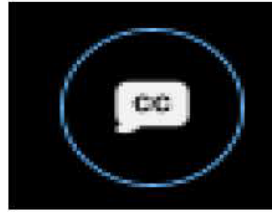


# Webex Accessibility tools

## To enable Closed Captions

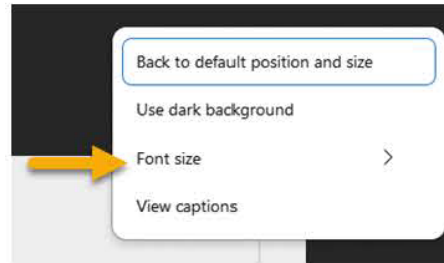
Select the **CC icon** in the lower-left of the WebEx screen



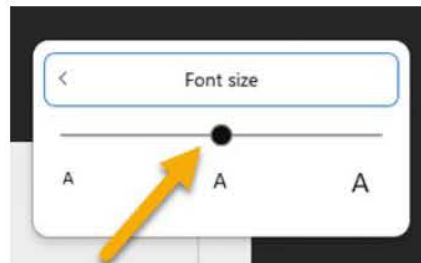
*Note: CC is set individually by each person who wants to enable them.*

## Change font size

Select the **ellipsis** in the lower right



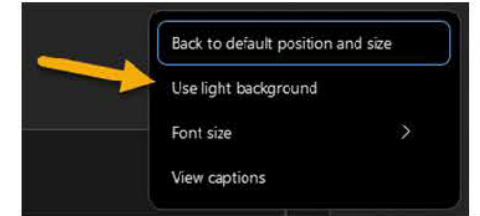
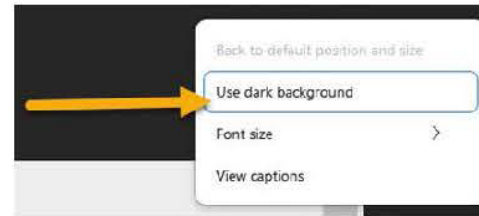
Select **font size**



Use the slider to select the desired size

## Change background contrast

1. Select the **ellipsis** in the lower right
2. Select the **dark or light background**





Bonneville  
POWER ADMINISTRATION



# QUARTERLY BUSINESS REVIEW TECHNICAL WORKSHOP

November 12, 2024

# AGENDA

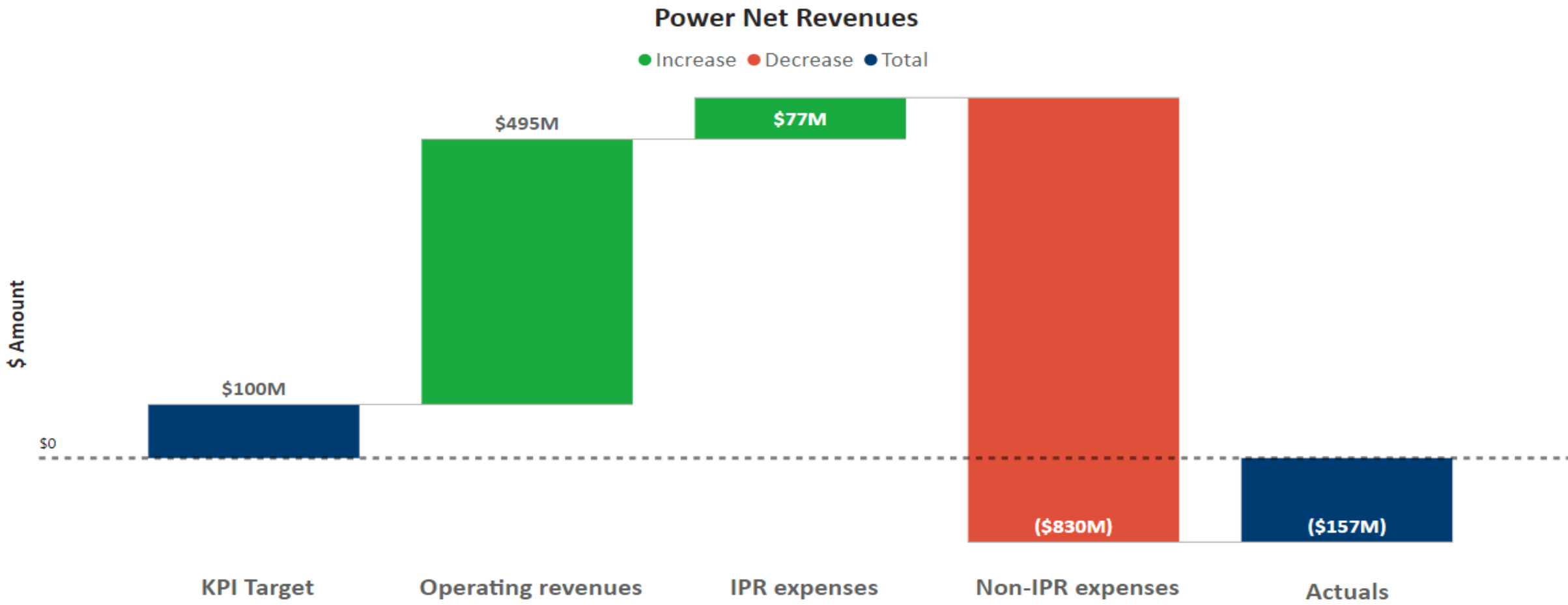
Time	Min.	QBRTW Topic	Presenter
1:00	5	Introduction	Taryn Clouse
1:05	15	FY24 Results: Agency Net Revenues	Karlee Manary, Pablo Zepeda-Martinez
1:20	10	FY24 Results: Reserves for Risk and Reserves Distribution Clause (RDC)	Damen Bleiler
1:30	10	FY24 Results: Agency Capital	Heather Seibert, Gwen Resendes
1:40	10	Fed Hydro Capital Metrics	Wayne Todd
1:50	10	Transmission Capital Metrics	Jeff Cook, Mike Miller
2:00	10	Grid Modernization Update	Vasia Limantzakis
2:10	15	BPA EIM Metrics	Matt Germer, Mariano Mezzatesta, Keli Haraguchi
2:25	10	Western Resource Adequacy Program (WRAP)	Matt Hayes
2:35	15	Columbia Generating Station (CGS) Uprate	Cherie Sonoda
2:50	10	Questions & Answers / Closing	Taryn Clouse

# FY24 Results: Agency Net Revenues

Presenter: Karlee Manary and Pablo Zepeda-Martinez



# FY24 RESULTS: POWER NET REVENUE



The KPI Target is less than the Power's FY24 Rate Case net revenue forecast due to the reserves Dividend Distribution, FY24 budget increases, and FY23 budget carryover.

# QBRTW ANALYSIS: POWER NET REVENUE

## **FY24 results for Operating Revenues: \$495M above the target**

- Gross sales were \$403M greater largely due to increases in trading floor sales driven by high prices, especially during the January cold snap.
- U.S treasury credits (4h10c) were \$147M higher than expected due to a higher forecast of modeled purchases and prices.
- Other revenues were \$42M greater due to financial swap revenues.
- Generating Inputs revenue increased by \$4M due to penalty charges, mostly from January cold snap.
- These increases are partially offset by:
  - \$77M in bookouts, which are net revenue neutral.
  - The slice true-up (included in the appendix of this presentation) is a credit to customers of \$24M, mainly due to higher revenue credits (e.g., 4h10c).

## **FY24 results for Integrated Program Review Operating Expenses: \$77M below target**

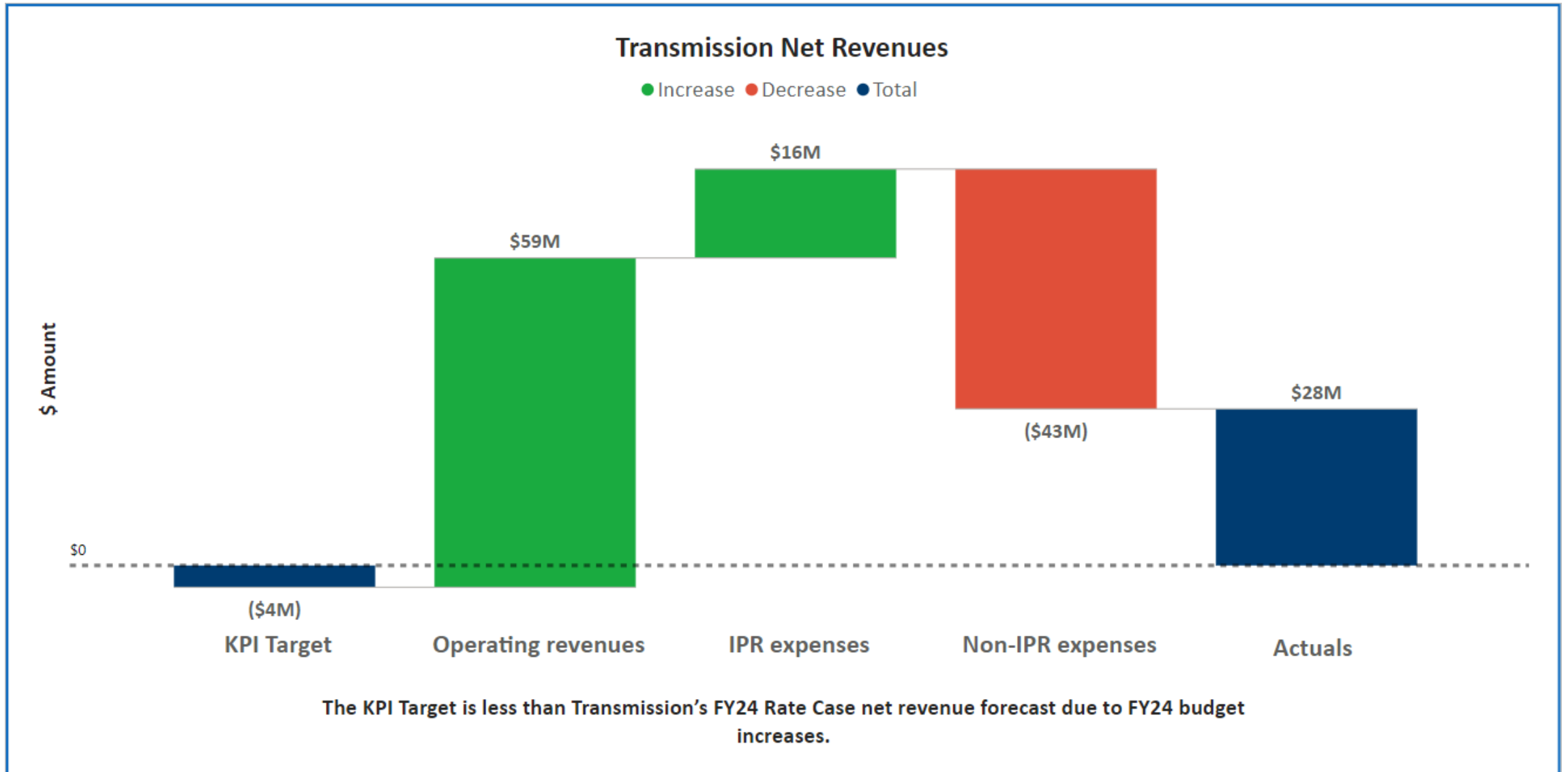
- Asset management expenses decreased \$6M primarily due to delayed invoicing from long-term funding agreement recipients, including tribes and states, as well as other delays in inter-agency costing for Fish and Wildlife. These lower costs were slightly offset by higher costs for Energy Northwest, Bureau of Reclamation and CRFM Studies.
- Operations expenses decreased \$31M primarily due to lower wind output for renewable energy purchases, lower staffing, travel and training, and lower Conservation Infrastructure program spending.
- Commercial activities decreased \$24M primarily due to Conservation Purchases program spending resulting from lower work performed in FY24.
- Enterprise Services programs decreased \$15M mainly driven by lower staffing levels than planned.

# QBRTW ANALYSIS: POWER NET REVENUE (cont.)

## FY24 results for Non-IPR Program expenses: **\$830M above target**

- Power purchases increased \$1,020M driven by the January cold snap and dry conditions leading to increased market purchases at higher prices. In addition, actual water supply was 24% less than expected, resulting in lower hydro generation.
- Depreciation and amortization, a non-cash item, were \$11M higher due to more federal and Columbia Generating Station capital being placed into service than anticipated.
- Fish & Wildlife and Lower Snake Hatcheries program spent \$9M of the Reserves Distribution Clause funding they received, which wasn't included in the target. RDC spending since the agreements were implemented are:
  - Of the \$25M FY22 F&W RDC Funds, \$3M was spent through FY24. The remaining balance is ~\$22M.
  - Of the \$25M FY22 F&W Lower Snake Hatcheries RDC Funds, \$6M was spent through FY24. The remaining balance is \$15M.
  - Of the \$30M FY23 F&W RDC, no spending has occurred and is expected to start in FY25.
- The Colville and Spokane Generating Settlements were \$9M higher due to average power sales, the actual price per megawatt hour and inflation per the Consumer Price Index experienced in fiscal year 2023, which are factors that increased the settlement payment made in fiscal year 2024.
- These increases are partially offset by the following:
  - There were no recorded Tier 2 power purchase expenses. The target included a rate case forecast of Tier 2 power purchases of \$112M is higher than historical years due to more customers electing to put their Tier 2 load on BPA than in the past, creating a higher Tier 2 load obligation this rate period, which is being served by the FCRPS system mix.
  - Bookouts reduce Non-IPR expenses by \$77M but are net revenue neutral due to a like amount in the revenue section.
  - Lower Transmission and Ancillary Services by \$16M, mainly driven by lower total inventory.
  - Lower 3<sup>rd</sup> Party GTA wheeling expense by \$14M due to lower rate increases than expected.

