

# Residential Exchange Program Overview

June 20, 2025

Noon – 4:00pm PST

POST  
2028  
REP



# Agenda

Time	Topic	Presenter(s)
12:00-12:15	Introductions	Scott Winner, Paulina Cornejo
12:15-12:45	<b>PART I - REP Background</b> <ul style="list-style-type: none"> <li>• What is the REP?</li> <li>• Historical Context</li> </ul>	Rich Greene
12:45-1:45	<b>PART II - REP Mechanics</b> <ul style="list-style-type: none"> <li>• REP Benefits Formula</li> <li>• Average System Costs (ASCs)</li> <li>• 7(b)(2) Mechanics Overview</li> <li>• In-Lieu Background</li> </ul>	Rich Greene, Paulina Cornejo
1:45-2:00	<b>BREAK</b>	
2:00-2:45	<b>PART III - History and 2012 REP Settlement</b> <ul style="list-style-type: none"> <li>• Implementation History</li> <li>• 2012 REP Settlement</li> </ul>	Rich Greene, Paulina Cornejo
2:45-3:30	<b>PART IV - Post-2028 Efforts</b> <ul style="list-style-type: none"> <li>• Two-phase Public Process</li> </ul>	Rich Greene, Paulina Cornejo
3:30-4:00	Questions and Closing	Paulina Cornejo, Scott Winner

# Introductions - REP Core Team

- Scott Winner, PSRF Supervisor
- Paulina Cornejo, REP Policy Lead (PSRF)
- Rich Greene, Legal Counsel
- Neal Gschwend, Legal Counsel
- Daniel Fisher, PSR Supervisor
- Jonathan Ramse, Economist (PSR)
- Michael Edwards, REP Technical Lead (PSRF)
- Aimee Robinson, Economist (PSRF)

# What is the Residential Exchange Program?

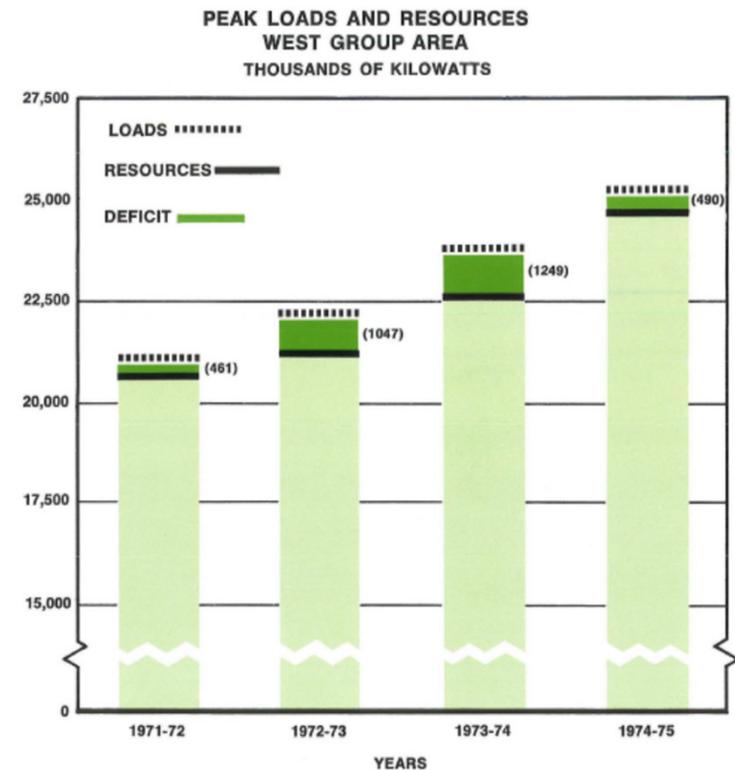
- Enacted by Congress under Section 5(c) of the 1980 Northwest Power Act to address wholesale rate disparity between Investor-Owned Utilities (IOUs) and PF customers (COUs) in the Pacific Northwest:
  - In simple terms: the REP is a federal program that provides economic benefits of the federal system to residential and farm customers of participating regional electric utilities.

<b>Balance forward</b>	<b>0.00</b>
Previous amount due 8/8/22	151.62
Payments through 8/19/22	151.62 <sup>(CR)</sup>
	<b>200.37</b>
<b>Energy charges</b>	<b>192.10</b>
Basic Charge	11.00
Energy Use Charge (1,000.000 kWh x \$0.06642)	66.42
Energy Use Charge (420.000 kWh x \$0.07002)	29.41
Transmission Charge (1,420.000 kWh x \$0.00585)	8.31
Distribution Charge (1,420.000 kWh x \$0.0542)	76.96
<b>Regulatory charges and credits</b>	<b>3.90</b>
102 RPA Exchange Credit (1,420.000 kWh x \$-0.00676)	9.60 <sup>(CR)</sup>
105 Regulatory Adjustments (1,420.000 kWh x \$-0.0001)	0.14 <sup>(CR)</sup>
109 Energy Efficiency Funding Adj (1,420.000 kWh x \$0.00579)	8.22
110 Energy Efficiency Customer Svc (1,420.000 kWh x \$0.00008)	0.11

112 Customer Engagement Transformation Adjustment (1,420.000 kWh x \$0.0003)	0.43
118 Bill Adjustment Cost Recovery	0.23
123 Decoupling Adjustment (1,420.000 kWh x \$-0.00227)	3.22 <sup>(CR)</sup>
135 Demand Response (1,420.000 kWh x \$0.0006)	0.85
136 Community Solar Cost Recovery (1,420.000 kWh x \$0.00006)	0.09
137 Solar Payment Option Cost Recov (1,420.000 kWh x \$0.00005)	0.07
138 Energy Storage Cost Recovery (1,420.000 kWh x \$0.00004)	0.06
143 Spent Fuel Adjustment (1,420.000 kWh x \$-0.00019)	0.27 <sup>(CR)</sup>
146 Colstrip Power Plant Oper Life Adj (1,420.000 kWh x \$0.0044)	6.25
150 Transportation Electrification (1,420.000 kWh x \$0.00058)	0.82
<b>Other charges and credits</b>	<b>0.51</b>

# History: The View from Circa 1960s & 1970s

- “The forecast indicates that Northwest electric energy requirements **will triple in the next 20 years** and that within a few years . . .” (BPA’s Annual Report, December 31, 1970.)
- 7% load growth across the region
- In 1973:
  - BPA stopped selling to IOUs
  - BPA periodically reduced sales to Direct Service Industries (aluminum plants, steel plants, etc...) and would not renew contracts post expiration.
- In 1976 - BPA issued a “notice of insufficiency” to its preference customers
  - Notified preference customers that BPA would be short on power by 1983.
  - BPA would have to allocate Federal power among preference customers.

