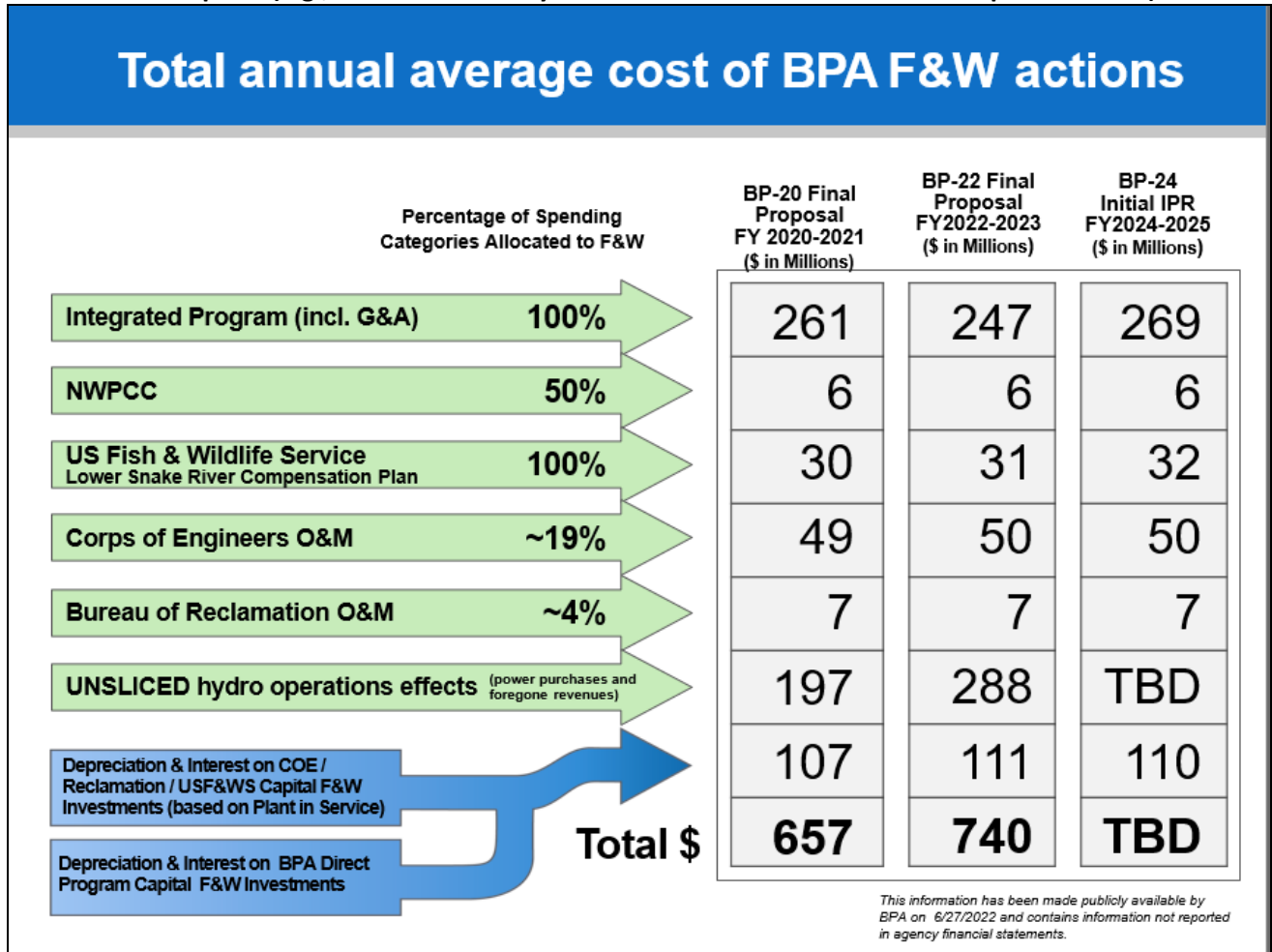


IPR Follow Up Questions

1. The IPR Workshop addressed F&W costs differently this year, presenting the other federal agency costs separate from the BPA F&W Program costs. Is it possible to see a summary of the total F&W Costs in one place (e.g., the table formerly referred to as the “River of Costs” in previous IPRs)?



This information was made publicly available on July 1, 2022, and contains information sourced directly and not directly from BPA financial statements.

- 2. The Environment, Fish and Wildlife presentation began by stating the mission which includes “compliance with applicable environmental laws and regulations.” In addition, a couple of the early slides covered pollution prevention and abatement, and environmental planning and analysis. Are these actions all part of the BPA F&W Program Expense funding? Where, in the breakdown of costs on slides 8 and 9, are these actions funded?**

Within BPA’s Environment, Fish, and Wildlife (E) department, there are three distinct programs: the Pollution Prevention and Abatement Program (EP), the Environmental Planning and Analysis Program (EC), and the F&W Program (EW). Work completed by EC and EP that specifically supports EW’s mitigation work is funded from the F&W Program budget. For example, EC conducts the environmental compliance clearance necessary to allow F&W projects to be implemented. Work completed by EC and EP for other programs within BPA, e.g. Transmission or Power, are funded by those programs’ budgets respectively. EC and EP costs that are billed to the F&W Program, based on the EC and EP services that fish and wildlife projects actually use, are distributed across the categories displayed on slide 9.