# FY24 RESULTS: TRANSMISSION NET REVENUE





# QBRTW ANALYSIS: TRANSMISSION NET REVENUE

## **FY24 results for Operating Revenues : \$59M above target**

- \$73M increase in sales driven primarily by:
  - Increased ancillary service revenues because of a significant increase in EIM sub-allocated charges mainly due to substantial activity during January's cold snap.
  - Increased Southern Intertie short-term revenues resulting from increased wheeling due to favorable market prices.
- \$11M increase in other revenues driven by increased reimbursable and other revenues.
- Partially offset by:
  - \$25M decrease in Inter-Business Unit revenues from Power Services driven by:
    - Lower hydro inventory than forecast in rate case resulting in a lower Short-Term Point-to-Point purchases from Transmission Services by Power Services.
    - Increased EIM Sub-allocated revenue to Power Services which experienced significant activity during January's cold snap.

## **FY24 results for Integrated Program Review Operating Expenses: \$16M below target**

- \$4M decrease in the Asset Management and Operations programs driven by:
  - Decrease in spending on contracts resulting from unanticipated delays in establishing them and resource constraints.
  - Decrease in supplemental labor spending because of unexpected hiring delays.
- \$14M decrease in Enterprise Services programs driven by reduced spending on personnel.
- Partially offset by:
  - \$2M increase in Commercial Activities programs driven less attrition than forecasted.

# QBRTW ANALYSIS: TRANSMISSION NET REVENUE

## **FY24 results for Non-IPR Program Expenses: \$43M above target**

- \$55M increase in the commercial activities non-IPR program primarily driven by increased EIM entity scheduling coordinator settlements charges which experienced significant activity during January's cold snap, which were largely offset by higher EIM revenues.
  - Additionally, there was an increase in external reimbursable services performed, as well as the non-transfer of the Grand Coulee switchyard. The switchyard transfer was forecasted to take place at the start of FY24 but did not occur. The forecasted transfer resulted in a lower forecast non-IPR expense to the other payments to Power Services program than actuals.
- \$6M increase in amortization expense resulting from the lease accounting change in a previous year. This is partially offset by a \$3M decrease in depreciation expense resulting from less capital being placed in service during prior periods than forecast in the target.
- Partially offset by:
  - \$15M decrease in net interest expense and other income primarily driven by:
    - Increased AFUDC due to a higher AFUDC rate and construction work in progress.
    - Increased interest income due to significantly higher interest rates.
    - Partially offset by: Increased interest expense on federal debt and customer advances because of higher interest rates than assumed in the target.

# RESERVES

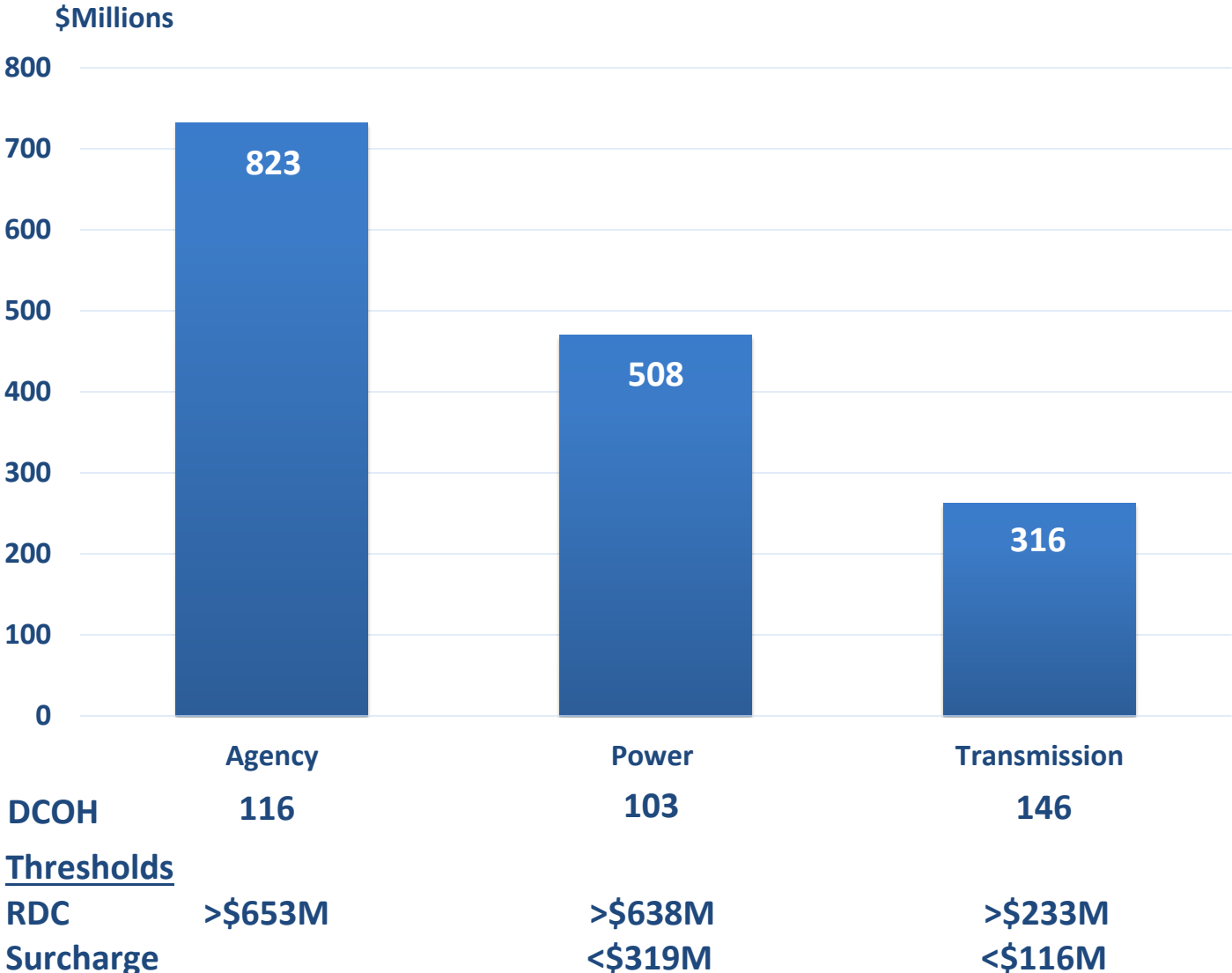
Presenters: Damen Bleiler



# FY24 ACTUALS: RESERVES FOR RISK

- Share FY 2024 EOY Reserves for Risk, RFR, results by business unit
- Refresh on the Reserves Distribution Clause, RDC, process
- Review Power and Transmission RDC calculations
- Share preliminary proposal Transmission RDC amount
- Next steps

# FY24 ACTUALS: RESERVES FOR RISK



# FY24 ACTUALS: Reserves Distribution Clause (RDC) Process

- The Financial Reserves Policy establishes actions based on reserves levels. When reserves decline below established thresholds, rates increase through the Financial Reserves Policy, FRP, Surcharge and Cost Recovery Adjustment Clause, or CRAC. When reserves exceed established thresholds, the RDC triggers for the Administrator to consider repurposing them for other high-value business unit-specific purposes.
- The Power and Transmission General Rate Schedule Provisions, GRSPs, outline the RDC process and requirements. The language is the same for both business units and states:

*By November 30, 2024, BPA shall complete the calculation of Power/Transmission RFR and BPA RFR as of the end of FY 2024, for use in calculating the Power/Transmission RDC applicable to rates for December through September of FY 2025.*

*If the Power/Transmission RDC triggers, BPA will notify customers of the preliminary Power/Transmission RDC Amount and whether the amount will be used to reduce debt, incrementally fund capital projects or other high-value Power/Transmission purposes, or reduce rates, as soon as practicable, but in no case later than November 30 of each applicable year. BPA will make available to customers the preliminary data relied upon to calculate the Power/Transmission RDC Amount.*

*BPA will hold at least one public meeting to discuss the calculations of Power/Transmission RFR, the Power/Transmission RDC Amount, and if applicable, the Power/Transmission DD Credit rate and Annual Power/Transmission DD Credit rate. BPA will provide customers an opportunity for comment on the preliminary data. BPA will issue the final Power/Transmission RDC Amount as soon as practicable, but in no case later than December 15 of each applicable year.*

- Today we will cover: the calculations of RFR; the RDC Amount; the preliminary proposal on applying the RDC Amount; and details on the comment period.

# FY24 ACTUALS: Power and Transmission FY 24 RDC

- The FY24 EOY RFR levels for Power and Transmission result in the Reserve Distribution Clause triggering for the Transmission business unit (BU) only. The RDC triggers for the lesser of:
  - The amount Agency RFR is over the Agency Threshold, set at \$653M, equivalent of 90 days cash on hand, or DCOH.
  - The amount BU RFR is over its Threshold, set at the equivalent of 120 DCOH, which is: \$233M for Transmission.
- This calculation results in a Transmission RDC as shown below.

	Power RDC		Transmission RDC	
	Agency	Power	Agency	Transmission
Actual RFR	\$823.3	\$507.5	\$823.3	\$315.8
RDC RFR Threshold	\$653.0	\$638.0	\$653.0	\$233.0
Amount above Threshold	\$170.3	\$0.0	\$170.3	\$82.8
RDC Amount	Power RDC = 0		Transmission RDC = \$82.8M	

# FY24 ACTUALS: Transmission RDC Preliminary Proposal

- The Transmission RDC Amount = \$82.8M
- Staff proposes to apply \$82.8M to flexible debt reduction.
  - Focus on Financial Plan goals – The Sustainable Capital Financing Policy includes the goal of achieving agency and business unit debt-to-asset ratios of no greater than 60% by 2040. Transmission is now projected to be ~74% in 2040 with the inclusion of the Evolving Grid 1.0 projects.
  - Evolving Grid 2.0 projects are estimated to be an additional ~\$3B in spending.
  - Due to the combination of increased capital expenditures and slightly higher interest rates, Transmission interest expense is projected to roughly double from BP-24 to BP-26.
  - Making the additional debt payment in FY25 would reduce interest expense at current rates (~4.5%) by ~\$3.7M per year starting in FY26.



# FY24 ACTUALS: RESERVES FOR RISK

## RDC Timeline

- 11/12 – QBR/TW announce RDC Amount and preliminary proposal for application.
- 11/22 – Comment period closes.
- 12/13 – Expect final RDC decisions to be announced.

## Next Steps

- BPA comment period closes at 5:00 p.m. on November 22, 2024. Please submit your comments at [Public Comments \(www.bpa.gov/comment\)](http://www.bpa.gov/comment).
- If you have questions, please contact [Communications@bpa.gov](mailto:Communications@bpa.gov) and cc your Account Executive with the subject: RDC comments.

