



May 12, 2025

Via Email and U.S. Mail

John Hairston, Administrator and CEO
Bonneville Power Administration
P.O. Box 3621
Portland, OR 97208-3621
Email: jlhairston@bpa.gov

RE: Request for a Post-FY2028 Contract for the Purchase and Sale of Power Pursuant to Section 5(c)(1) of the Northwest Power Act

Dear Administrator Hairston:

Avista Corporation, Idaho Power Company, NorthWestern Corporation d/b/a Northwestern Energy, PacifiCorp, Portland General Electric Company, and Puget Sound Energy, Inc. (individually, “IOU”; together, “IOUs”) and Bonneville Power Administration (“BPA”), have been discussing implementation of the Residential Exchange Program (“REP”) after FY 2028. These discussions are appreciated, and it is time for the parties to develop contracts for the REP post-2028 to bring certainty to BPA, the approximately 60 percent of residential customers in the region served by IOUs, and the approximately 40 percent of residential customers in the region served by preference customers.¹

¹ See U.S. EIA, Form EIA-861, *Annual Electric Power Industry Report*, Sales to Ultimate Customers (2023), available at <https://www.eia.gov/electricity/data/eia861/zip/f8612023.zip> (providing observed number of residential customers and associated loads for Idaho, Montana, Oregon, and Washington for calendar year 2023).

Pursuant to Section 5(c)(1) of the Northwest Power Act, each IOU hereby requests that BPA offer a contract for purchases and sales of electric power under such section for a period commencing October 1, 2028.² As described below, purchases and sales of physical power pursuant to Section 5(c)(1) of the Northwest Power Act must include both cost and non-cost attributes of the power transacted.

Section 5(c)(1) of the Northwest Power Act provides for purchases and sales of power by electric utilities upon request to BPA:

Whenever a Pacific Northwest electric utility offers to sell electric power to the Administrator at the average system cost of that utility's resources in each year, the Administrator shall acquire by purchase such power and shall offer, in exchange, to sell an equivalent amount of electric power to such utility for resale to that utility's residential users within the region.

This section requires, upon request of an electric utility such as an IOU, (i) the sale of physical power by the electric utility to BPA in an amount equal to the residential and small farm loads of such electric utility and (ii) the sale of an equivalent amount of physical power by BPA to the electric utility.

Any contract offered by BPA for purchases and sales of power pursuant to Section 5(c)(1) of the Northwest Power Act must provide the cost and non-cost benefits, including the environmental attributes and carbon intensity, of the power transacted. The non-cost benefits, such as the environmental attributes and carbon intensity of power generated by the Federal Columbia River Power System, are attributes of power sold to electric utilities pursuant to Section 5(c)(1) of the Northwest Power Act. Residential and small farm customers of electric utilities purchasing power from BPA pursuant to Section 5(c)(1) of the Northwest Power Act are entitled to the very same non-cost benefits of the Federal Columbia River Power System as customers of electric utilities purchasing power from BPA pursuant to Section 5(b)(1) of the Northwest Power Act.

Since at least April 2024, BPA has been working with electric utilities in developing post-FY2028 Provider of Choice contracts for power sales by BPA pursuant to Section 5(b)(1) of the Northwest Power Act, with the goal of having Provider of Choice preference customer power sales contracts finalized and executed by December 31, 2025. Each IOU respectfully requests BPA to offer for such IOU's consideration a draft post-FY2028 contract for purchases and sales of physical power pursuant to Section 5(c)(1) of the Northwest Power Act no later than June 30, 2025.

² The 2012 REP Settlement Agreement, Contract No. 11PB-12322, expires, and Residential Exchange Program Settlement Implementation Agreement of each IOU terminates, on September 30, 2028.

Administrator Hairston

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Very truly yours,

AVISTA CORPORATION



Heather Rosentrater
President and CEO

IDAHO POWER COMPANY



Lisa Grow
President and CEO

NORTHWESTERN CORPORATION



Brian Bird
President and CEO

PACIFICORP



Cindy Crane
Chair and CEO

**PORTLAND GENERAL
ELECTRIC COMPANY**



Maria Pope
President and CEO

PUGET SOUND ENERGY, INC.



Mary Kipp
President and CEO

cc: Paulina Cornejo, Residential Exchange Program Lead (ypcornejo@bpa.gov)
Michael Edwards, Residential Exchange Program Analyst (mmedwards@bpa.gov)