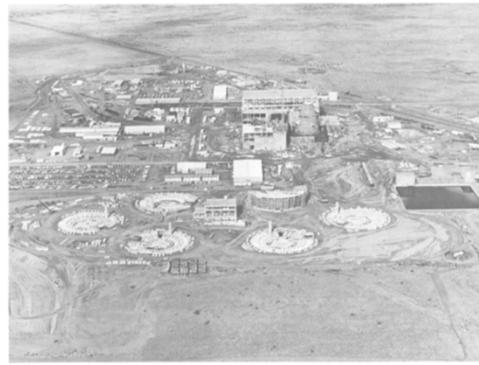


# The Hydro-Thermal Power Program & Issues

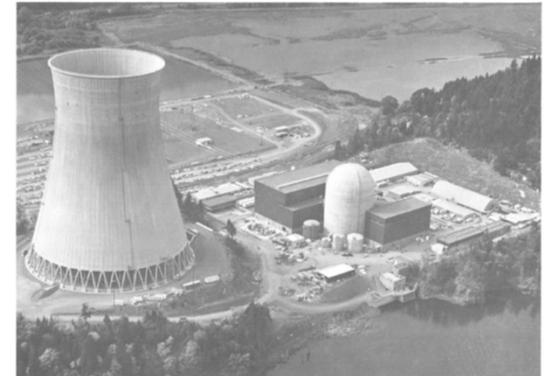
- In 1968, BPA and over 100 utilities outlined the Hydro-Thermal Power Program (HTPP) to supply the region through 1981.
- Federal, private and public utilities collaborated to build generation and transmission.
- HTPP proposed developing **20 nuclear plants and 2 coal**, and projected to cost \$17.9 billion (~\$141 billion today).

## Problems with the HTPP

- Reduced forecast for power
- Cost overruns
- Construction delays
- Community opposition
- Environmental opposition
- Court injunction. BPA's participation in Phase 2 paused until BPA completed an EIS



By the end of October 1975 overall construction of Washington Public Power Supply System's Nuclear Project No. 2 was about 26 percent complete. Plant's six circular cooling towers are being constructed in the foreground. (Photo courtesy of WPPSS)



The 1,130,000-kilowatt Trojan Nuclear Plant, which first put power into the Pacific Northwest grid in December 1975.

# Rate Disparity: Publics and Private

- HTPP costs included in rates meant costs of serving customers of IOUs and COUs rapidly increased.
- IOUs' consumers were hit harder. Paying 3x what public consumers paid.
- BPA required by federal law to serve COUs' needs first (preference).
- Only sell to IOUs if surplus available.
- As rates between private and public utilities diverge, political pressure builds to provide consumers of IOUs with a share of low-cost federal power.

WEDNESDAY, APRIL 12, 1978

## Governors split over power plan

By ED MOSEY  
of The Oregonian staff

BOISE — Gov. Bob Straub demanded principles; Gov. Dixy Lee Ray of Washington insisted on specifics, and

Gov. John Evans of Idaho joined Straub in supporting a larger share of hydroelectric power for residents of other states that now are served by private utilities.

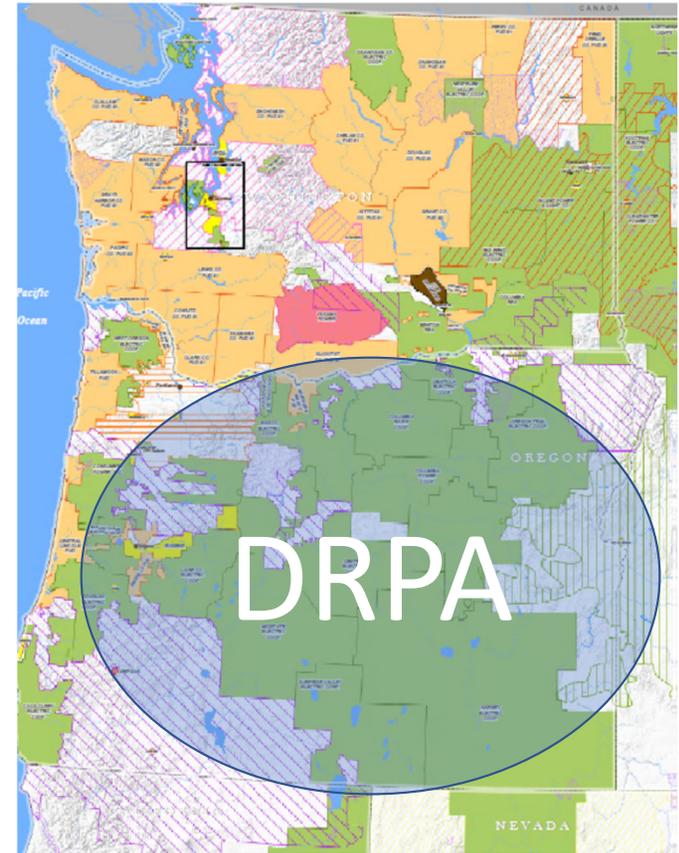
Straub said the governors should agree in principle that customers of private utilities in the Northwest should get an "equitable" share of the electricity generated by dams on the Columbia River system.

"People in Portland are paying \$27 for electricity people in Vancouver are paying \$11 for," he said. "The general public should have equal access."

Customers of public utilities now are guaranteed preferential treatment in the allocation of power generated by federal projects on the Columbia River system.

# Preference and Regional Division

- Washington is primarily served by COUs.
- Oregon is served primarily by IOUs.
- Turning Point: In an effort to gain access to a share of cheaper BPA power, Oregon prepared legislation creating “Domestic and Rural Power Authorities” (DRPA).
  - DRPA would sell power to IOUs’ consumers at a melded rate (some DRPA and some IOU).
  - DRPA would have asserted rights as a BPA preference customer.
- Other states considered proposing the same type of legislation. This opened the door to a regional fight over BPA’s allocation of power.