# FY24 Results: Agency Capital

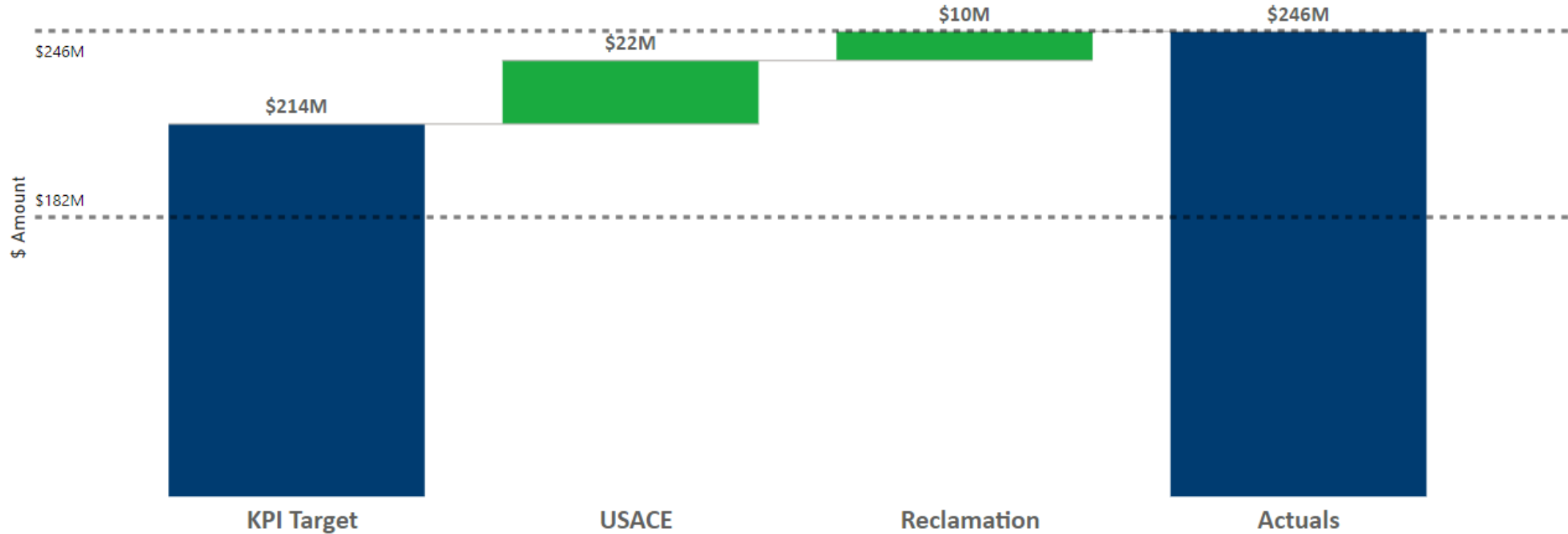
Presenters: Heather Seibert and Gwen Resendes



# FY24 RESULTS: FED HYDRO CAPITAL

## Fed Hydro Capital Waterfall

● Increase ● Decrease ● Total



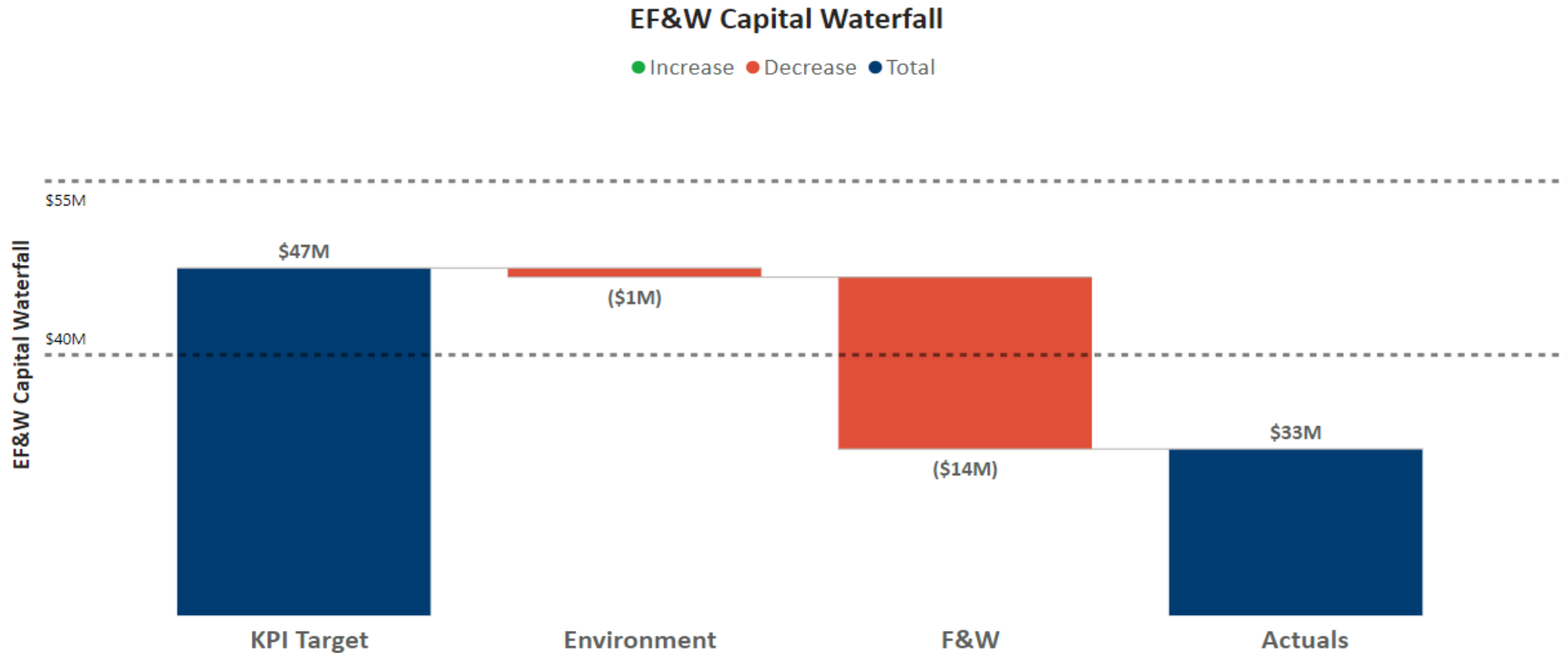
The Fed Hydro capital expenditure KPI target is a range. The range is equal to +/- 15% of the target midpoint. If Fed Hydro direct capital spend is equal to or between the boundaries, the target is green.

# QBRTW ANALYSIS: FED HYDRO

## **Power Fed Hydro direct capital forecast increased \$32M overall in FY24 compared to the KPI Target midpoint primarily due to:**

- \$22M increase in the United States Army Corps of Engineers due to work ramping up at McNary Dam's major projects, including turbine design and replacement, powerhouse control system upgrade, and spillway gate hoist replacement.
- \$10M forecast increase in the Bureau of Reclamation due to ramping up of large projects such as the Grand Coulee Dam K22 transformer replacement and the Chief Joseph Dam generator rewinds.
- There were 35 milestones completed, against a target of 25. There will be more on this in the Fed Hydro metrics slides later in the presentation, but a quick couple of highlights includes:
  - Six assets were placed into service in Q4, including the Bonneville Dam Power House 2 elevators and the Grand Coulee firehouse; and
  - Projects completed include the design work for the Grand Coulee K21-K24 transformer replacement.

# FY24 RESULTS: EF&W CAPITAL



EF&W capital does not have its own KPI, but does roll up into the Agency Capital KPI. The +/- 15% range is based on approved Operating Year budget and is displayed to support tracking capital execution and how these expenditures could impact the Agency KPI target.

# QBRTW ANALYSIS: EF&W

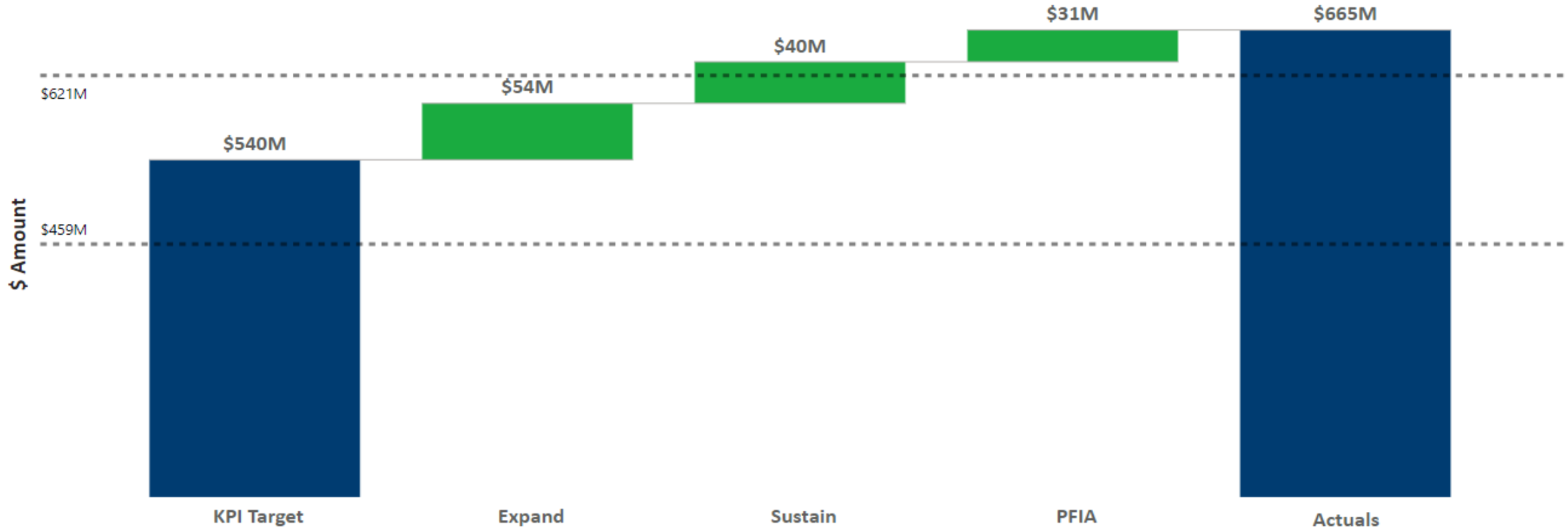
**Environment, Fish and Wildlife direct capital decreased \$15M overall compared to the target midpoint primarily due to:**

- \$1M decrease in Environment.
- \$14M decrease in Fish and Wildlife due to hatchery project delays, partially balanced out by higher-than-expected land purchases.
  - F&W expects to accomplish this work in FY25 in addition to other work planned for FY25.

# FY24 RESULTS: TRANSMISSION CAPITAL

## Transmission Capital Waterfall

● Increase ● Decrease ● Total



The Transmission capital expenditure KPI target is a range. The range is equal to +/- 15% of the target midpoint. If Transmission direct capital spend is equal to or between the boundaries, the target is green.

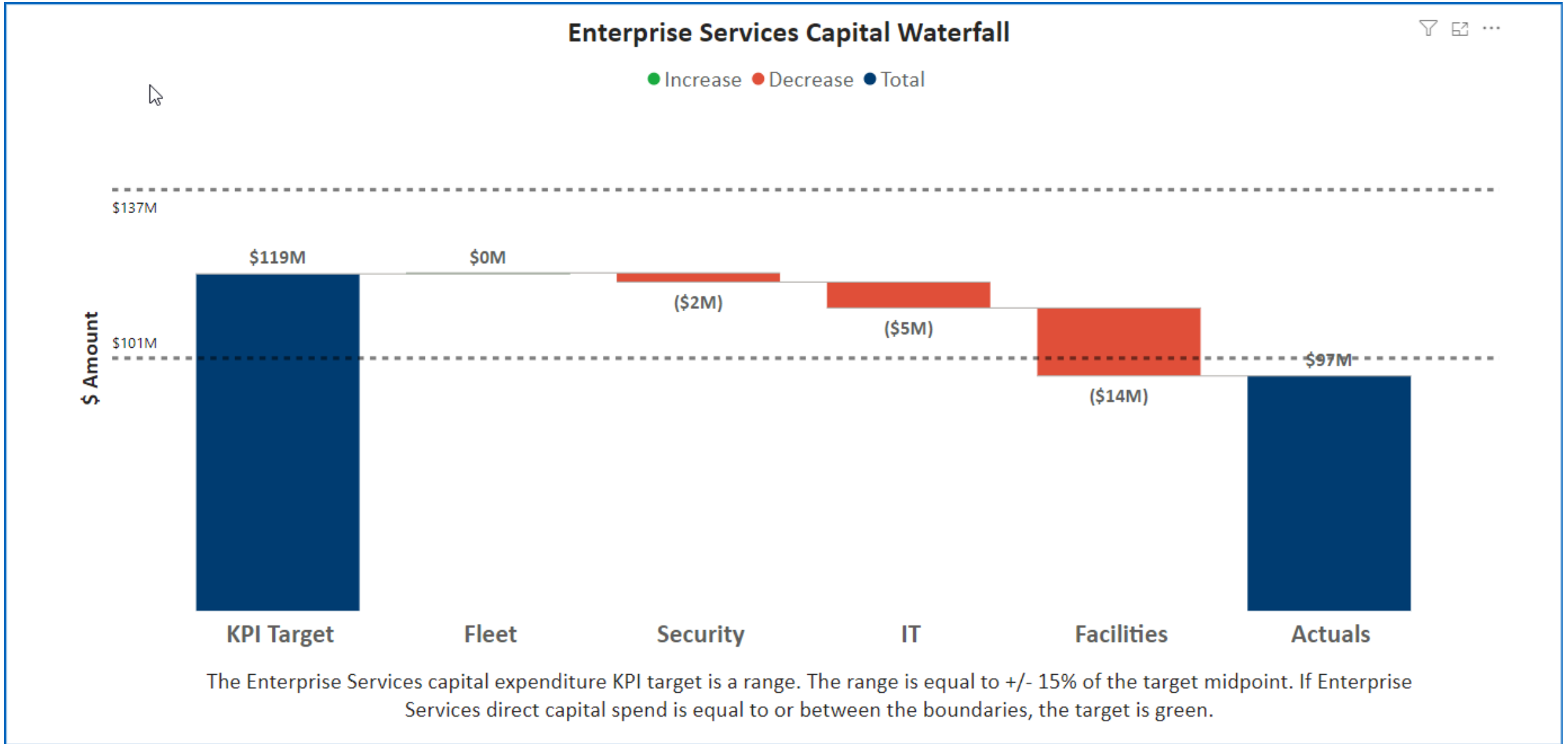
# QBRTW ANALYSIS: TRANSMISSION

## **Transmission's direct capital end-of-year actuals were \$125M higher than the KPI target midpoint broken down as follows:**

- Transmission's Expand program finished the year \$54M higher than the target. This was primarily due to success in multiple projects including Longhorn and Midway-Ashe, which ended the year slightly ahead of schedule, as well as the Schultz Wautoma Series Capacitor project which energized earlier this year increasing our Available Transfer Capacity, or ATC, and enabling Transmission Service Requests that have been waiting on its energization.
- Transmission's Sustain program finished the year \$40M higher than the target. Most of this work was in substation replacements which included critical infrastructure projects, wood pole replacements, mission critical IT, and outage management systems. Transmission also invested in access roads, telecommunications, fiber upgrades, as well as a replacement aircraft which was purchased in May.
- Transmission's PFIA ended the year \$31M higher than the target. This is primarily driven by the customer funded work on the Longhorn project which accounted for 60% of PFIA expenditures. Additionally, Transmission also invested in the PGE Keeler-Horizon line, the customer funded portion of Midway-Ashe, as well as investments in support of our customers' wind and solar projects.



