



Department of Energy
Bonneville Power Administration
P.O. Box 3621
Portland, Oregon 97208-3621



In reply refer to: PSRF-6

September 15, 2025

To: Peter Cogswell, Executive Director, Northwest Power and Conservation Council

Subject: Consultation with the Northwest Power and Conservation Council (Council) on the development of the Average System Cost Methodology, pursuant to Section 5(c)(7) of the Northwest Power Act, for the Post-2028 Residential Exchange Program public engagement process.

Background

Section 5(c) of the Northwest Power Act establishes the Residential Exchange Program (REP). The REP is currently administered pursuant to a settlement agreement that expires September 30, 2028.

On July 17, 2025, BPA published its Post-2028 REP Comprehensive Plan Paper that described three foundational processes BPA will lead over the next two years to prepare BPA and its regional partners to implement REP in the post-2028 period, along with their respective public engagement timelines. The key initiatives outlined in the paper are:

1. Residential Purchase and Sale Agreements (RPSA) process
2. Average System Cost Methodology (ASCM) consultation
3. Section 7(b)(2) Legal Interpretation and Implementation Methodology proceeding

Post-2028 ASCM Public Process

BPA is preparing to launch the ASCM public engagement process this Fall of 2025. To that end, BPA intends to consult with the Council pursuant to section 5(c)(7) of the Northwest Power Act. A general timeline is provided below.

Timeframe	Event
October – December 2025	Workshops to review ASCM terms
January – February 2026	Draft ASCM open for comment (30 days)
March 2026	Final ASCM and ASCM ROD
April 2026	File ASCM with FERC

In advance of the public engagement workshops, BPA scheduled a meeting with the Council on September 29, 2025. Our team will be presenting an overview of the 2008 ASCM development process for context, aspects of the 2008 methodology that BPA will propose be carried forward, and aspects BPA will propose be revised. We also welcome and request the Council's consultation through the public workshops process. We intend to meet with the Council again prior to the issuance of the complete draft ASCM for formal comment.

We want to thank you for your engagement on the Average System Cost Methodology and look forward to working with the Council on this important component of the Post-2028 REP process.

Please direct any questions regarding the above to Michael Edwards, 503.230.3673 or medwards@bpa.gov, and the REP Team at rep2028@bpa.gov.

Sincerely,

A handwritten signature in black ink, appearing to read 'K. Thompson', with a red digital signature line extending from the end of the signature.

Digitally signed by KIM
THOMPSON
Date: 2025.09.15
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Kim Thompson
Vice President, NW Requirements Marketing