This document is scheduled to be published in the Federal Register on 2026-10-07 and available online at **https://www.federalregister.gov/d/2026-20518**, and on **https://govinfo.gov**

6450-01-P

DEPARTMENT OF ENERGY

Bonneville Power Administration

[BPA File No.: BP-26E]

Revision of ACS-26 Rate Schedules; Public Hearing and Opportunities for Public Review and Comment

AGENCY: Bonneville Power Administration (Bonneville or BPA), Department of Energy (DOE).

ACTION: Revision of ACS-26 Rate Schedules for Suballocation of new Charges and Credits in the California Independent System Operator's (CAISO) Energy Imbalance Market (EIM).

SUMMARY: Bonneville is holding an expedited rate proceeding pursuant to Section 7(i) of the Pacific Northwest Electric Power Planning and Conservation Act (Northwest Power Act) to propose revisions to its rate schedules for Ancillary and Control Area Services (ACS-26) to provide for the suballocation of new Neutrality and Uplift Charges and Credits associated with the CAISO's EIM. The Northwest Power Act requires that Bonneville's rates be established based on the record of a formal hearing. By this notice, Bonneville announces the commencement of an expedited rate proceeding, designated as the "BP-26E" proceeding, for the limited purpose of revising the ACS-26 rate schedules as described above. The proposed effective date is February 1, 2027, subject to approval by the Federal Energy Regulatory Commission.

DATES: *Prehearing Conference*: A prehearing conference for the BP-26E proceeding will be held at 1 p.m. on October 21, 2026, via WebEx. The WebEx information will be available on Bonneville's website at *www.bpa.gov/bp-26e-rate-case* or from the Hearing Clerk.

Intervention: Petitions to intervene in the BP-26E proceeding must be filed on Bonneville's secure website no later than 4:30 p.m. on October 22, 2026. Part III of this notice, "Public

Participation in the BP-26E Proceeding," provides details about requesting access to the secure website and filing a petition to intervene.

Objections to Proposed Settlement: Written objections to the proposed settlement in the BP-26E proceeding must be filed on Bonneville's secure website no later than 4:30 p.m. on October 23, 2026. Parts I and III of this notice, "Introduction" and "Public Participation in the BP-26E Proceeding," respectively, describe the proposed settlement and provide details about filing a written objection.

Participant Comments: Written comments by non-party participants must be received by October 23, 2026, to be considered in the Administrator's Record of Decision (ROD). Part III of this notice, "Public Participation in the BP-26E Proceeding," provides details about submitting participant comments.

FOR FURTHER INFORMATION CONTACT: Ms. Elissa Haley, NKS-7, BPA Communications, Bonneville Power Administration, P.O. Box 14428, Portland, Oregon 97293; by phone toll-free at 1-800-622-4519; or by e-mail to *enhaley@bpa.gov*.

The Hearing Clerk for this proceeding can be reached via the contact information provided on Bonneville's website at *https://www.bpa.gov/energy-and-services/rate-and-tariff-proceedings/bp-26e-rate-case*.

Please direct questions regarding Bonneville's secure website to the Hearing Coordinator via e-mail at *cwgriffen@bpa.gov* or, if the question is time-sensitive, via telephone at (503) 230-5107.

Responsible Officials: Mr. Brian McConnell, Manager of Transmission Tariff, Rates, and Regulatory Activities, is the official responsible for the development of Bonneville's transmission, ancillary, and control area services rates.

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Part I – Introduction and Procedural Matters

A. Introduction

Bonneville is proposing to revise limited provisions of its ACS-26 rate schedules in response to tariff changes made by CAISO in association with CAISO's implementation of an Extended Day Ahead Market (EDAM). Although Bonneville is not currently participating in EDAM, Bonneville is a participant in CAISO's EIM, and section IV.D of Bonneville's ACS-26 rate schedule, "EIM Neutrality and Uplift Charges and Credits," provides for the suballocation of charges and credits Bonneville receives from CAISO in the EIM. In advance of the implementation of the EDAM, CAISO revised its Market Operator Tariff to add or change certain EIM Neutrality and Uplift Charges and Credits. Bonneville is now proposing to revise certain provisions in section IV.D of the ACS-26 rate schedules to provide for the suballocation of the new charges and credits. Bonneville's proposal in the BP-26E proceeding is limited to this purpose. The proposed changes to the ACS-26 rate schedules do not affect current transmission rate levels or power rates.