# FY24 RESULTS: ENTERPRISE SERVICES CAPITAL



# QBRTW ANALYSIS: ENTERPRISE SERVICES

**Enterprise Services direct capital end-of-year actuals were \$22M below than the KPI target midpoint broken down as follows:**

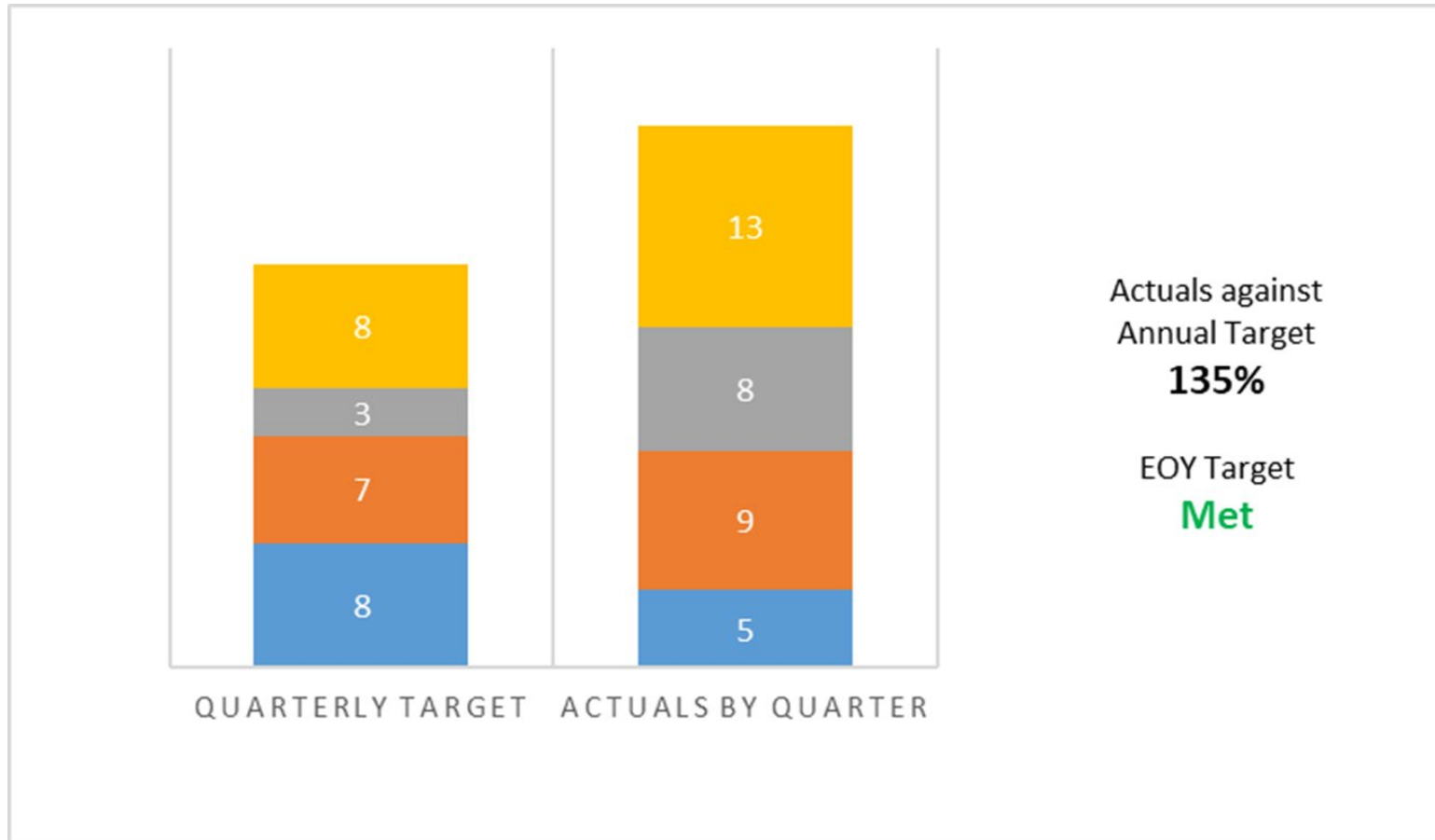
- Security ended the year \$2M below their target. Major investments were within the Keeler and Marion projects which accounted for 92% of Security's total expenditures for FY24.
- IT ended the year \$5M below their target. The variance to the target is primarily driven by a shift in direction on several Transmission and Power specific projects. Most investments were seen within the corporate category, primarily the Customer Billing Center, Financial Planning and Analysis Cloud projects and Simple Capital Procurement program, which accounted for 91% of IT's total expenditures.
- Facilities ended \$14M below their target. Vancouver Control Center and the Ampere demo were the two largest projects, accounting for 78% of Facilities total expenditures for the year. The variance to target was primarily due to the Ross Fuel Island and Stormwater projects not moving forward in FY24.

# FEDERAL HYDRO CAPITAL METRICS

Presenter: Wayne Todd



# FED HYDRO CAPITAL MILESTONES



## Key Takeaway:

End-of-year target met. This year, we added 'Design Completion' and 'Contract Award' milestones rather than only tracking 'Assets Placed Into Service'.

# FED HYDRO CAPITAL PROJECT MILESTONES

Capital Projects	Target Milestone	Status
TDA Thrust Bearing Oil Coolers	Physical Completion	Delayed to FY25
BCL CERCLA	Award Contract	Delayed to FY25
BCL CERCLA	Physical Completion	Delayed to FY25
BON 1 Main Unit Breaker Replacement	Award Contract	Delayed to FY25
DEX Intake Gantry Crane	Physical Completion	Delayed to FY25
JDA Generator Cooling Water System	Award Contract	Delayed to FY25
BON 2 Bradford Island Service Building PRQ Switchgear Upgrade	Award Contract	Delayed to FY25
GCL P1-P6 Exciters, Relays & Controls, PG7-PG12 Governors, Exciters, Relays & Controls	Physical Completion	Delayed to FY29
CHJ Powerbus- Units 1-16	Award Contract	Delayed to FY25
GCL LPH/RPH Bridge Crane Replacement #3207	Physical Completion	Delayed to FY25
CHJ Exciter Replacement Units 1-16	Award Contract	Delayed to FY25
LMN Transformer T2 Oil Replacement and Bushing Repair	Physical Completion	Complete
MCN Intake Gantry Crane 5 Replace (McMod)	Physical Completion	Complete
MCN Tailrace Gantry Crane 4 Replace (McMod)	Physical Completion	Complete
MCN Station Service Turbine Rehab	Physical Completion, SS01	Complete
GCL LPH/RPH Cyclops Semi-Gantry Crane Replacement #3917	Complete Design	Complete
MCN Spillway Deck Safety Handrail	Complete Design	Complete
BON 1 Metering Enhancements	Complete Design	Complete
MCN Spillway Deck Safety Handrail	Award Contract	Complete
HCR Spillway Gate Rehabilitation -	Physical Completion - Gate 3	Complete
GCL Radio System Modernization #3918	Independent Estimates Contract Awarded	Complete
JDA Fish Pumps Emergency Repair	Physical Completion Unit 3	Complete
MCN Levee Drainage Pump Station Upgrades	Award Contract - Pumps/Motors/MCCs	Complete

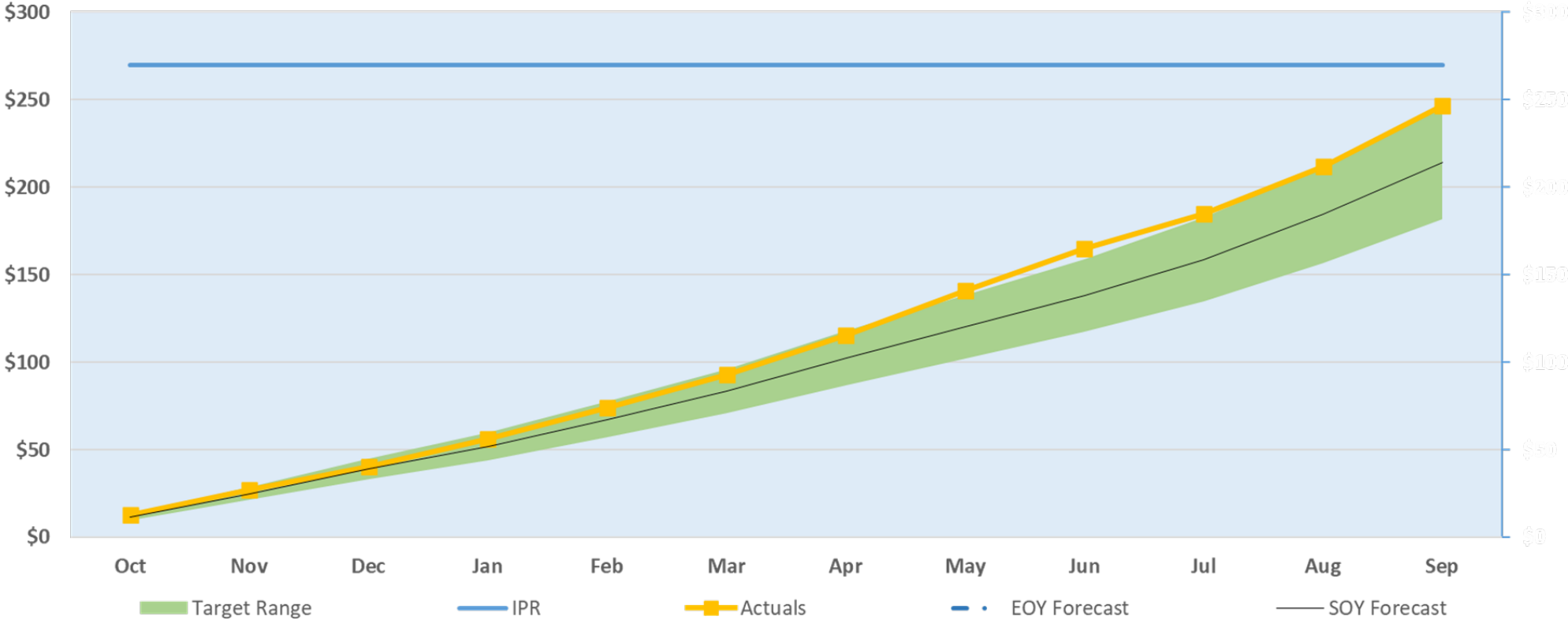
**Key Takeaway:** Overall a successful year regarding milestone completion.

# FED HYDRO CAPITAL PROJECT MILESTONES

Capital Projects	Target Milestone	Status
LGS Headgate Repair Pit Upgrade	Physical Completion	Complete
JDA Control Room Fire Protection Upgrades	Physical Completion	Complete
LMN PH Bridge Crane Wheel and Drive System Upgrade	Complete Design	Complete
CHJ Tailrace Crane	Physical Completion	Complete
LWG Stilling Basin Sediment Removal	Complete Design	Complete
LMN Stilling Basin Sediment Removal	Complete Design	Complete
GCL TPP K21-K24 Transformer Replacement #2976	Complete Design	Complete
MCN Spillway Gate Hoist Replacements	Contract Award - Ph2a	Complete
LMN Fire Damaged Components Replacement	Physical Completion	Complete
HGH G1-4 Static Exciters	Design Complete	Complete
DEX Intake Gantry Crane	Physical Completion	Complete
BON Spillway Gate Repair & Storage Pits	Award Contract	Complete
LGS Trashrake Crane and Rake Upgrade	Physical Completion	Complete
LMN Trashrake Crane and Rake Upgrade	Physical Completion	Complete
LWG MU2 Blade Sleeve Upgrade and Rehab	Complete Design	Complete
CHJ Debris Boom	Physical Completion	Complete
CHJ Turbine Oil and Pipe Replacement	Physical Completion	Complete
GCL Powerplant Battery Replacement	Award Contract 1	Complete
MCN Machine Shop Temporary Roof Repair	Complete Design	Complete
BON 2 Elevators Rehabilitation	Physical Completion	Complete
IHR Intake Gate Hydraulic System Upgrades	Complete Design	Complete
BON 1 Oil Accountability Inspections and Repairs	Main Unit 4 Return to Service	Complete
BON 1 Metering Enhancements	Award Contract	Complete

**Key Takeaway:** In FY25, we will only report on “major” project milestones, those with a price tag above \$10 million.

# FED HYDRO CAPITAL SPEND



**FY24 Key Performance Indicator**

- IPR: \$270 million
- SOY Forecast: \$214 million
- Target Range: \$182 - \$246 million

**Key Takeaway:** Finished the year at the top of the acceptable capital execution range, just under \$246 million.

# FED HYDRO CAPITAL BREAKDOWN BY PHASE OF WORK

## ACTIVE PROJECTS BY PHASE OF WORK:

Phase 1a (scoping and alternatives analysis):	53 (21% of projects, 5% of budget)
Phase 1 (design):	36 (14% of projects, 9% of budget)
Phase 2 (construction):	160 (64% of projects, 86% of budget)

## HIGHLIGHTS:

- Work is ramping up at McNary, making up about one quarter of total spend this FY
- Generator Windings at Chief Joseph are underway

### Key Takeaway:

249 active projects in hydro portfolio.

