

October 6, 2025

Via Email

Bonneville Power Administration

Email: rep2028@bpa.gov

RE: Comments of the Investor-Owned Utilities (Avista Corporation, Idaho Power Company, NorthWestern Corporation, PacifiCorp, Portland General Electric Company, and Puget Sound Energy, Inc.) on BPA-Led Workshops Addressing Residential Purchase and Sale Agreements for the Post-2028 Residential Exchange Program

We submit this comment letter on behalf of Avista Corporation, Idaho Power Company, NorthWestern Corporation, PacifiCorp, Portland General Electric Company, and Puget Sound Energy, Inc. (the “IOUs”), investor-owned utilities that provide electricity to more than 4.5 million customers throughout the Pacific Northwest.

The Pacific Northwest Electric Power Planning and Conservation Act (“Northwest Power Act”) established the Residential Exchange Program (“REP”) to ensure that all Northwest residential and small-farm electricity customers, not just those served by a consumer-owned utility (“COU”), receive access to benefits from reliable, clean, low-cost, federally owned hydropower. The fundamental purpose of the REP is to enhance equity for IOU customers. Yet the post-2028 REP process has failed to afford the IOUs a level playing field with respect to contract development and consideration of equitable access to energy from the federal hydro system and its associated environmental attributes that are critically important to mitigate significant challenges facing IOUs and their customers.

BPA is projecting an 88 percent reduction in REP financial benefits from \$286 million per year to just \$34 million per year for the IOUs starting in late 2028. These reductions will cause significant rate increases beginning in 2028 for nearly 4 million residential and small farm IOU customers--more than half of all residential electricity customers in the Pacific Northwest with average bills increasing by as much as six percent. In addition, the regulatory landscape for Pacific Northwest utilities has been fundamentally altered since 2012, with states implementing carbon and clean energy standards that impose significant additional cost burdens on customers. These costs are not shared equitably when BPA excludes access to energy from the federal hydro system and associated environmental attributes from the Residential Purchase and Sale Agreements (RPSA).

The IOUs have repeatedly raised this issue to BPA, providing comments on the importance of a physical exchange and access to energy from the federal hydro system and its associated

environmental attributes as early as June 2022¹ and presenting on this issue at a BPA workshop in June 2023.² BPA's consistent response was to direct the IOUs and COUs to negotiate potential settlement options. Even after these discussions failed because the COUs refused to discuss the physical exchange and transfer of environmental attributes, BPA declined multiple requests from the IOUs to initiate the post-2028 RPSA development process. BPA ultimately responded on June 27, 2025, reassuring the IOUs that discussions would begin with the first RPSA workshop in September. Despite these reassurances and before seeking input from stakeholders, BPA made clear that it had reached a determination that the exchange of energy and associated environmental attributes is outside the scope of Section 5(c) of the Northwest Power Act.³

The IOUs dispute BPA's legal interpretation and rejection of a physical exchange of energy and associated environmental attributes through the RPSA and the truncated process through which BPA is implementing its decision on this critical issue. BPA scheduled workshops for RPSA over a 60-day period with one-week timelines for informal comments. By comparison, BPA's provider of choice contract development process provided years for public utilities to outline their concerns and advocate for their preferred outcomes, with early engagement starting in 2019, followed by 37 public workshops held leading up to February 2025. Given BPA's stated positions and the limited opportunity for and consideration of informal comments, the IOUs reserve their rights to register their objections and intend to provide complete comments on BPA's interpretation and process during the formal comment period.

Respectfully,



Kent Mayo
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Counsel for the Investor-Owned Utilities

(Avista Corporation, Idaho Power Company, NorthWestern Corporation,
PacifiCorp, Portland General Electric Company, and Puget Sound Energy, Inc.)

¹ Comments of Avista Corporation, NorthWestern Corporation, PacifiCorp, Portland General Electric Company, and Puget Sound Energy, Inc., dated June 2, 2022, regarding BPA Post-2028 Carbon and Environmental Attributes; Sharing the Benefits of the FCRPS; and BPA Provider of Choice Goals and Principles (available at <https://www.bpa.gov/-/media/Aep/power/provider-of-choice/20220602-rep-carbon-envl-attributes-may-2022-workshop.pdf>).

² *Post 2028 Residential Exchange Program*, Slides 32-50 (June 27, 2023), available at <https://www.bpa.gov/-/media/Aep/power/residential-exchange-program/20230627-post-2028-rep-sub-phase-1-customer-workshop.pdf>.

³ BPA clarified at the next workshop, however, that this interpretation *only* applies to Section 5(c), and that a physical transfer that includes environmental attributes can be achieved under Section 5(b), despite the similarities of these provisions.