B. Proposed Settlement

Bonneville held public meetings on November 6 and December 15, 2025, to discuss the proposed rate schedule revisions with stakeholders. In addition, Bonneville and stakeholders participated in a settlement conference on January 20, 2026, to discuss the potential to settle the proposed rate schedule revisions in the BP-26E proceeding. After the settlement conference, Bonneville circulated a settlement proposal among the participants, and Bonneville and participants had additional discussion and exchanged additional proposals via email. On February 13, 2026, Bonneville circulated a proposed settlement

agreement, titled the "Principles of Settlement for the BP-26E Rate Proceeding," and asked for participants to notify Bonneville by February 20, 2026, of any objections. Bonneville has received no objections to the proposed settlement agreement circulated on February 13, 2026. A link to the proposed settlement agreement is provided in Part V of this notice.

The proposed settlement agreement provides for Bonneville to notify the Hearing Officer for the BP-26E proceeding about the agreement and for a deadline to be established for any party in the proceeding to either object to the proposed settlement or waive the right to contest the settlement. If there are no objections to the proposed settlement, Bonneville staff will continue with proposing adoption of the settlement by the Administrator. If there is an objection, Bonneville will notify all parties and decide how to proceed with respect to the initial proposal in the BP-26E proceeding.

C. Expedited Process and Proposed Procedural Schedule

In light of the limited purpose of the BP-26E proceeding and the proposed settlement, Bonneville intends to conduct an expedited hearing process for the review of the proposed revisions to the rate schedules. An expedited proceeding will allow the proposed rate schedule revisions to take effect closer in time to the May 1, 2026 "go live" date of CAISO's EDAM.

Sections 1010.4(b)(4) and 1010.22 of the Rules of Procedure that govern Bonneville's rate proceedings, *Federal Register*, 83 FR 39993 (Aug. 13, 2018), provide for expedited rate processes. In order to facilitate the expedited process in the BP-26E proceeding, pursuant to Section 1010.1(e) of the Rules of Procedure, the Administrator authorizes the Hearing Officer to waive any procedural requirements of the rules for the purpose of developing the record and completing the proceeding on an expedited basis. The Rules of Procedure are on Bonneville's website at *https://www.bpa.gov/Finance/RateCases/RulesProcedure/Pages/default.aspx*.

Bonneville has made prospective parties aware of its intent to use an expedited process and schedule for the BP-26E proceeding. The Hearing Officer is directed to use the following procedural schedule unless a notice of objection to the proposed settlement is filed by the deadline below.

Initial Proposal released	Upon publication of the Federal Register Notice
Prehearing Conference	October 21, 2026
Deadline for Petitions to Intervene	October 22, 2026
Deadline for Notices of Objection to Proposed Settlement	October 23, 2026
Close of Participant Comments	October 23, 2026
Final Record of Decision	No later than November 13, 2026

If an objection to the proposed settlement is filed, the Hearing Officer is directed to adopt an alternative procedural schedule to establish an expedited process for the rest of the proceeding. If an objection is filed, Bonneville will promptly schedule a scheduling conference with prospective parties to develop an alternative procedural schedule to propose to the Hearing Officer. Any procedural schedule adopted by the Hearing Officer must provide for issuance of the Administrator's Record of Decision no later than 90 days after publication of this *Federal Register* Notice. The Hearing Officer is encouraged to conclude the proceeding in less than 90 days and may circumscribe or reduce the timing or availability of any procedural activities in the case as he or she determines are unnecessary or overly burdensome in consideration of the limited scope and purpose of this case.