# The Northwest Power Act (NWPA) and REP

- To avert conflict, Congress passed the NWPA in 1980.
- One aspect of the NWPA was the REP, which was designed to help address the wholesale rate disparity between residential and farm customers in IOU vs. COU territories.
- NWPA created an “exchange” between IOUs and BPA to residential and farm customers access to low-cost federal power.
- Preference battle avoided.
  - IOUs’ consumers received some economic value from Federal projects. COUs received no diminishment in the amount of power sold to them, and “rate protection” through section 7(b)(2) of the NWPA.
- The first 5 years of REP implementation was paid exclusively by DSIs. 7(b)(2) rate protection did not kick in until 1985.



# REP Benefits Calculation

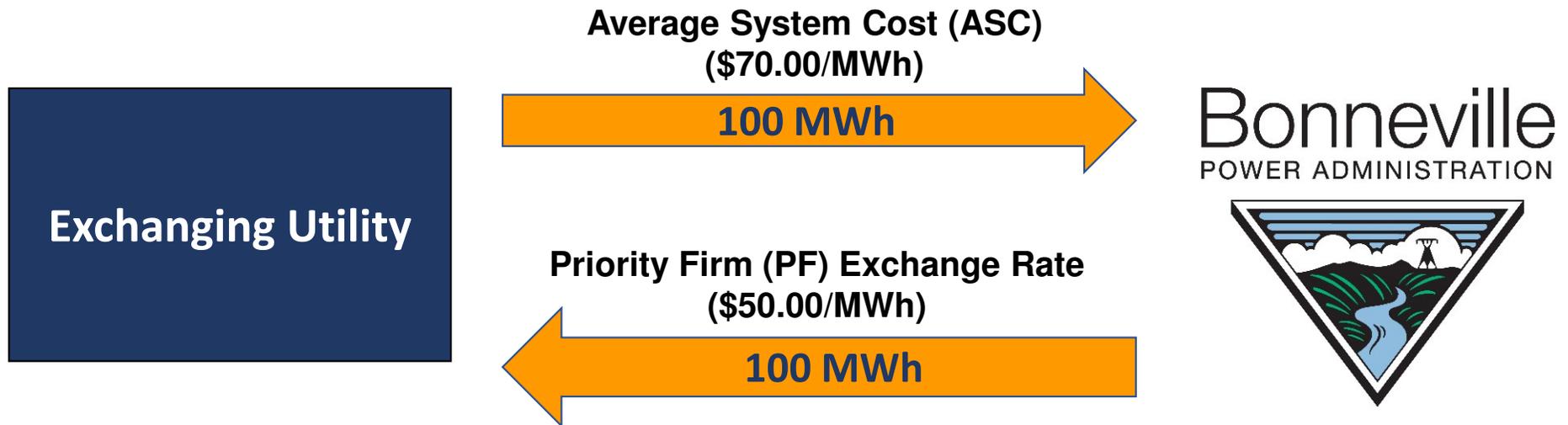
**Section 5(c) of NWPA  
(ASC Methodology)**

**Sections 3(18),  
5(c)(1) of NWPA**

**(Average System Cost – PF Exchange Rate) x Res&Farm Load = REP \$\$\$**

**Section 7(b)(2) of NWPA  
(Legal Interpretation)  
(7(b)(2) Methodology)**

# Calculating the REP Benefit Payment



- $(ASC - PF \text{ Exchange Rate}) \times \text{Residential and Farm Load} = \text{REP } \$\$\$$
- $(\$70 \text{ MWh} - \$50 \text{ MWh}) \times 100 \text{ MWh} = \$2000$  (“REP benefit”)
- No *actual* power is exchanged. Treated as a “paper transaction.” (See, however, *in-lieu* under section 5(c)(5)).

# Average System Costs (ASC) Background

# Section 5(c) of the NWPA

Section 5(c) of NWPA  
(ASC Methodology)

Sections 3(18),  
5(c)(1) of NWPA

$(\text{Average System Cost} - \text{PF Exchange Rate}) \times \text{Res\&Farm Load} = \text{REP } \$\$\$$

Section 7(b)(2) of NWPA  
(Legal Interpretation)  
(7(b)(2) Methodology)

# What is an ASC?

- **Section 5(c)(1) of the NWPA**

- Whenever a Pacific Northwest electric utility offers to sell electric power to the Administrator at the **average system cost (ASC)** 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.

- **An ASC is:**

- The sum of a utility's resources costs,
- expressed as a \$/MWh rate, and
- used to calculate an exchanging utility's financial REP benefits.



# Section 5(c) and the ASC Methodology

- **Section 5(c)(7) of the NWPA directs BPA to determine a methodology to calculate exchanging utilities' ASCs. The ASCM is that methodology.**
  - In consultation with the Council, BPA's customers, and State regulatory bodies.
  - Subject to FERC review and approval.
- **BPA has had three ASC methodologies.**
  - 1981 and 1984 ASC Methodologies were cumbersome, requiring 50+ staff to implement.
  - 2008 ASC Methodology streamlined the ASC process.
- **NWPA only stipulates the methodology must exclude the following costs:**
  - the cost of additional resources in an amount sufficient to serve any new large single load (NLSL) of the utility,
  - the cost of additional resources in an amount sufficient to meet any additional load outside the region occurring after December 5, 1980, and
  - any costs of any generating facility which is terminated prior to initial commercial operation.

# Calculating REP-Utilities' ASCs (\$/MWh)

- **ASCs comprise of Contract System Costs and Contract System Load, expressed in a \$/MWh**

$$ASC = \frac{\text{Contract System Cost (CSC)}}{\text{Contract System Load (CSL)}}$$

- **Contract System Costs (CSC):**

- ROR Portion of P&T Rate Base
- Production and Transmission Expense
- Administrative and General Expenses
- Conservation Expenses
- Labor and State Property Taxes
- Offsets:
  - Sales for Resales
  - Other Revenues and Other Offset
  - Costs to serve NLSLs and Above-RHWHM Load (COUs with CHWM only)

- **Contract System Load (CSL):**

- Total “regional” retail load
- Distribution Losses
- LESS:
  - NLSLs and Above-RHWHM Load

