

BPA NEWS

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BONNEVILLE POWER ADMINISTRATION
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BPA hits milestone in effort to preserve long-term partnership with public power
Policy for next iteration of contracts will preserve the value of the federal system

Portland, Ore. – Five-plus years of collaboration with customers and constituents has culminated in Bonneville Power Administration’s release of its final Provider of Choice Policy. This document captures BPA’s position on the policies, products and services it will offer its utility customers in new long-term wholesale electric power contracts beginning in 2028.

“This policy lays the foundation for low-cost, reliable, carbon-free electric power from the Federal Columbia River Power System to continue to flow to communities served by BPA’s public power customers,” said BPA Administrator and CEO John Hairston. “We’ve seen so much change in our region and in our industry since our current wholesale power contracts were put in place in 2011. This policy sets a course for two more decades of clean energy consumption and economic prosperity for communities served by consumer-owned utilities in the region.”

At the core of the policy is the continuation of a tiered rate construct. Under tiered rates, BPA’s utility customers are eligible to purchase a certain amount of wholesale electric power at BPA’s Priority Firm Tier 1 rate, which is its lowest-cost rate. If a utility has additional power needs, they can choose to be served by BPA at a PF Tier 2 rate, by nonfederal resources that they secure on their own, or a combination of the two. The tiered rate construct is designed to preserve the value of the federal system – including the region’s 31 federal dams and one nuclear plant – and insulate customers from unbound power resource acquisition costs.

“I deeply appreciate the level of involvement and feedback we received from our customers and other stakeholders throughout this multi-year process as we strived to deliver a prudent and balanced policy direction,” said Hairston. “This decision demonstrates our commitment to responding to our customers’ evolving needs while working within the framework of the federal statutes. As an example, we are providing new opportunities for customers to integrate non-federal resources while staying true to the central tenets of tiered rates. The work we’ve done

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together led us to significantly modify the initial concepts we released in summer 2022 and hammer out a policy that BPA and its customers navigate a constantly evolving energy landscape.”

The policy creates a durable framework that provides certainty about the load service customers can expect from BPA while enabling them to navigate the changes the region will face. For example, the policy shifts how BPA conveys emissions attributes to better align with utility reporting requirements, which was in direct response to customer requests.

The release of the policy signifies an important milestone in the Provider of Choice process. The next phase kicks off in April with a series of policy implementation and contract development workshops that will go into more depth about the products and services outlined in the policy. BPA has set a goal of executing the new long-term contracts by December 2025.

These new contracts will replace BPA’s current 20-year Regional Dialogue contracts. For more information, visit [BPA’s Provider of Choice webpage](#).

About BPA

The Bonneville Power Administration, headquartered in Portland, Oregon, is a nonprofit federal power marketer that sells wholesale, carbon-free hydropower from 31 federal dams in the Columbia River Basin. It also markets the output of the region’s only nuclear plant. BPA delivers this power to more than 140 Northwest electric utilities, serving millions of consumers and businesses in Washington, Oregon, Idaho, western Montana and parts of California, Nevada, Utah and Wyoming. BPA also owns and operates more than 15,000 circuit miles of high-voltage power lines and 261 substations and provides transmission service to more than 300 customers. In all, BPA provides nearly a third of the power generated in the Northwest. To mitigate the impacts of the federal dams, BPA implements a fish and wildlife program that includes working with its partners to make the federal dams safer for fish passage. It also pursues cost-effective energy savings and operational solutions that help maintain safe, affordable, reliable electric power for the Northwest. www.bpa.gov

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