- 3. Can you explain the relationship between G&A costs and BPA Overhead costs and how they are calculated in the total BP-24 F&W Program expense cost? Are G&A costs assigned, calculated, and reported for other divisions with BPA? What is the total portion of the F&W mitigation program that BPA spends directly on its own operations?**

General and Administrative (G&A) costs are the indirect costs of the Enterprise Services (ES) that support the Power and Transmission business line functions to ensure BPA’s mission objectives are met. These consist of all departments not located within the Power and Transmission business units and include: Safety, Security, Compliance, Legal, Supply Chain Services, IT, Business Transformation Office, Finance, Communications, Human Resources, Strategy, Facilities and Billing. On slide 9 of EFW’s BP-22 IPR presentation given publicly on June 16th 2022, titled “FY21 F&W Program Costs by Category”, the General and Administrative (G&A) costs for FY21 were displayed as ‘G&A, \$12.3 million, 4%’.

We assume in our response that ‘BPA Overhead’ is to be treated the same as ‘BPA Fish and Wildlife Program staff costs’. These include personnel and benefits costs for Bonneville full time employees as well as our contractors. BPA Fish and Wildlife Program staff costs include directors, supervisors, biologists, project managers, Contract Officer Representatives (CORs), budget analysts and administrative assistants across a diverse set of disciplines across the program such as habitat restoration, hatcheries construction and maintenance, research monitoring and evaluation, and others. On slide 9 of EFW’s BP-22 IPR presentation given publicly on June 16th 2022, titled “FY21 F&W Program Costs by Category”, the BPA Fish and Wildlife Program staff costs for FY21 were displayed as ‘Coordination & Project Mgmt, \$11.9 million, 4%’.

While BPA Fish and Wildlife Program staff costs are included within the Integrated Program projected costs, the General and Administrative (G&A) costs are, not. G&A costs are allocated to the Power and Transmission business units to be recovered through P and T rates. F&W Program G&A is a portion of Power’s total cost allocation and 100% of the expense is recovered through Power rates. F&W Program G&A is ~20% of the Enterprise Services (ES) G&A attributed to Power Services. BPA spends approximately 8 to 9 percent of the Fish and Wildlife Program directly on its own operation, in between the two categories described above for program staff costs and G&A costs.

4. Can you explain the process for establishing the other federal agency F&W budgets (COE, BOR, USFWS)? Does BPA meet with the federal agencies? Who determines the final funding level? What documentation and analysis are relied on to set funding levels?

The tribes have been actively evaluating O&M funding for some of the federal agencies, and the proposed funding levels are not likely adequate to meet the mitigation responsibilities associated with those assets. For example:

- a) This year we were asked by the COE in the Fish Passage Operations and Maintenance work group (FPOM) (<https://pweb.crohms.org/tmt/documents/FPOM/2010/>) to help prioritize critical non-routine maintenance projects at the mainstem fish passage projects, because O&M funding levels were not adequate to address all “critical” needs. Yet, the proposed COE F&W O&M budget is only increasing by \$1M/year for the next rate period. At this pace, it will not be possible to address the long list of critical non-routine maintenance issues that affect fish survival at the mainstem dams. According to the COE’s tables, failure to address several of the issues would make the COE “unable to meet BiOp and Fish Passage Plan requirements.”
- b) In addition, several of the LSRCP hatcheries are not meeting their mitigation goals, particularly spring chinook, due to inadequate O&M funding. How does the YN ensure that those hatcheries are funded at a level where they can meet the mitigation goals that were established when the dams were constructed and are necessary to meet treaty trust responsibilities to the YN?

U.S. Fish and Wildlife Service - Lower Snake River Compensation Plan:

BPA has a direct funding agreement with the U. S. Fish and Wildlife Service (USFWS) to pay the annual expense costs of operating and maintaining the Lower Snake River Compensation Plan (LSRCP) fish hatcheries and facilities. Congress authorized the LSRCP as part of the Water Resources Development Act of 1976 (90 Stat. 2917) to offset fish and wildlife losses caused by construction and operation of the four lower Snake River dams. The LSRCP facilities were constructed by the U. S. Army Corps of Engineers; upon their completion and at the direction of Congress, jurisdiction and control of the facilities passed to the USFWS, along with responsibility to administer the LSRCP program.