# Mechanics of the 7(b)(2) Rate Test

# Section 7(b)(2) of the NWPA

**Section 5(c) of NWPA  
(ASC Methodology)**

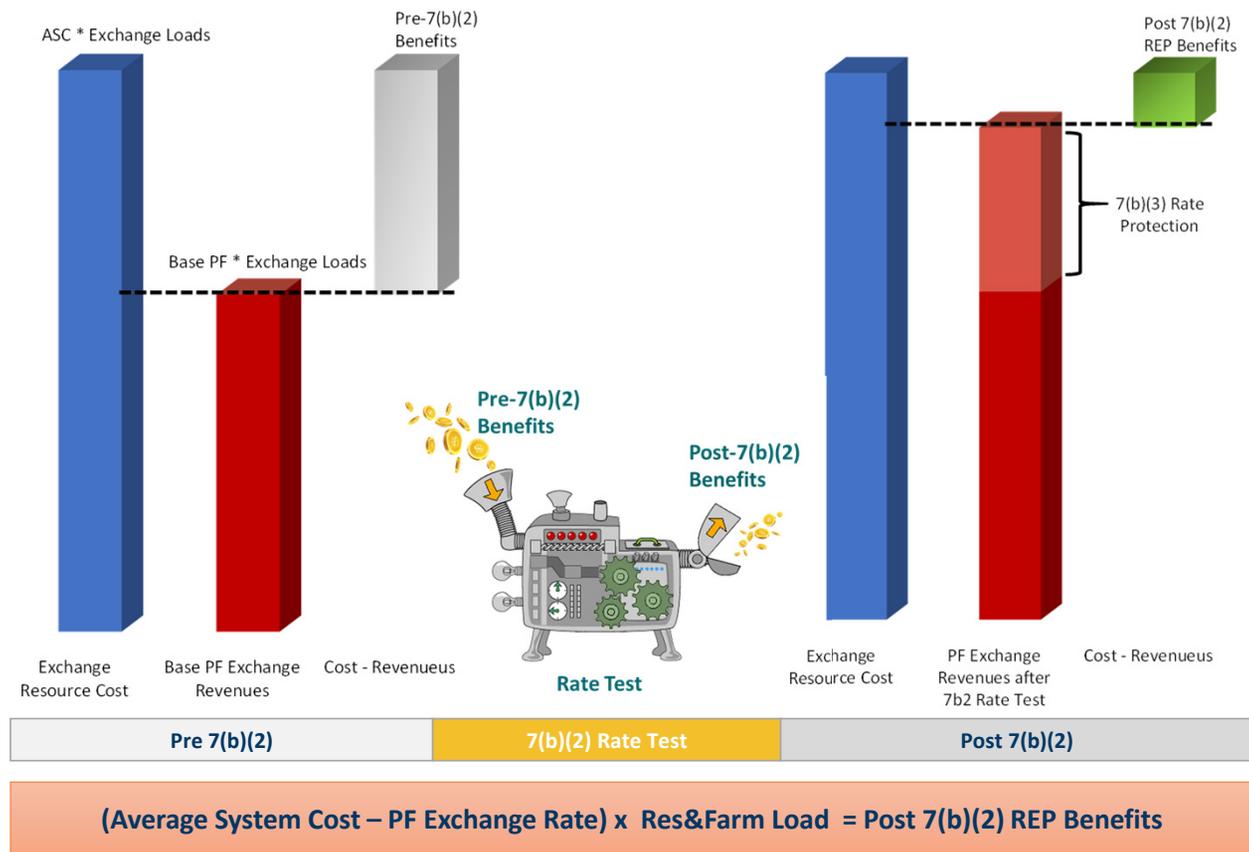
**Sections 3(18),  
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**(Average System Cost – PF Exchange Rate) x Res&Farm Load = REP \$\$\$**

**Section 7(b)(2) of NWPA  
(Legal Interpretation)  
(7(b)(2) Methodology)**

# Calculating Net REP Benefits

- Pre 7(b)(2) REP benefits represent the level of benefits that would be in place if there were no 7(b)(2) Rate Test or Rate Protection.
- Post 7(b)(2) benefits represent the REP benefits that remain after performing the 7(b)(2) rate test.
- The rate test calculates the amount of rate protection.
- Rate protection is allocated away from preference loads and assigned to all other loads including Exchange Loads.



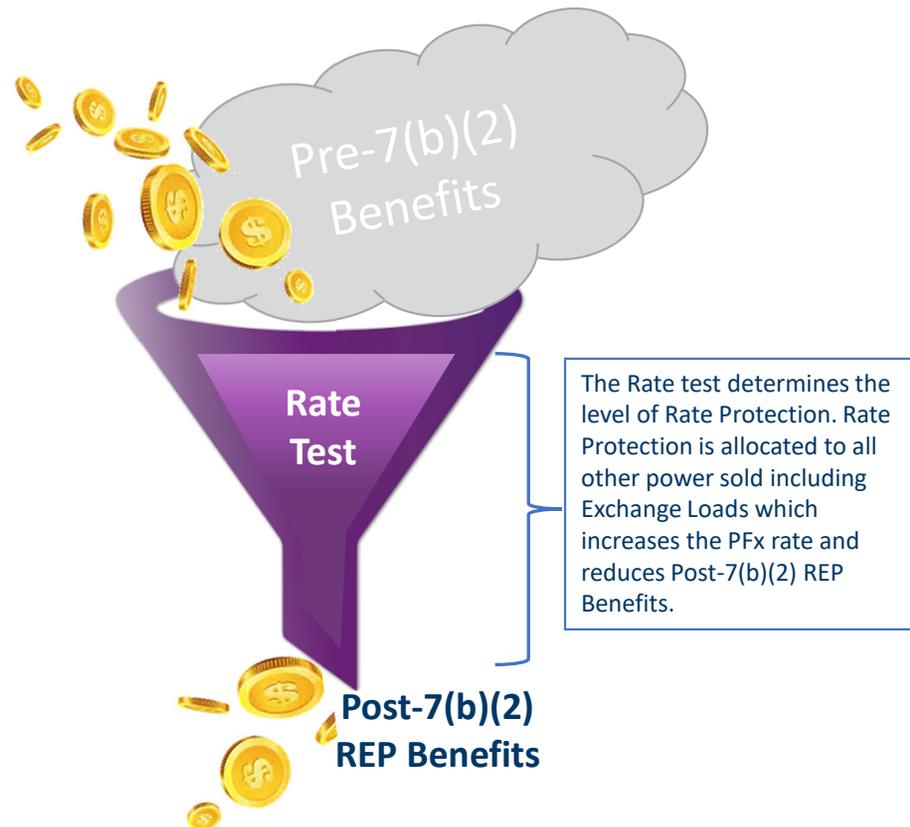
# What does Section 7(b)(2) day?