Larger projects are going to create a solid floor for annual capital spend for the foreseeable future.



# TRANSMISSION SERVICES CAPITAL METRICS

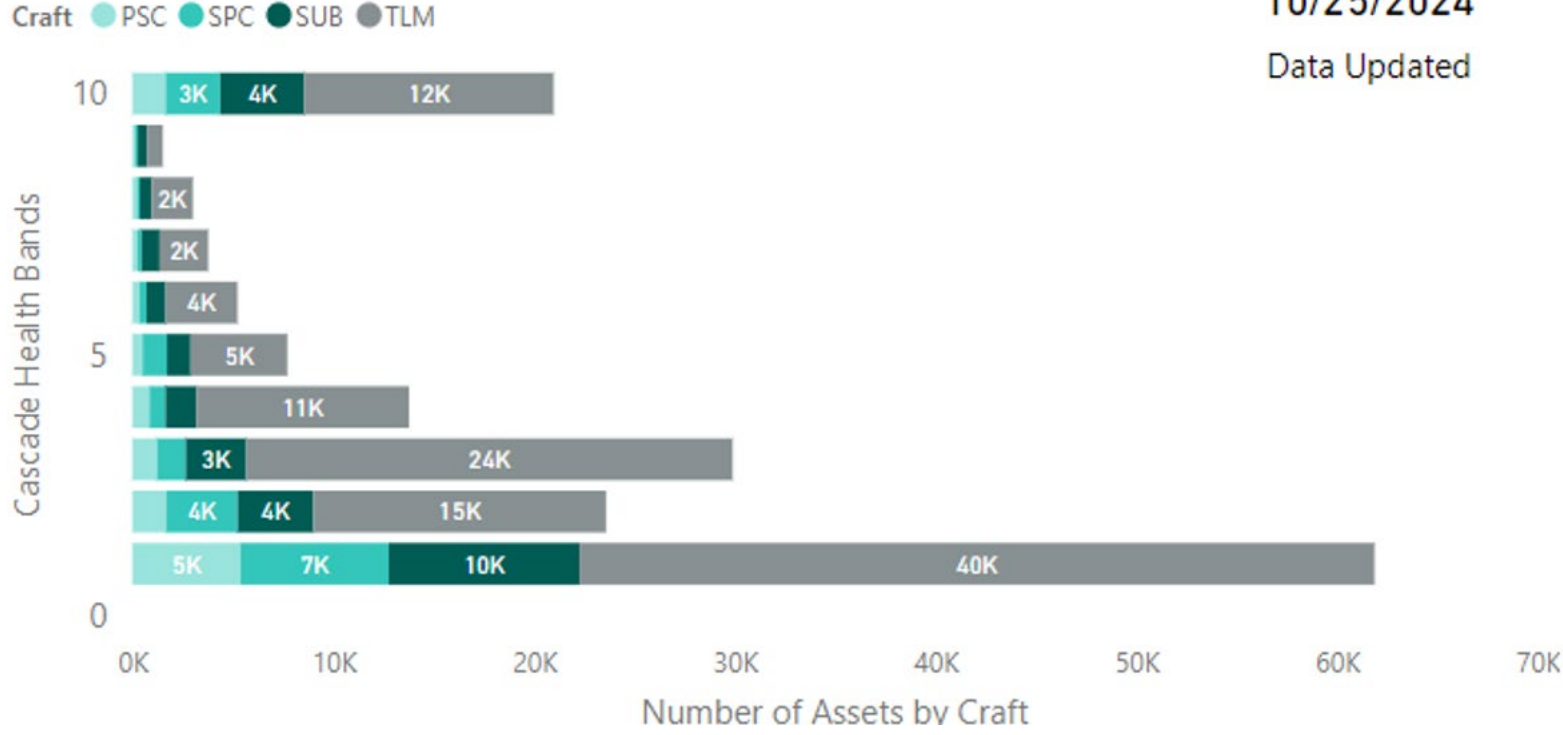
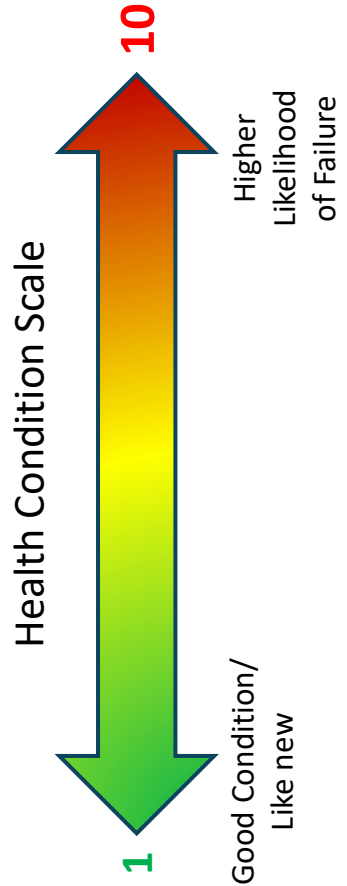
Presenters: Jeff Cook and Mike Miller



## Asset Condition by Health

10/25/2024

Data Updated



PSC: Power System Control, SPC: System Protection Control, Sub: Substation, TLM: Trans Line Maintenance

Transmission’s health scoring methodology is most mature for substations and some lines assets, or about 40% of the assets included in Transmission’s sustain program.

# ASSET MANAGEMENT METRIC MATURITY

FY24-25

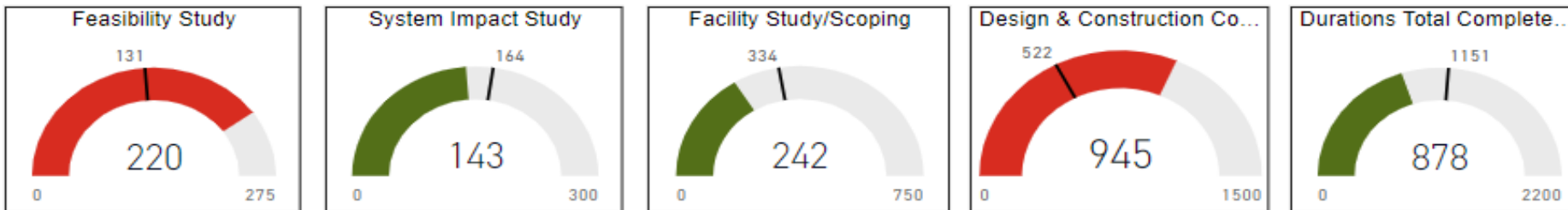
FY25+

Foundation	Capabilities	Analysis & Metrics
<p>Comprehensive analysis resulting in clarity around:</p> <ul style="list-style-type: none"> <li>- How many assets (350,000 +)</li> <li>- What systems of record apply</li> <li>- Where data elements are sourced</li> </ul>	<ul style="list-style-type: none"> <li>• Developed comprehensive manual risk-based decision-making methodology to compare assets and projects against one another.</li> <li>• Calibration and data validation activities will continue in FY25</li> </ul>	<p>As the methodology is increasingly refined and applied, we will evaluate and propose portfolio, project, and/or asset metrics for internal and external tracking.</p>

BPA will ultimately acquire a Transmission Portfolio Optimization Tool for automation of risk-based decision-making functionality that will further guide future internal and external metrics.

# CUSTOMER DURATION METRIC

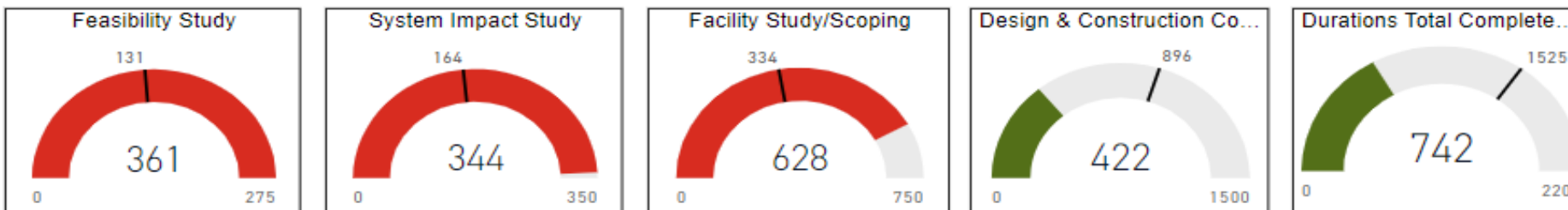
**Small Generation Interconnection projects:** Projects with an aggregation of generators, whose single or combined generating capacity is > than 0.2MW and = to or < 20MW



Includes LGI, LLI, SGI projects with a Queue date on or after 01/01/2015

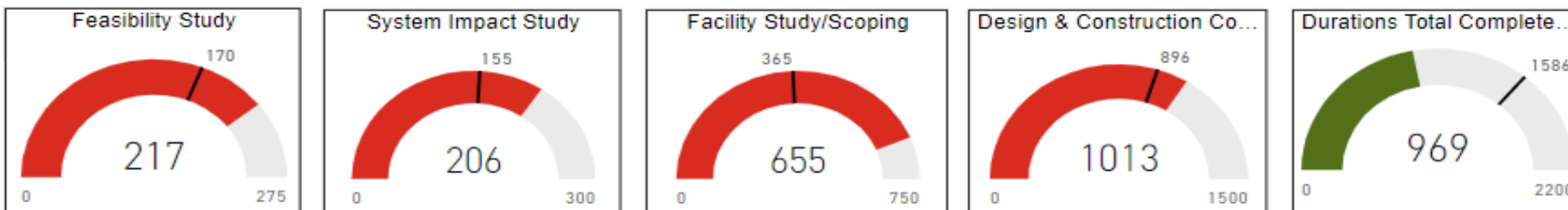
Optimal performance is below the lines, which denote the target ceiling levels

**Large Generation Interconnection Projects:** Projects with an aggregation of generators, whose single or combined generating capacity is greater than 20MW



\* Completed Projects Only

**Line and Load Interconnection Projects:** Projects can be a customer owned line terminated at a BPA facility, a tap of a BPA owned line or other plans of service



# CUSTOMER DURATION METRIC (NEW)

FAS Study Completion by Year

PCM Process | FAS with CDD (48 Projects)



**Primary Capacity Model**  
(Internal Scoping Resources)

Includes LGI, LLI, SGI projects with a Queue date on or after 01/01/2017

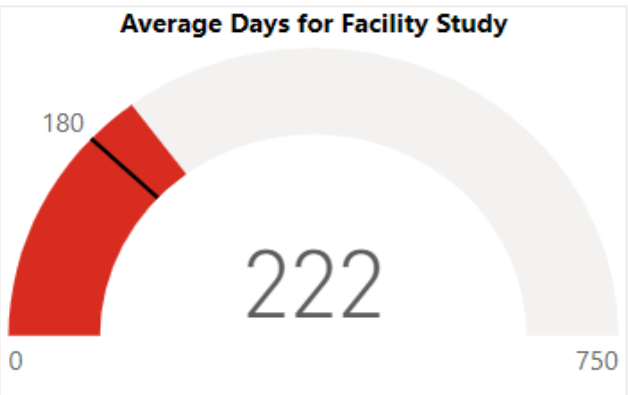
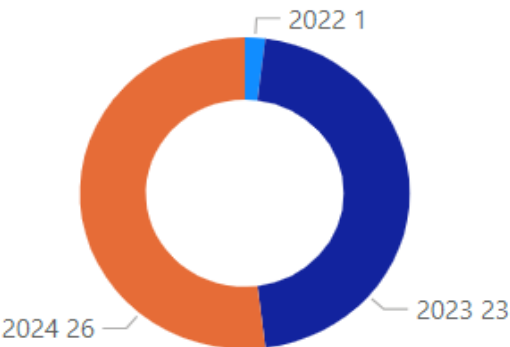
Optimal performance is below the lines, which denote the target ceiling levels

Completed Projects Only

Does not includes the time projects were waiting for Scoping Resources prior to New Process starting