The 2021 *Memorandum of Agreement between the Department of Energy acting by and through the BPA and the Department of Interior acting by and through the USFWS for Direct Funding of Operations and Maintenance Costs of the Lower Snake River Compensation Plan Program* (LSCRCP MOA) outlines future budget development processes. The LSCRCP operation and maintenance and monitoring and evaluation (OM&ME) budgets are developed on a two-year or three-year cycle in order to coincide with BPA’s rate period. The authorized representatives from BPA and USFWS meet to determine OM&ME budgets according to the schedule outlined within the LSCRCP MOA. These discussions are informed by previous year budgets, budget execution rate analysis, and any anticipated changes to the LSCRCP program.

For BP-24, USFWS and BPA determined that a \$1.265M increase would be appropriate to reflect projected increased LSCRCP costs, including personnel costs and projected increased costs of fish food. Projected costs also include an increase in deferred and non-routine maintenance consistent

with the cost of work that is expected to occur in FY24 and FY25. Finally, the projected costs include some improvements and efficiencies in the spring chinook component of the program.

Bureau of Reclamation (Reclamation):

Reclamation manages an agreement with USFWS for the operation and maintenance (O&M) activities at the Leavenworth fish hatchery; Reclamation funds these O&M activities through BPA's direct funding agreement. The provided funding covers routine labor and materials and supplies; minor non-routine repairs are also funded. Capital projects are funded using other funding sources such as appropriations.

Each agreement with USFWS is for five years. USFWS estimates their annual O&M needs and submits their request as part of the agreement process. Reclamation reviews the funding request and makes adjustments as needed to meet budget constraints during the five-year term.

United States Army Corps of Engineers (USACE):

The process for establishing the United States Army Corps of Engineers (USACE) F&W budget occurs in two parts: Federal Appropriations and the Annual Power Budget (APB, which is revenue from BPA marketing power generated by FCRPS dams). Common work activities referred to as "Joint" are cost-shared between Federal Appropriations and BPA power revenue. For O&M work, BPA directly funds the power portion. For capital projects, BPA repays the U.S. Treasury for the power share of any appropriations.

The USACE annual Federal appropriations budget development is described in the Civil Works Program Development Engineering Circular, which is updated annually ([USACE Publications - Engineer Circulars \(army.mil\)](#)). The budget is documented first in the release of the President's Budget (February), and later when Congressional appropriation committees release their FY appropriation bills (October). Final funding levels are ultimately determined by Congress and signed into law by the President.

The Annual Power Budget is developed at each USACE District using funding level guidance provided by Division. Routine Operations and Maintenance activities are identified and budgeted. Non-routine activities are identified and prioritized based on available funding levels. Funding for USACE Fish and Wildlife as well as Cultural Resources and Other Joint (i.e. spillways), and Hydropower is presented to the public every two years through BPA's Integrated Program Review and is documented in a closeout report ([Historical Integrated Program Reviews - Bonneville Power Administration \(bpa.gov\)](#)).

Regarding the Fish Passage Operations and Maintenance (FPOM) non-routine maintenance list: At the request of the National Marine Fisheries Service and other FPOM parties, USACE included this coordination as part of our Proposed Action for the 2020 CRS BiOps. Its purpose is to provide better regional transparency on USACE's current list of non-routine fish facility maintenance, and to solicit the relative priority of this work from the regional salmon managers.

5. **In development of the EIS and ensuing Proposed Action, FY2016 was used as the base case for off-site actions including habitat, hatcheries, monitoring, etc. The proposed Expense budget for BP-24 provides 80% of the buying power, in inflation adjusted dollars, as that for BP-16 rate case. Will this level of funding be adequate to meet the survival and productivity assumptions of the Proposed Action? What metrics is BPA using to determine “adequacy” in meeting its mitigation obligations?**

Although funding decisions for the Bonneville F&W Program were not made as a part of the CRSO EIS process, analysis of the cost of actions associated with the selected alternative and associated Endangered Species Act consultations provided a range from \$235 to \$282 million annually, which was adjusted for inflation from 2016 to 2019. The BP-24 IPR cost estimate of \$268M for the F&W Program falls within that range. In addition, the BP-24 IPR F&W cost estimate incorporates the expected additional costs of new mitigation actions related to the CRSO EIS ROD and associated ESA consultations that are likely to be ready for implementation through BPA’s F&W Program in FY 2045 and FY 2025. In addition to specific cost increases associated with new mitigation actions, the BP-24 IPR cost estimates for the F&W Program incorporate inflation adjustments to reflect the increased cost of certain work and materials. Finally, Bonneville’s IPR cost estimates are advisory, and actual budget levels or spending may diverge from these estimates if needed to meet statutory and other obligations. In BP-24, Bonneville will continue to work collaboratively with the Council, states, tribes and other partners to identify opportunities to prioritize and implement projects that directly benefit fish and wildlife in a cost-effective manner. Bonneville and the other federal Action Agencies (Reclamation and USACE) will also continue to coordinate with USFWS and National Marine Fisheries Service regarding those actions that were included in the proposed action and consulted upon under the Endangered Species Act and report on the implementation of these actions consistently with the proposed action and 2020 CRS BiOps.