The COUs strongly support BPA's proposal to treat the purchase and exchange sales under § 5.1 and § 5.2 of the Draft RPSA as simultaneous and offsetting with no physical delivery of electric power to occur by or to either BPA or the exchanging utility. Draft RPSA § 5.3. The purpose of the REP is to provide the region's IOUs<sup>2</sup> with cost benefits to offset higher wholesale power costs, but subject to the cost protection provided by the § 7(b)(2) Rate Test and all laws giving preference and priority to public bodies and cooperatives to federally generated power. BPA made a compelling case that its proposal to continue to implement the REP as a pure bookkeeping transaction is consistent with Congress' intent and how the REP has been interpreted and implemented since its inception. We agree and are firmly committed to ensuring that the REP purchase and exchange sales are implemented exclusively as a financial/bookout transaction.

### **Draft RPSA § 6.1 – Rate Case Billing Determinant and § 6.2 – Invoicing for Residential Load**

The COUs generally support BPA's proposal to use the "fixed" residential load option based on historic averages for RPSA billing determinant and invoicing purposes. Draft RPSA §§ 6.1, 6.2. The use of the fixed option will provide (i) the IOUs more certainty as to the amount of REP benefits they will receive during a given rate period, (ii) BPA and the COUs

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<sup>1</sup> These comments are joined by the Western Public Agencies Group; Northwest Requirements Utilities; Public Power Council; PNGC Power; Seattle City Light; Snohomish PUD; and City of Tacoma, Department of Public Utilities, Light Division.

<sup>2</sup> COUs are also able to participate in the REP under the Act but will waive their ability to do so through FY 2044 under the BPA Provider of Choice Contracts.

more certainty during the same as to the costs of such benefits, and (iii) greater administrative ease for all parties in the implementation of the REP.

### **Draft RPSA § 6.3 – No Mid-Rate Period Adjustments**

The COUs generally support BPA's proposal to exclude within-rate period changes to the PF Exchange Rate (e.g., due to CRACs, RDCs, or surcharges from BPA) and the Average System Costs ("ASC") of exchanging utilities (e.g., due to major resource additions or reductions, NLSLs, or changes to service territory). This will provide (i) the IOUs more certainty as to the amount of REP benefits they will receive during a given rate period, (ii) BPA and the COUs more certainty during the same as to the costs of such benefits, and (iii) greater administrative ease for all parties in the implementation of the REP.

### **Draft RPSA § 11.2 – Suspension of Performance**

Congress created the REP as a "two-way" exchange where benefits could flow both from BPA to the exchanging utility when the utility's ASC is above the PF Exchange Rate and from the exchanging utility to BPA when such utility's ASC is below the PF Exchange Rate. For the latter circumstance, the original 1981 RPSA established accounts that accrued "deemer" balances that were required to be worked off once the ASC of the exchanging utility exceeded the PF Exchange Rate before it could receive cost benefits under the REP. The Draft RPSA eliminates the two-way exchange intended by Congress by not including a deemer balancing account provision. The COUs recommend that BPA restore the use of deemer accounts in the Draft RPSA so that the REP is implemented after 2028 consistent with Congress' original two-way intent and how BPA has implemented the statutory exchange since its inception.

Alternatively, if BPA determines not to include deemer balance accounts, the RPSA should at the very least require exchanging utilities to forgo participation in the REP once its ASC exceeds the PF Exchange Rate for a period equal to the duration of its termination or suspension. This, again, is to honor the two-way intent of Congress. Additionally, BPA should calculate the total amount of REP benefits available each year as the sum of REP benefits for all utilities, including negative REP benefits for suspended utilities.