After July 1, 1985, the projected amounts to be charged for firm power for the combined general requirements of public body, cooperative and Federal agency customers, exclusive of amounts charged such customers under subsection (g) of this section for the costs of conservation, resource and conservation credits, experimental resources and uncontrollable events, may not exceed in total, as determined by the Administrator, during any year after July 1, 1985, plus the ensuing four years, an amount equal to the power costs for general requirements of such customers if, the Administrator assumes that—(A) the public body and cooperative customers' general requirements had included during such five-year period the direct service industrial customer loads which are—(i) served by the Administrator, and (ii) located within or adjacent to the geographic service boundaries of such public bodies and cooperatives; (B) public body, cooperative, and Federal agency customers were served, during such five-year period, with Federal base system resources not obligated to other entities under contracts existing as of December 5, 1980, (during the remaining term of such contracts) excluding obligations to direct service industrial customer loads included in subparagraph (A) of this paragraph; (C) no purchases or sales by the Administrator as provided in section 839c(c) of this title were made during such five-year period; (D) all resources that would have been required, during such five-year period, to meet remaining general requirements of the public body, cooperative and Federal agency customers (other than requirements met by the available Federal base system resources determined under subparagraph (B) of this paragraph) were—(i) purchased from such customers by the Administrator pursuant to section 839d of this title, or (ii) not committed to load pursuant to section 839c(b) of this title, and were the least expensive resources owned or purchased by public bodies or cooperatives; and any additional needed resources were obtained at the average cost of all other new resources acquired by the Administrator; and (E) the quantifiable monetary savings, during such five-year period, to public body, cooperative and Federal agency customers resulting from—(i) reduced public body and cooperative financing costs as applied to the total amount of resources, other than Federal base system resources, identified under subparagraph (D) of this paragraph, and (ii) reserve benefits as a result of the Administrator's actions under this chapter were not achieved.

*“...a Byzantine sentence that nearly fills a page and that is, in my view, the most complicated section in the Act.” – Steve Wright, WP-07 Supplemental ROD*

# Calculating Post-7(b)(2) Benefits

- The 7(b)(2) Rate Test is implemented based on statutory text set forth in the NWPA.
- To aid in implementing 7(b)(2), BPA has historically developed both a Legal interpretation and implementation methodology.



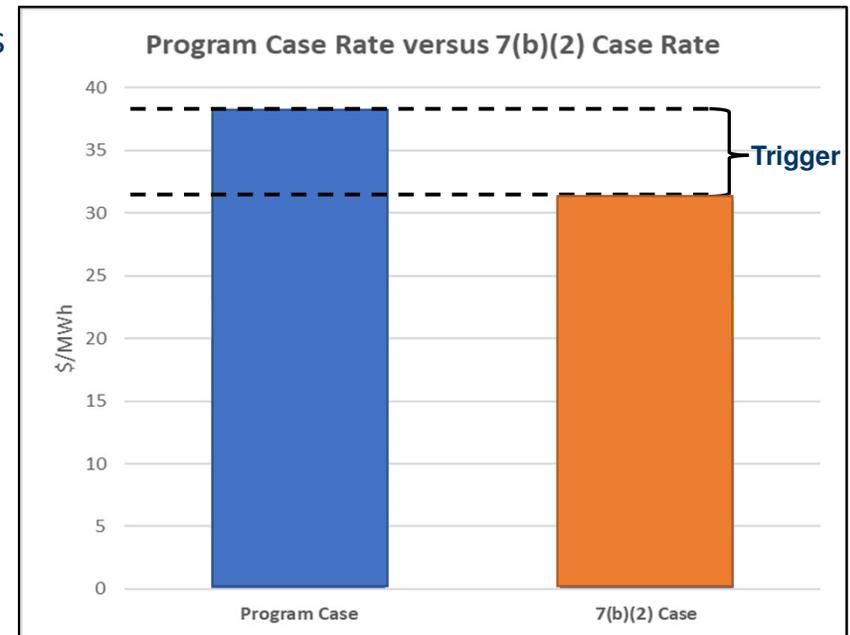
# Calculating Post-7(b)(2) Benefits: 7(b)(2) Test

- **The Rate Test can be considered an ongoing cost/ benefit analysis.**

- It compares projected rates set to recover certain power costs included in the NWPA (Program Case) to a hypothetical rate set to recover power costs assuming certain features of the NWPA were not in place (7b2 Case).
- The Rate Test is intended “to assure that the financial benefits of the preference clause in the Bonneville Act will continue to accrue to BPA preference customers.” Sen. Rep., Appendix B

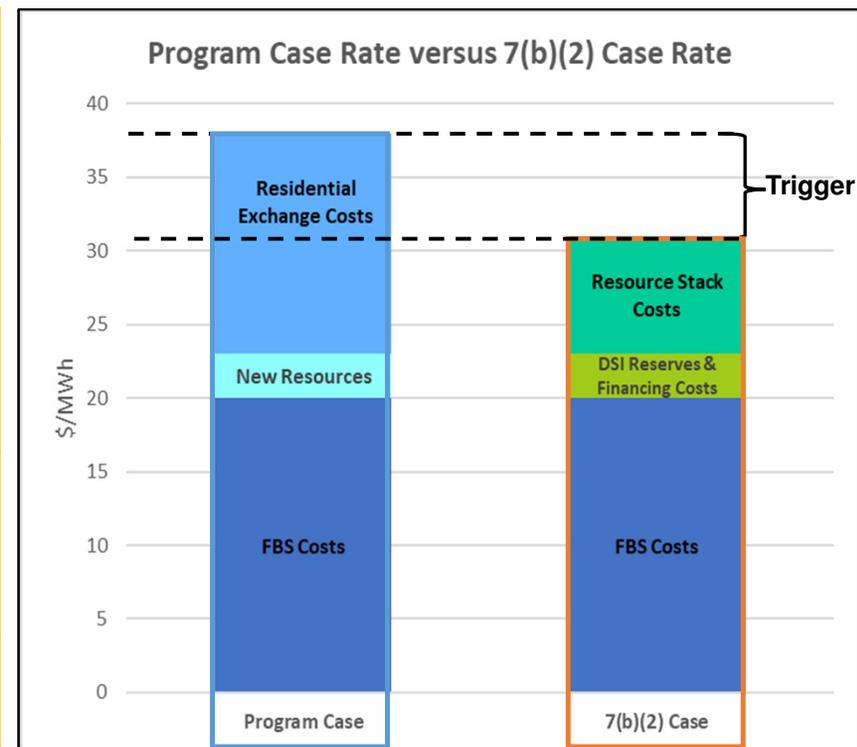
- **Functionally, the Rate Test limits the amount of REP costs that may be recovered in the PF rate.**

- If the Program Case rate is higher than the 7(b)(2) Case rate, then the Rate Test is said to “trigger” and the difference between the \$/MWh is multiplied by PF customer load to establish a rate protection amount.
- The rate protection amount is then allocated away from PF customer loads to all other power sold as a supplemental rate charge.