FAS Study Completion by Year

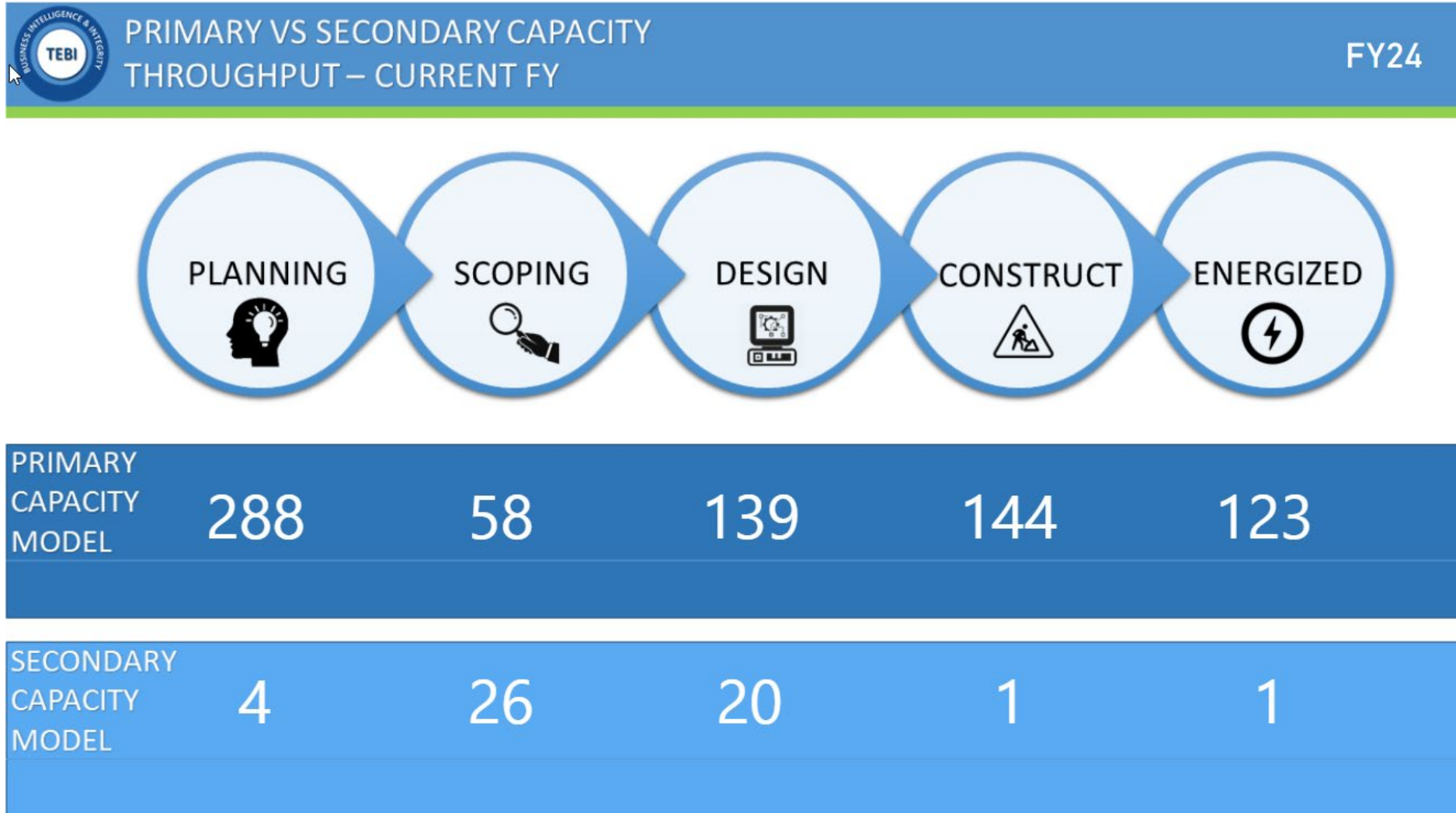
ECM Process | FAS/Scoping No CDD (40 Projects)



**Engineering Capacity Model**  
(Internal Consulting Resources)

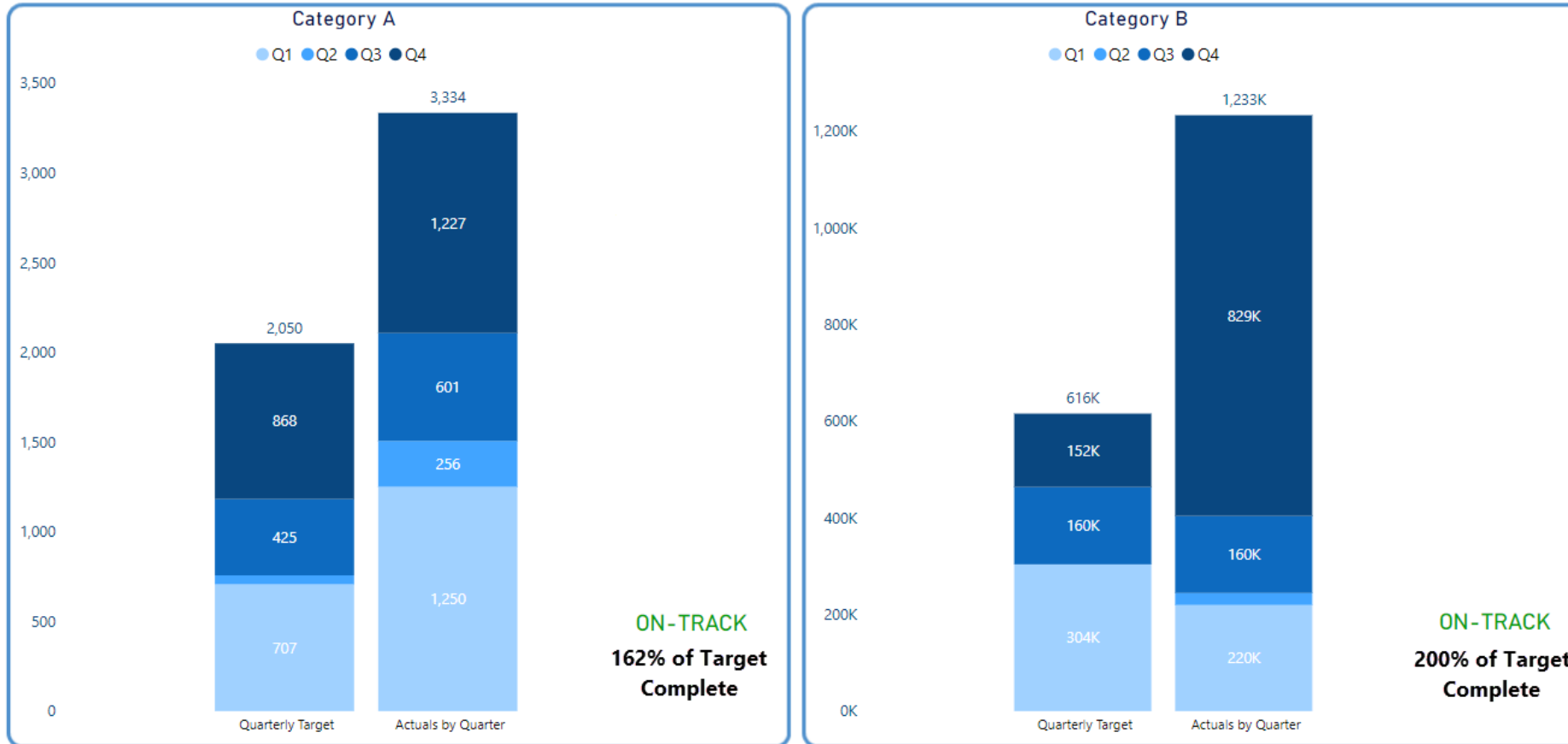
# PRIMARY VS SECONDARY CAPACITY THROUGHPUT

Transmission as of FY24 Q4:



# CAPITAL ASSETS PLANNED VS COMPLETED

## Transmission as of FY24 Q4:



**Key Takeaway:** On track

# WORK PLAN COMPLETE

## Transmission as of FY24 Q4:

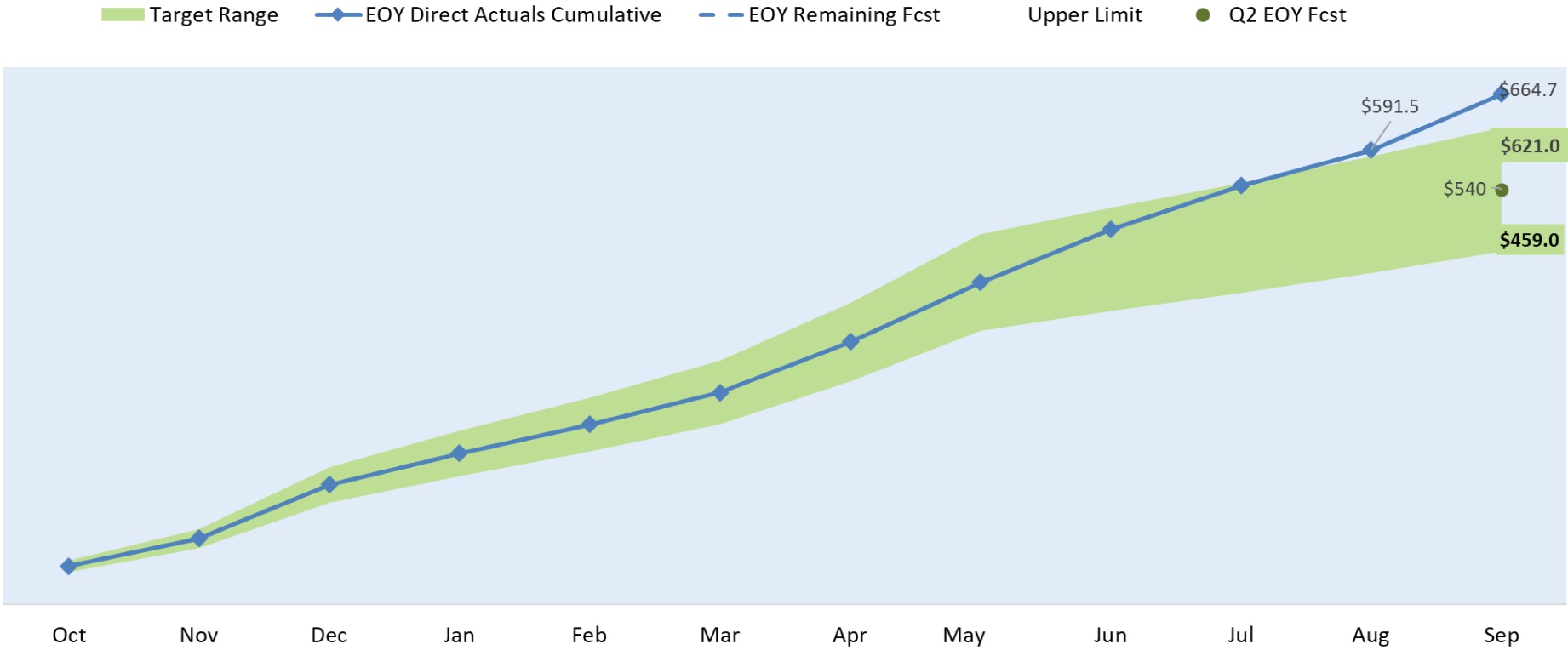
### FY24 Capital Work Plan Complete Project Milestones

	Priority Projects	Target Milestones	Model	On Track
Q1	P04342 Longhorn Substation	Substantial completion of below grade construction and start of foundation	SCM	Complete
Q2	P03890 Vancouver Control Center	Receive contractor estimate for VCC	PCM	Complete
	P05157 FIN Remediation	80% of design complete for South Region	PCM	Complete
	P00621 Hot Springs-Rattlesnake rebuild	Complete Phase 1 Land Rights Analysis	PCM	Complete
Q3	P05847 Bonanza Substation	Award OC Scoping contract	SCM	Complete
	P01361 New Midway-Ashe 230 kV line	Complete tower assembly and erection	PCM	Complete
Q4	P02281 Longview Integrated Project.	Cap group is Energized	PCM	Complete
	P04691 South Tri-Cities Reinforcement Project	Draft Environmental Review Complete	PCM	Complete
	P05473 Chehalis – Cowlitz Tap	Complete 20% design (scoping)	SCM	Complete
	P05580 Sixmile Canyon Substation (formerly West of Boardman)	Finalize preferred substation location	SCM	Complete
	P03999 Buckley Substation Rebuild	Complete 50% design	SCM	Complete

**Key Takeaway:** On track



# CAPITAL SPEND



**FY24 Key Performance Indicator**

- Structured differently than previous years
- This includes Transmission Only
- Range using Direct Budget (no loadings)
- High end is +15% = \$503.2M
- Midpoint is = \$437.5M
- Low end is -15% = \$371.9M