D. Ex Parte Communications

Section 1010.5 of the Rules of Procedure prohibits *ex parte* communications. *Ex parte* communications include any oral or written communication (1) relevant to the merits of any issue in the proceeding; (2) that is not on the record; and (3) with respect to which reasonable prior notice has not been given. The *ex parte* rule applies to

communications with all Bonneville and DOE employees and contractors, the Hearing Officer, and the Hearing Clerk during the proceeding. Except as provided, any communications with persons covered by the rule regarding the merits of any issue in the proceeding by other executive branch agencies, Congress, existing or potential Bonneville customers, nonprofit or public interest groups, or any other non-DOE parties are prohibited. The rule explicitly excludes and does not prohibit communications (1) relating to matters of procedure; (2) otherwise authorized by law or the Rules of Procedure; (3) from or to the Federal Energy Regulatory Commission (Commission); (4) that all litigants agree may be made on an *ex parte* basis; (5) in the ordinary course of business, about information required to be exchanged under contracts, or in information responding to a Freedom of Information Act request; (6) between the Hearing Officer and Hearing Clerk; (7) in meetings for which prior notice has been given; or (8) as otherwise specified in Section 1010.5(b) of the Rules of Procedure. The prohibition on *ex parte* communications applies from the date of publication of this notice and will remain in effect until the Administrator's Record of Decision is issued.

Part II – Scope of the BP-26E Proceeding

The scope of the BP-26E rate proceeding is limited to consideration of the proposed revisions to section IV.D of the ACS-26 rate schedules to update the "EIM Neutrality and Uplift Charges and Credits" Bonneville receives from CAISO. Bonneville may revise the scope of the proceeding to include new issues that arise as a result of circumstances or events occurring outside the proceeding that are substantially related to the rates under consideration in the proceeding. *See* Rules of Procedure, Section 1010.4(b)(8)(iii), (iv). If Bonneville revises the scope of the proceeding to include new issues, Bonneville will provide public notice on its website, present testimony or other information regarding such issues, and provide a reasonable opportunity to intervene and respond to Bonneville's testimony or other information. *Id*.

Pursuant to Section 1010.4(b)(8) of the Rules of Procedure, the Administrator directs the Hearing Officer to exclude from the record all argument, testimony, or other evidence that challenges the appropriateness or reasonableness of any other matter, issue, topic, or policy that is not directly related to the proposed revisions to section IV.D of the ACS-26 rate schedules.

Part III – Public Participation in the BP-26E Proceeding

A. Distinguishing Between "Participants" and "Parties"

Bonneville distinguishes between "participants in" and "parties to" the hearings. Separate from the formal hearing process, Bonneville will receive written comments, views, opinions, and information from participants who may submit comments without being subject to the duties of, or having the privileges of, parties to the hearing process. Participants do not have the same procedural rights and are not subject to the same procedural requirements as parties. Bonneville customers whose rates are subject to this proceeding, or their affiliated customer groups, may not submit participant comments. Members or employees of organizations that have intervened in the proceeding may submit participant comments as private individuals (that is, not speaking for their organizations) but may not use the comment procedures to address specific issues raised by their intervenor organizations.

Written comments by participants will be included in the record and considered by the Administrator if they are received by October 23, 2026. Participants should submit comments through Bonneville's website at *https://www.bpa.gov/comment*. All comments should contain the designation "BP-26E" in the subject line.

B. Petitions to Intervene

Any entity or person intending to become a party to the BP-26E rate proceeding must file a petition to intervene through Bonneville's secure website (*https://www.bpa.gov/secure/Ratecase/)*. A first-time user of Bonneville's secure website

must create a user account to submit an intervention. Returning users may request access to the BP-26E rate proceeding through their existing accounts and may submit interventions once their permissions have been updated. The secure website contains a link to the user guide, which provides step-by-step instructions for creating user accounts, generating filing numbers, submitting filings, and uploading interventions. Please contact the Rate Hearing Coordinator via e-mail at *cwgriffen@bpa.gov* or, if the question is time-sensitive, via telephone at (503) 230-5107 with any questions regarding the submission process.