# Calculating Post-7(b)(2) Benefits: 7(b)(2) Test

Step 1	Exclude specific Section 7(g) Costs from Program Case	Conservation costs, experimental resource costs, billing credits costs, and “uncontrollable events” costs
Step 2	Run the five assumptions of the 7(b)(2) rate test (Hypothetical case)	(A) DSIs are served by their local utility instead of BPA (B) Federal base system resources are used for publics first (C) no REP purchases and sales (D) after the FBS is exhausted, other resources owned by publics are applied in least cost order (E) power reserve benefits and reduced financing costs available under the Act are not achieved.
Step 3	Compare the rates produced by Program Case with the 7(b)(2) Case	If Program Case rate is lower, do nothing; if 7(b)(2) Case rate is lower, rate test triggers. The \$/MWh difference between the two rates is multiplied by the PF customer load to determine a rate protection amount.
Step 4	Allocate difference from Step 3 to other rates	The rate protection amount from Step 3 must be allocated to other non-PF power sold per 7(b)(3).





# Residential (Exchange) Load

# Section 3(18) & 5(c)(1) of the NWPA

**Section 5(c) of NWPA  
(ASC Methodology)**

**Sections 3(18),  
5(c)(1) of NWPA**

**(Average System Cost – PF Exchange Rate) x Res&Farm Load = REP \$\$\$**

**Section 7(b)(2) of NWPA  
(Legal Interpretation)  
(7(b)(2) Methodology)**

# Residential (Exchange) Load

- **Section 5(c)(3) states**

- The cost benefits, as specified in contracts with the Administrator, of any purchase and exchange sale referred to in paragraph (1) of this subsection which are attributable to any electric utility's residential load within a State shall be passed through directly to such utility's residential loads within such State, except that a State which lies partially within and partially without the region may require that such cost benefits be distributed among all of the utility's residential loads in that State.

- **Section 3(18) defines “Residential Load” as**

- Residential use or residential load means all usual residential, apartment seasonal dwelling and farm electrical loads or uses, but only the first four hundred horsepower during any monthly billing period of farm irrigation and pumping for any farm.
- Simply put, the Residential and Farm load, also know as Exchange Load, is utilities’ load eligible to receive REP benefits.
- Detailed descriptions of eligible loads are found in the Customer Load Eligibility Guidelines (CLEG), available on the REP’s external site.



# In-lieu and Section 5(c)(5)

# What is In-Lieu?

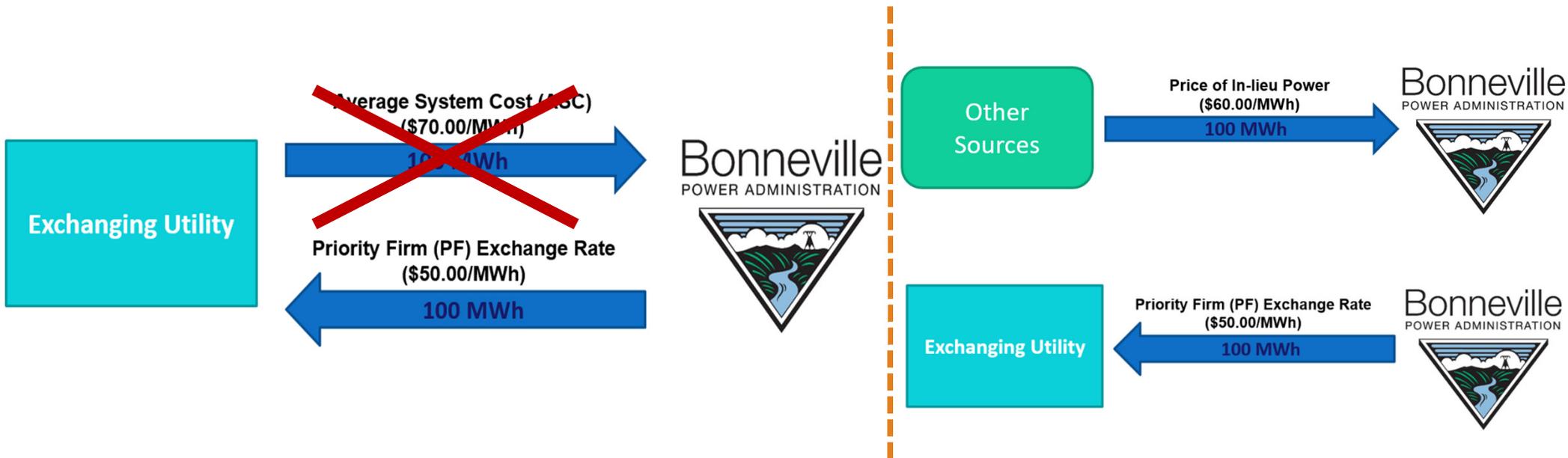
- **Section 5(c)(5) of the NWPA**

- *“Subject to the provisions of sections 4 and 6, in lieu of purchasing any amount of electric power offered by a utility under paragraph (1) of this subsection, the Administrator may acquire an equivalent amount of electric power from **other sources** to replace power sold to such utility as part of an exchange sale if the cost of such acquisition is less than the cost of purchasing the electric power offered by such utility.”*

- **In other words:**

- In lieu of purchasing any amount of power offered by a utility, BPA **may** acquire an equivalent amount of power from other sources instead of exchanging, if the cost of such power is less than the utility’s ASC.
- This lower physical power cost would be included in ratemaking under section 7 of the NWPA in lieu of exchange purchases at the customers’ ASCs.