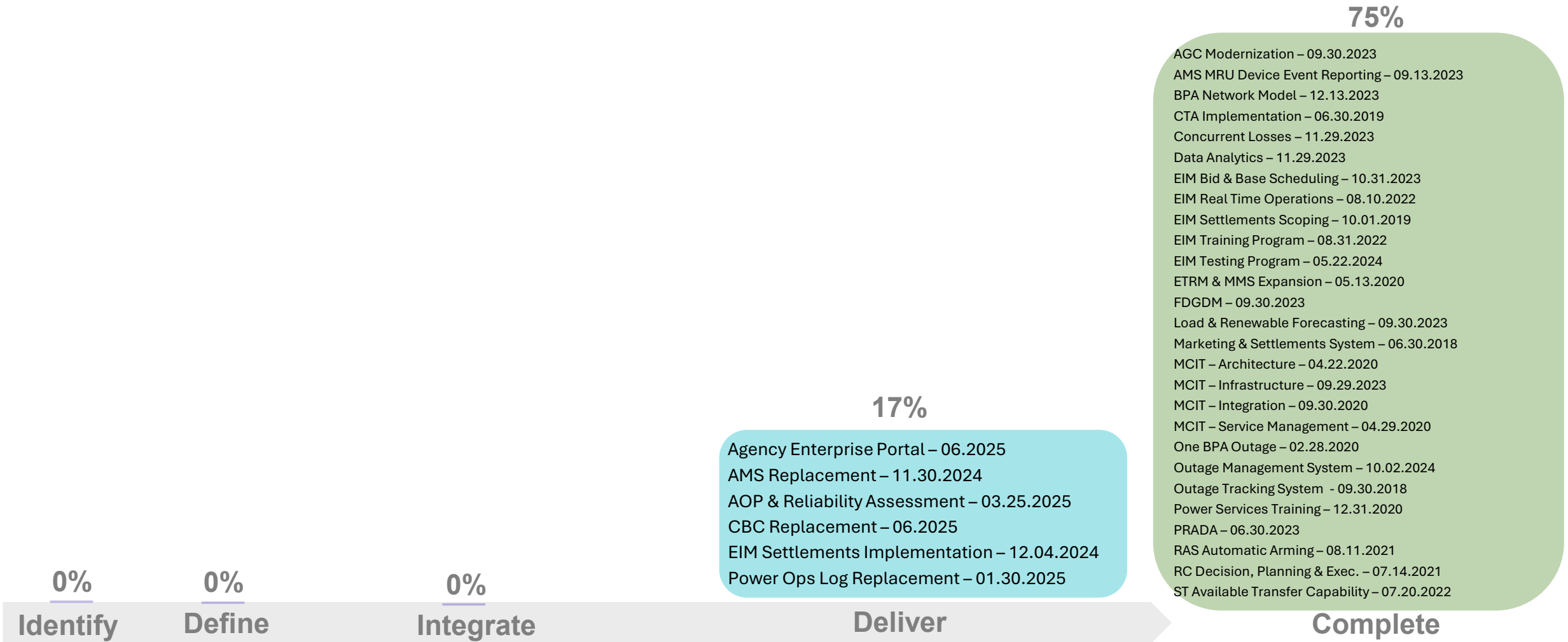
**Key Takeaway:** Not on track - Transmission exceeded the top range of the targeted spend.

# Grid Modernization Update

Presenter: Vasia Limantzakis



# Grid Modernization Mobilization



Canceled Projects: VSA/DTC Phase 2 , Real Time Ops Modernization, AEP 2 , Wildfire Risk Modeling  
Transferred to be completed in Business Unit: MCIT-Re-Platforming (3.31.2027), Metering Review & Update (9.30.2026), Sub-Hourly Scheduling on the DC (2025)

Updated: 10.11.2024  
Date = Completion Date

# Grid Modernization Progress Metric

100%

- 100% of milestones for projects in deliver were complete or on track at the end of FY2024
- A milestone identifies the completion of significant events and/or key decisions associated with the grid modernization project. Examples include (but are not limited to) a formal project kickoff, RFO release dates, “go-live” dates for new software, targets for completing training for new processes, and project conclusion.
- The minimum to meet “green” for EOY FY24 is 90%
- **Status: Green**

# Grid Mod Spending



BPA spent a total of \$49.5M\* Grid Mod Expense funding in total over the course of 5 years (FY19-FY23). Total Grid Mod expense budget was \$62.5 million.

\*spend is the sum of incremental in 2019 and actuals thereafter

Grid Modernization:

[www.bpa.gov/learn-and-participate/projects/grid-modernization](http://www.bpa.gov/learn-and-participate/projects/grid-modernization)

EIM:

[www.bpa.gov/learn-and-participate/projects/energy-imbalance-market](http://www.bpa.gov/learn-and-participate/projects/energy-imbalance-market)

# BPA EIM Metrics FY2024 Q4

Presenters:

Matt Germer

Mariano Mezzatesta

Kelii Haraguchi



# Phase 1 Metrics

## **BPA committed to reporting Phase 1 metrics within six months of EIM go-live.**

1. Report the quantity of unspecified purchases made through the EIM and the quantity of sales to California.
2. Report how frequently BPA passes the Resource Sufficiency (RS) balancing test, RS capacity test and RS flexibility test.
3. Report on EIM transfer limits and use.



# Phase 2 Metrics

## **Phase 2 metrics will be reported by BP-26.**

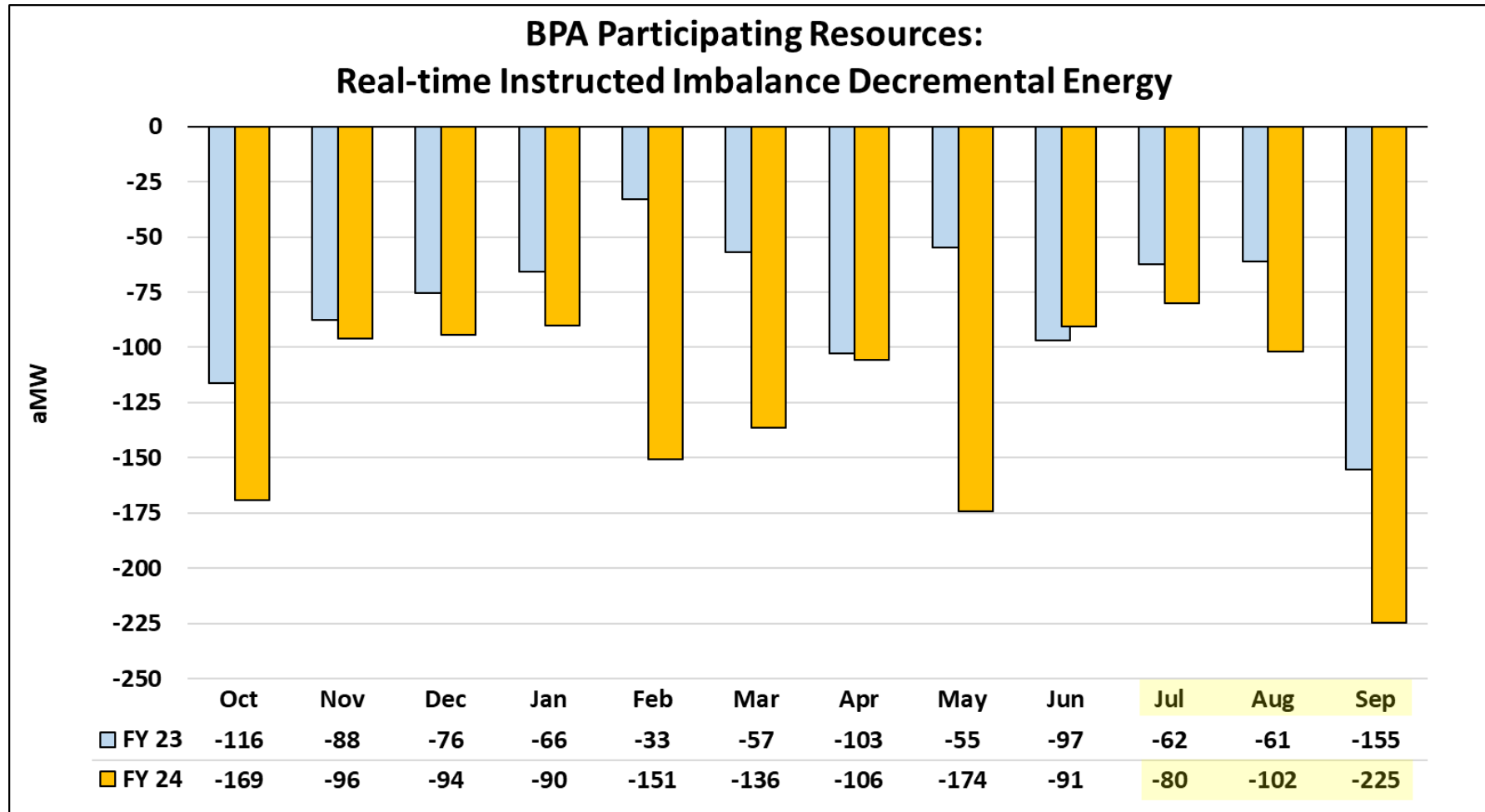
1. Provide data on charge code allocations.
2. Provide data on transmission donations and how often they are used.
3. Provide information on EIM impacts to BPA system carbon emission rate.
  - Reporting may transition to a different forum in the future as BPA engages on broader regional carbon issues and regulation

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Metric 1:  
EIM unspecified purchases  
and sales to California

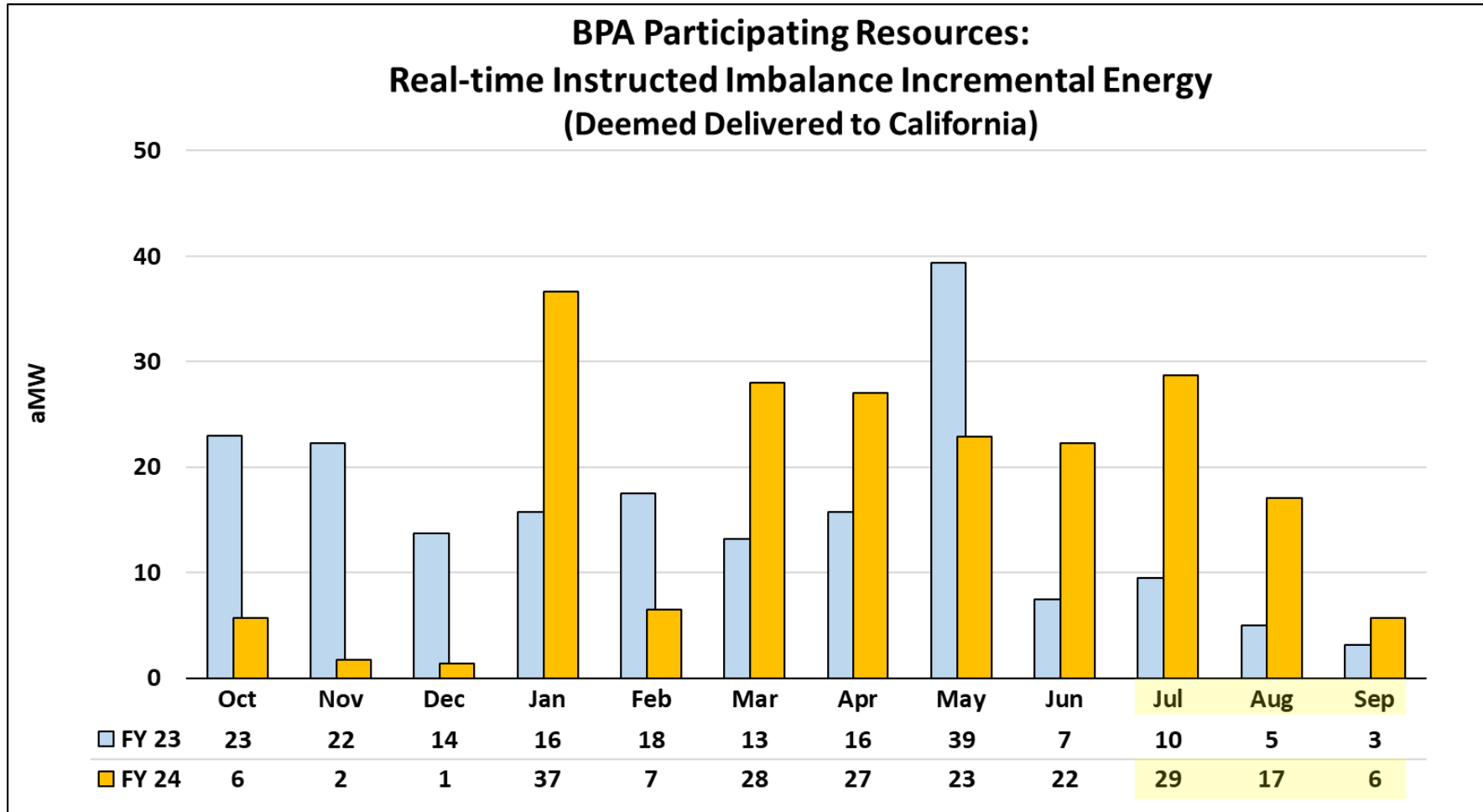


# Metric 1: Unspecified purchases



- **FY 24 Q4 (Jul-Sep)** was **-135 aMW**, which compares to FY 23 Q4 (Jul-Sep) at -95 aMW
- **FY 24** was -125 aMW, which compares to FY 23 at -75 aMW

# Metric 1: Sales to California



- **FY 24 Q4 (Jul-Sep): 15 aMW** for the quarter and fiscal year
- **GHG Premium: +\$16.5/MWh**
- **GHG Cost: -\$0.6/MWh**

---

# Metric 2: Resource Sufficiency (RS) Evaluation Pass rates



# Balancing Test Results

- The Balancing Test evaluates whether the BAA scheduled within +/-1% of the CAISO area load forecast.
- A failure means the BAA scheduled outside of +/-1% of the CAISO's area load forecast.
- A failure does not mean the BAA necessarily incurred an Over/Under scheduling penalty.