Petitions to intervene must conform to the format and content requirements in Sections 1010.6 and 1010.11 of the Rules of Procedure. Petitions to intervene must be uploaded to Bonneville's secure website by 4:30 p.m. on the deadline in the procedural schedule in Part I.C of this notice.

C. Notices of Objection to the Proposed Settlement of the BP-26E Proceeding

Part I.B of this notice describes the proposed settlement that addresses the rate schedule revisions at issue in the BP-26E proceeding. Any party that opposes adoption of the proposed settlement of the BP-26E proceeding must file a written objection on Bonneville's secure website no later than 4:30 p.m. on the deadline in the procedural schedule in Part I.C of this notice. A written objection must state each issue in the proposed settlement the party wants to preserve to contest in the BP-26 proceeding. Any party that does not file a timely written objection will be deemed not to object to the proposed settlement.

D. Developing the Record

The hearing record will include, among other things, the transcripts of the hearing, written evidence and argument entered into the record by Bonneville and the parties, written comments from participants, and other material accepted into the record by the

Hearing Officer. The Hearing Officer will review and certify the record to the Administrator.

The Administrator will make a final determination on the issue in this proceeding based on the record and such other materials and information as may have been submitted to or developed by the Administrator. The Final ROD will be made available to all parties. Bonneville will submit the Final ROD and the hearing record to the Commission for confirmation and approval after issuance of the Final ROD.

Part IV – Rate Proposal

Bonneville provides imbalance service through the EIM under Schedules 4E and 9E in its open access transmission tariff and acts as the EIM Entity Scheduling Coordinator (EESC) for all loads, non-participating resources, and interchange in its balancing authority area. The EIM responds to the differences between the schedules and actuals for loads, non-participating resources, and interchange, and Bonneville is billed (as the EESC) for these differences as imbalance. CAISO bills Bonneville through a series of "charge codes," and Bonneville passes on the charges or credits under these charge codes to customers through provisions in section IV of the ACS-26 rate schedule.

As part of CAISO's implementation of the EDAM, CAISO has adopted new or modified charges and credits it will allocate to Bonneville. The new or modified charges and credits are not addressed by Bonneville's current ACS-26 rate schedule. As a result, Bonneville proposes to make revisions in section IV.D of the ACS-26 rate schedule to provide for the suballocation of the new or modified charges and credits. Specifically, the ACS-26 rate schedule currently in effect would be replaced by the rate schedules identified at *www.bpa.gov/bp-26e-rate-case*. Bonneville intends to request Commission approval of the revised rate schedule effective February 1, 2027.

Part V – Proposed Rate Schedules

The proposed settlement agreement and the ACS-26 rate schedules at issue in the BP-26E proceeding are a part of this notice and are available for viewing and downloading on Bonneville's website at *www.bpa.gov/bp-26e-rate-case*.

Signing Authority

This document of the Department of Energy was signed on October 2, 2026, by Travis R. Kavulla, Administrator and Chief Executive Officer of the Bonneville Power Administration, pursuant to delegated authority from the Secretary of Energy. That document with the original signature and date is maintained by DOE. For administrative purposes only, and in compliance with requirements of the Office of the Federal Register, the undersigned DOE Federal Register Liaison Officer has been authorized to sign and submit the document in electronic format for publication, as an official document of the Department of Energy. This administrative process in no way alters the legal effect of this document upon publication in the *Federal Register*.

Signed on October 5, 2026.

Jennifer Hartzell,
Alternate Federal Register Liaison Officer,
U.S. Department of Energy.
[FR Doc. 2026-20518 Filed: 10/6/2026 8:45 am; Publication Date: 10/7/2026]