# In-Lieu Visual



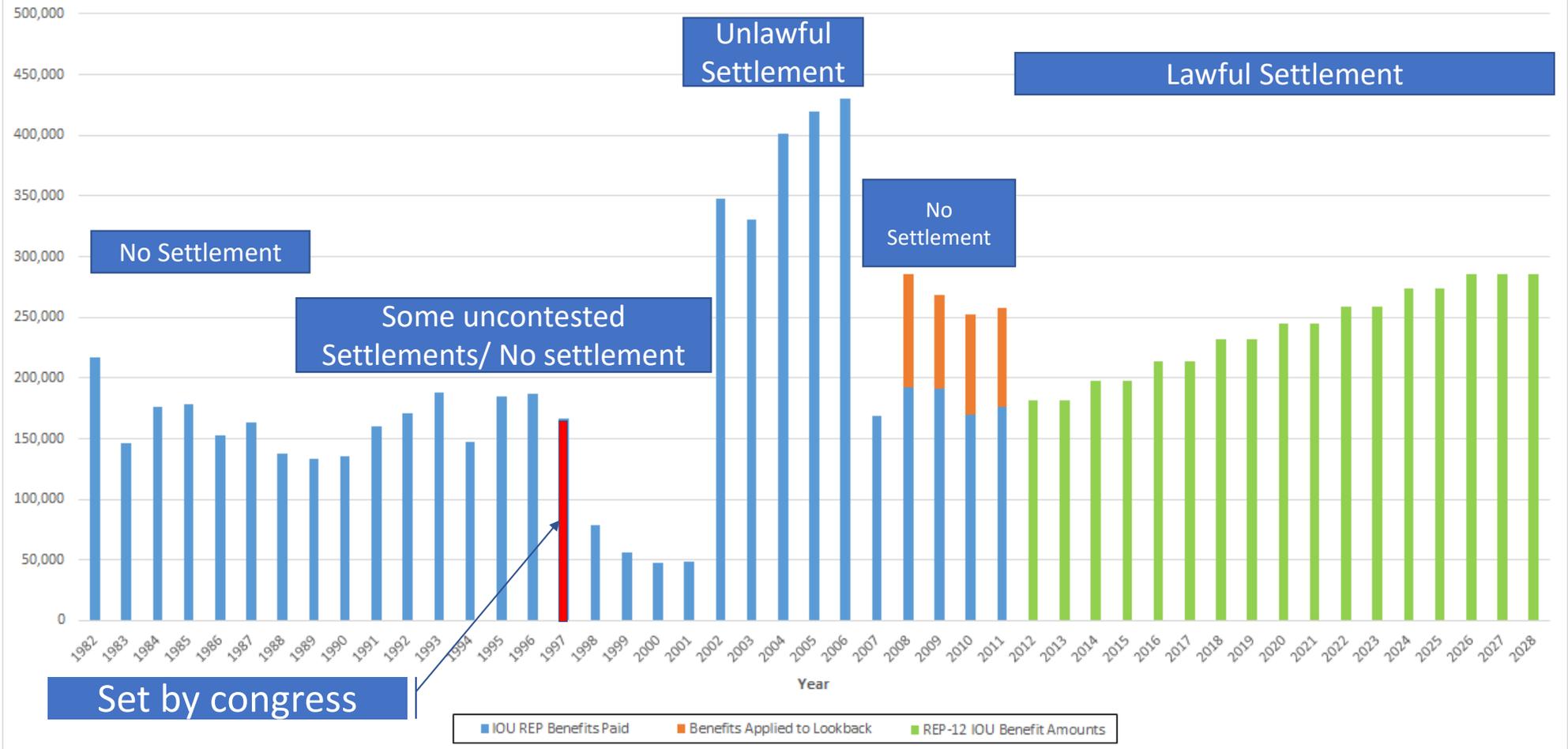


# Implementation History and 2012 REP Settlement

POST  
2028  
REP



Payments to IOUs through the Residential Exchange Program or Settlement Agreements  
(Nominal \$)



# 1980 – 2000 REP Implementation

Timeframe	Event
1981	First ASC Methodology developed.
1980-1985	DSIs statutorily required to pay for the net costs of the REP through the IP rate.
1984	BPA prepared to implement Section 7(b)(2) and other adjustments; <ul style="list-style-type: none"> <li>• 7(b)(2) Legal Interpretation</li> <li>• 7(b)(2) Implementation Methodology</li> <li>• Second iteration of the ASC Methodology (1984 version)</li> </ul>
1985 – WP-85 Rate Case	7(b)(2) Implemented for the first time. No trigger.
1987-1998	<ul style="list-style-type: none"> <li>• Combination of 7(b)(2) implementation and increasing ASC reduced REP benefits.</li> <li>• Complexity of implementing ASCs and 7(b)(2) led to many settlements with IOUs and Public REP Participants.</li> <li>• Lat 1990s REP benefits declined to roughly \$65M per year, which led to...</li> </ul>
1995	Congress stepped in and required BPA to pay \$145M in REP benefits for 1997.

# 2000-2008 Settlement and Litigation

Timeframe	Event
<b>Context</b>	<ul style="list-style-type: none"> <li>Implementing REP is complex. BPA REP staff included 50+ analysts, lawyers, and others. Reviewing ASC filing and state PUC filings to check IOU costs.</li> </ul>
<b>2000 REP Settlement</b>	<ul style="list-style-type: none"> <li>To simplify and spread benefits of region more broadly developed “new” methodology to calculate benefits. No 7(b)(2) and no ASC.</li> <li>BPA set rates for WP-02 (2002-2006) using 2000 REP Settlement REP costs. Costs of REP increased substantially during energy crisis. REP Settlement was challenged by public customers.</li> </ul>
<b>2007 Settlement Invalid</b>	<ul style="list-style-type: none"> <li>In May 2007, the Ninth Circuit held that 2000 REP Settlement Agreement unlawful. <i>Portland Gen. Elec. v. BPA</i>, 501 F.3d 1009 (9th Cir. 2007).</li> <li>Court remanded WP-02 rates. <i>Golden NW Alum. v. BPA</i>, 501 F.3d 1037 (9th Cir. 2007).</li> </ul>
<b>2008 BPA’s Response</b>	<ul style="list-style-type: none"> <li>BPA restarted traditional REP. (ASC and 7(b)(2)). Massive ROD: 729 pages, addressing hundreds of issues.</li> <li>Section 7(b)(2) Implementation Methodology; 7(b)(2) Legal Interpretation.</li> <li>Set rates for FY 2009. Calculated refunds for public customers (\$1.2 billion) – paid by IOUs’ through future REP benefits.</li> <li><i>Developed 2008 ASC Methodology.</i></li> </ul>

