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Bonneville Power Administration
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December 19, 2025

In reply refer to: PSR-6

On November 4, 2025, BPA Staff posted and held a workshop on a Settlement Concept that contained a comprehensive framework from which to build a settlement for the Residential Exchange Program (REP) for fiscal years 2029-2044. BPA Staff followed up this workshop by posting on November 7, 2025, rate models and other analytical work that were used to construct the Settlement Concept. BPA Staff requested initial reactions to the Settlement Concept by November 18, 2025.

Initial responses from stakeholders suggested both support for the Settlement Concept, as well as requests for additional time for evaluation. In a letter dated November 25, 2025, BPA Staff extended the timeline for evaluating the Settlement Concept until December 18, 2025, while proceeding with implementation of the traditional REP processes. BPA Staff also remained available during this time to answer questions, provide additional details, and to discuss the Settlement Concept. Many stakeholders took advantage of this opportunity by scheduling time with BPA Staff.

With this additional time for stakeholders to conduct due diligence, BPA Staff requested that stakeholders provide their final perspective to the Settlement Concept (or some other broadly supported proposal) by December 18, 2025. BPA Staff noted the Settlement Concept was time-bound, with various inputs and methodological assumptions likely to change in the future with new information. If the responses by December 18, 2025, expressed support for moving forward with the Settlement Concept, BPA proposed to pause its development of further REP processes and turn to developing applicable settlement terms in January 2026. If commenters did not support the Settlement Concept, BPA Staff intended to continue moving forward with its non-settlement REP processes. Additionally, BPA Staff intended to step back from further settlement discussions to focus on completing the REP traditional processes.

BPA Staff received nine responses by the December 18, 2025, deadline. While some parties expressed support for the Settlement Concept, other respondents did not and requested BPA to continue forward with its REP processes. BPA Staff wish to express their appreciation for the attention and evaluation of the Settlement Concept. BPA Staff believe many stakeholders have gained a better understanding of the relevant elements of the REP, and such knowledge will be valuable in future dialogues among the stakeholders on the REP.

BPA will continue forward with its REP process schedule as indicated in its public workshops. Additionally, in the first quarter of 2026, BPA Staff intend to provide a detailed schedule for the final traditional REP process: the Section 7(i) proceeding for the development of the Section 7(b)(2) Implementation Methodology and Legal Interpretation.

Respectfully,

BPA Power Rates Staff