# 2008-2011 Litigation Continues

Timeframe	Event
<b>2008-2009</b>	<ul style="list-style-type: none"> <li>• Regional parties filed 56 petitions with Court consolidated into four cases...</li> <li>• Many challenges to 7(b)(2) and BPA’s refund decisions.</li> </ul>
<b>2009-2010</b>	<ul style="list-style-type: none"> <li>• BPA completes power rate case for FY 2010-2011</li> <li>• More lawsuits... 7(b)(2)...BPA’s refund decisions</li> </ul>
<b>2010-2011</b>	<ul style="list-style-type: none"> <li>• Regional parties held mediation on resolving REP issues.</li> <li>• IOUs and public customers reached resolution on a NPV for REP benefits until 2028.</li> <li>• BPA, IOUs, Public customers craft REP Settlement terms.</li> </ul>
<b>2011</b>	<ul style="list-style-type: none"> <li>• BPA conducts the REP-12 Settlement proceeding.</li> <li>• Tests the NPV of REP Settlement for compliance with law.</li> <li>• REP-12 ROD finds 2012 REP Settlement lawful.</li> </ul>

# Context for the 2012 REP Settlement

“The disruption that the pending litigation poses to BPA and the region is substantial. As things stand now, not a single COU or IOU ratepayer of BPA knows whether or not the rates it has paid, the REP benefits it has distributed to its consumers, or the refunds it has received over the past 10 years are lawful. . . . Furthermore, as noted by Staff, “the problem only grows with time.” . . . With each new attempt by BPA to “fix” the latest set of problems with its implementation of the REP, a new wave of litigation will likely be filed. The end result is that, until the Court finally rules on almost every issue in contention among the many parties, the region will face continuing uncertainty in both the level of the PF rate and the amount of REP benefits payable to the IOUs.”

REP-12 Administrator’s Record of Decision, REP-12-A-02, at 13-14 (2011).

- **BPA withdrew WP-07 Supplemental /RPSA RODs.**
- **Regional parties held mediation on resolving REP issues.**
  - REP Settlement established a set “schedule” of REP payments from FY 2012-2028 to the IOUs.
  - COU benefit amounts were not set in the Settlement but were a function of the Settlement
- **Litigation over REP Settlement**
  - REP Settlement was challenged and upheld (Oct. 2013). APAC v. BPA, 733 F.3d 939 (9th Cir. 2013).
  - Settlement expires in 2028; BPA is required to issue 7(b)(2) implementation and legal interpretation prior to FY 2028.

# 2012 REP Settlement Highlights

- The 2012 REP settlement resulted in IOU benefits averaging \$239 million annually through FY2028.
- REP Settlement benefits were back loaded; therefore, BP-24 benefits were set at \$273.6 million and BP-26 benefits at \$286 million.
- REP Settlement demonstrated that IOUs, under settlement, agreed to take fewer benefits than they would otherwise receive under a traditional REP.

Fiscal Year	REP Payments included in rates (\$ millions)
2012	\$182.1 + \$76.5
2013	\$182.1 + \$76.5
2014	\$197.5 + \$76.5
2015	\$197.5 + \$76.5
2016	\$214.1 + \$76.5
2017	\$214.1 + \$76.5
2018	\$232.2 + \$76.5
2019	\$232.2 + \$76.5
2020	\$245.2
2021	\$245.2
2022	\$259.0
2023	\$259.0
2024	\$273.6
2025	\$273.6
2026	\$286.1
2027	\$286.1
2028	\$286.1



# Post-2028 Efforts and Next Steps

POST  
2028  
REP



# Two-Phase Public Process

- **Phase 1** is comprised of three sub-phases designed to support and facilitate regional efforts towards a new REP settlement. If successful, implementation of the REP under new settlement agreements will commence BP-29 (October 1, 2028).
- **Phase 2** focuses on positioning on REP issues and policies to implement the program traditionally, for the BP-29 rate case.

## PHASE 1 – SETTLEMENT (2022-2025)

Sub-Phase 1:  
REP Dry Run and Preparation  
(Fall 2022 – Spring 2023)

Sub-Phase 2: REP  
Contract Negotiation  
(Fall 2023 – Spring/Summer  
2024)

Sub-Phase 3: REP  
Settlement Evaluation Process  
and Decision (7i)  
(Fall 2024 – Spring 2025)

The settlement phase builds on the foundation established by the 2012 REP Settlement– BPA’s focus and efforts are to facilitate and encourage regional discussions towards a structured settlement of the REP.

## PHASE 2 – TRADITIONAL REP PREPARATION PHASE (2025-2028)

If no settlement is reached in 2025, BPA must shift its focus to preparing its positions and policies on the RPSA framework, ASC methodology, and 7(b)(2) implementation for the BP-29 rate.

# REP Post-2028: Path 1 – Settlement Phase

Timeframe	Public Engagement Process
September - October 2022	Educational, level setting, workshops with Publics and IOUs.
January - February 2023	<p>“Dry Run” analysis - developed scenarios showing potential REP benefits for Post-2028 period.</p> <ul style="list-style-type: none"> <li>Dry Run showed REP benefits under “Reference Case” for <b>FY 2029 at \$81m.</b></li> </ul>
May - June 2023	Publics and IOUs provided perspectives on REP Settlement principles.
September 2023	<p>BPA issued Regional Letter noting it would no longer host public workshops on settlement.</p> <ul style="list-style-type: none"> <li>Support IOUs and Publics to continue discussions in private.</li> </ul>
January 2024	<p>BPA publishes REP scenarios using BP-24 data.</p> <ul style="list-style-type: none"> <li>REP benefits under “Reference Case” for <b>FY 2029 at \$32M.</b></li> </ul>
January 2024 – January 2025	BPA met periodically with IOUs and Publics on settlement options.



# Questions & Closing

POST  
2028  
REP





# APPENDIX

POST  
2028  
REP



# Additional Resources

- [REP Post-2028 External Webpage](#)
- [REP Fact Sheet](#)
- [History of REP](#)
- [REP-12 Final Record of Decision and Agreement](#)
- [REP-12 Final Settlement Evaluation and Analysis Study](#)
- [REP-12 Final Settlement Evaluation and Analysis Documentation](#)
- [1984 Section 7\(b\)\(2\) Implementation Methodology](#)
- [1984 Section 7\(b\)\(2\) Legal Interpretation](#)
- [2008 Section 7\(b\)\(2\) Implementation Methodology](#)
- [2008 Section 7\(b\)\(2\) Legal Interpretation](#)
- [1980 Northwest Power Act](#)