## Percent of hours passed/failed

<b>Balancing Test</b>	<b>Jul</b>	<b>Aug</b>	<b>Sep</b>	<b>Mean</b>
<b>Failed Over</b>	0.00%	0.00%	0.00%	0.00%
<b>Failed Under</b>	0.40%	0.13%	0.14%	0.22%
<b>Passed</b>	99.60%	99.87%	99.86%	99.78%

# Capacity Test Over Results

- The Capacity Test Over evaluates whether the BAA had sufficient upward bid range to meet the upward 15-min load imbalance.
- The over requirement is calculated as the upward imbalance between the BAA's hourly load base schedule and the 15-min CAISO area load forecast.

## Percent of 15-minute intervals passed/failed

<b>Capacity Test Over</b>	<b>Jul</b>	<b>Aug</b>	<b>Sep</b>	<b>Mean</b>
<b>Failed</b>	0.00%	0.13%	0.00%	0.04%
<b>Passed</b>	100.00%	99.87%	100.00%	99.96%

# Capacity Test Under Results

- The Capacity Test Under evaluates whether the BAA had sufficient downward bid range to meet the downward 15-min load imbalance.
- The under requirement is calculated as the downward imbalance between BAA's hourly load base schedule and the 15-min CAISO area load forecast.

## Percent of 15-minute intervals passed/failed

<b>Capacity Test Under</b>	<b>Jul</b>	<b>Aug</b>	<b>Sep</b>	<b>Mean</b>
<b>Failed</b>	0.00%	0.00%	0.00%	0.00%
<b>Passed</b>	100.00%	100.00%	100.00%	100.00%



# Flex Test Up Results

- The Flex Ramp Test Up evaluates whether the BAA had sufficient ramp up capability to meet the flex ramp up requirement.
- The BAA's ramp up capability depends on participating resources, non-participating resources, and net interchange.

Percent of 15-minute intervals passed/failed

<b>Flex Test Up</b>	<b>Jul</b>	<b>Aug</b>	<b>Sep</b>	<b>Mean</b>
<b>Failed</b>	0.34%	0.50%	0.03%	0.29%
<b>Passed</b>	99.66%	99.50%	99.97%	99.71%

# Flex Test Down Results

- The Flex Ramp Test Down evaluates whether the BAA had sufficient ramp down capability to meet the flex ramp down requirement.
- The BAA's ramp down capability depends on participating resources, non-participating resources, and net interchange.

Percent of 15-minute intervals passed/failed

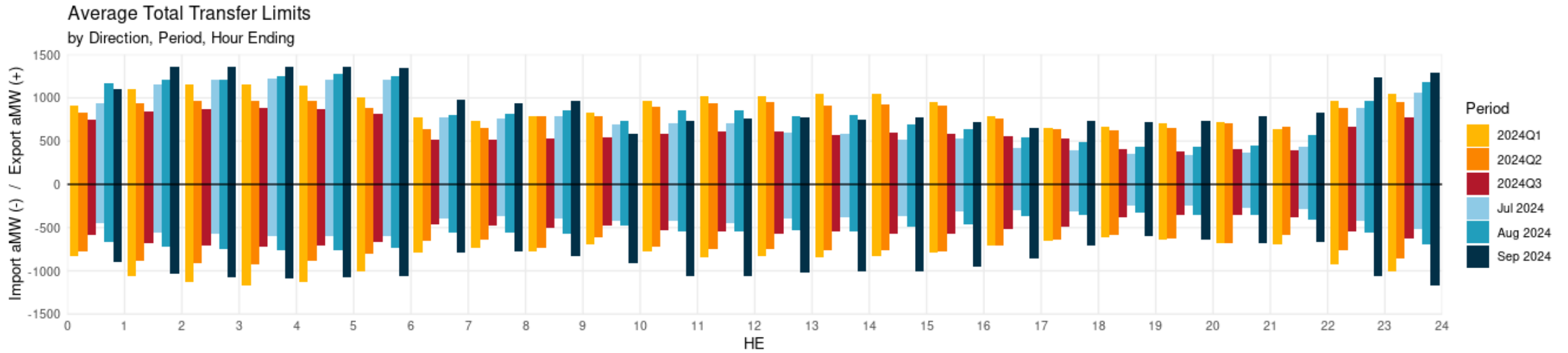
<b>Flex Test Down</b>	<b>Jul</b>	<b>Aug</b>	<b>Sep</b>	<b>Mean</b>
<b>Failed</b>	0.00%	0.13%	0.00%	0.04%
<b>Passed</b>	100.00%	99.87%	100.00%	99.96%

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# Metric 3: EIM Transfers

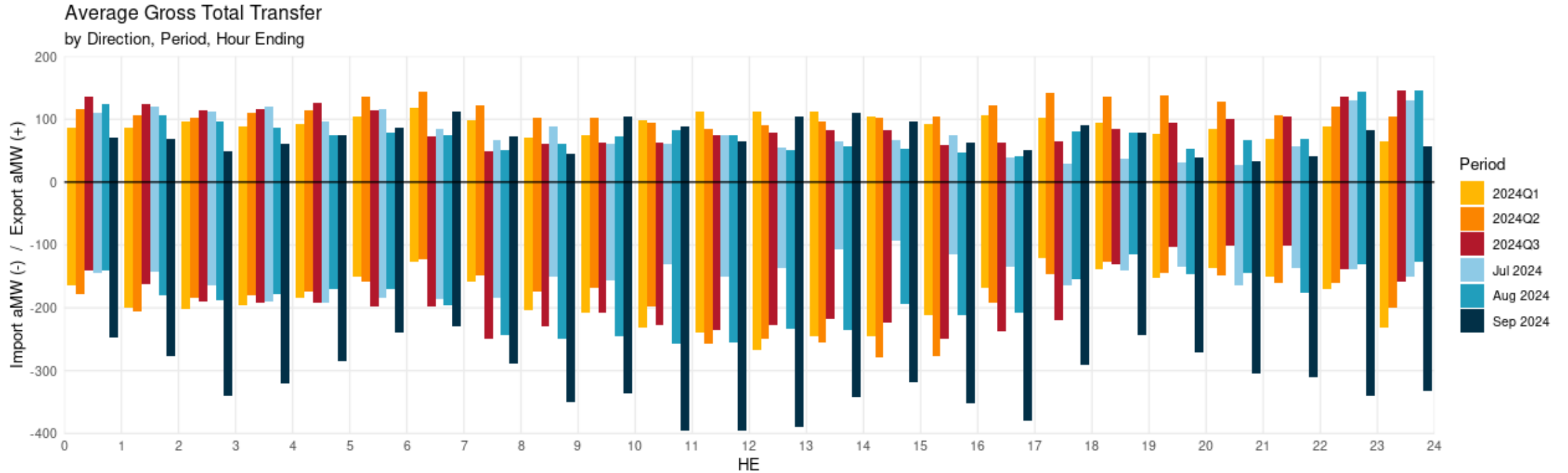


# EIM Transfer Limits: Q1 2024 – Q4 2024



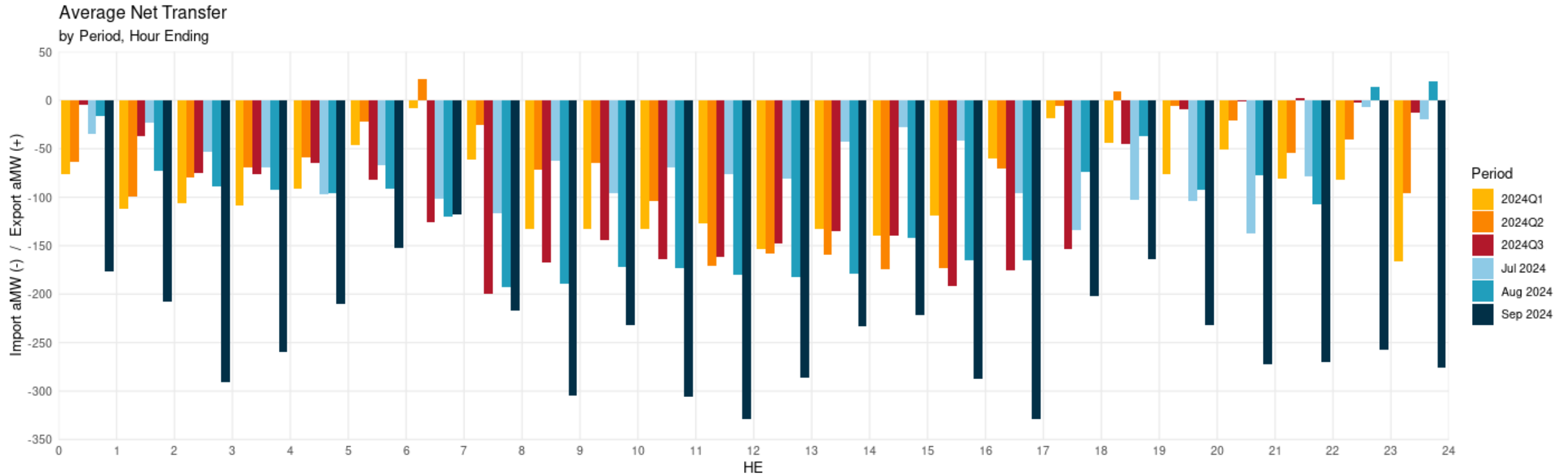
- Intra-day shape in Q4 2024 is consistent with previous quarters – less donation in morning and evening peaks; more donation in LLH.
- Growth in limits in both directions across Q4 2024 in most hours; noted increase in **Sep 2024..**

# EIM Gross Transfer: Q1 2024 – Q4 2024



- Clear bias toward import transfers in most hours.
- **Sep 2024** stands out with marked increase in imports across many hours.

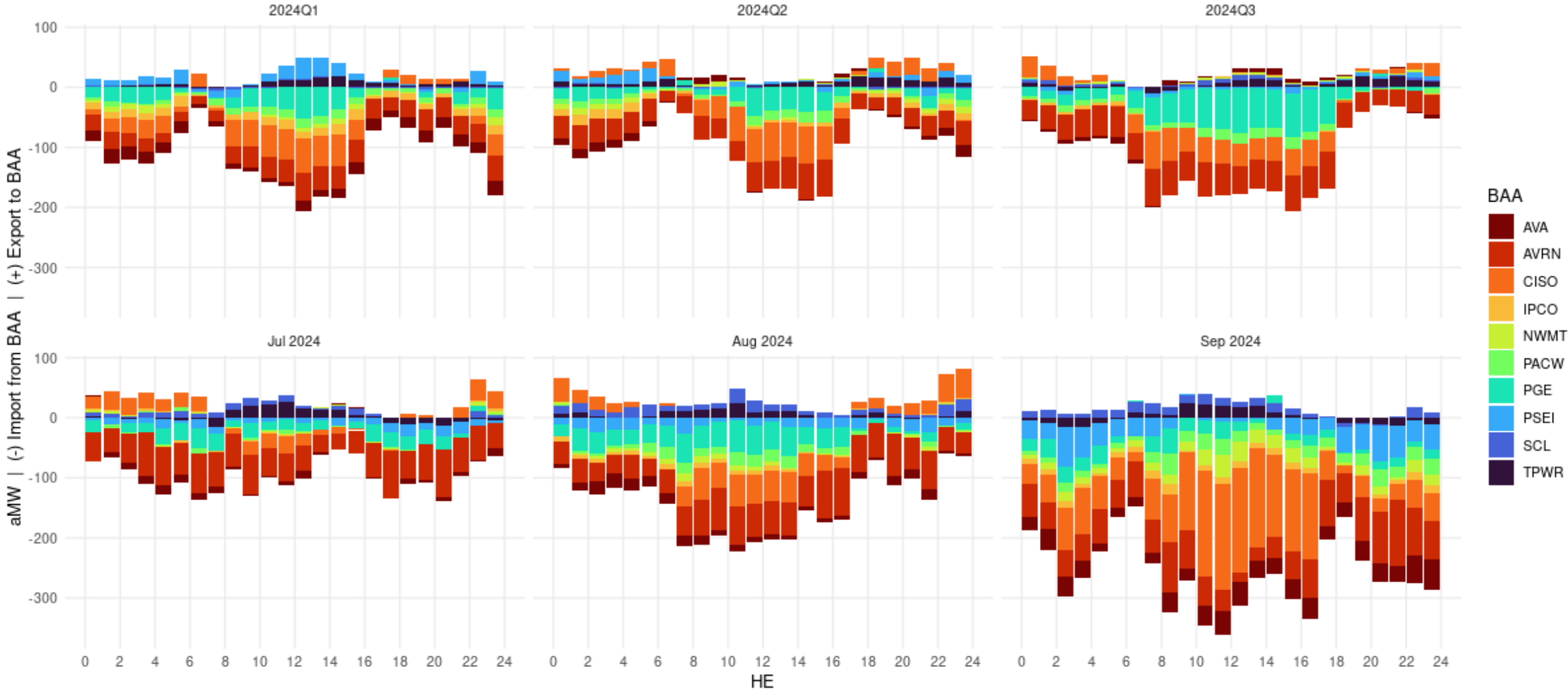
# EIM Net Transfer: Q1 2024 – Q4 2024



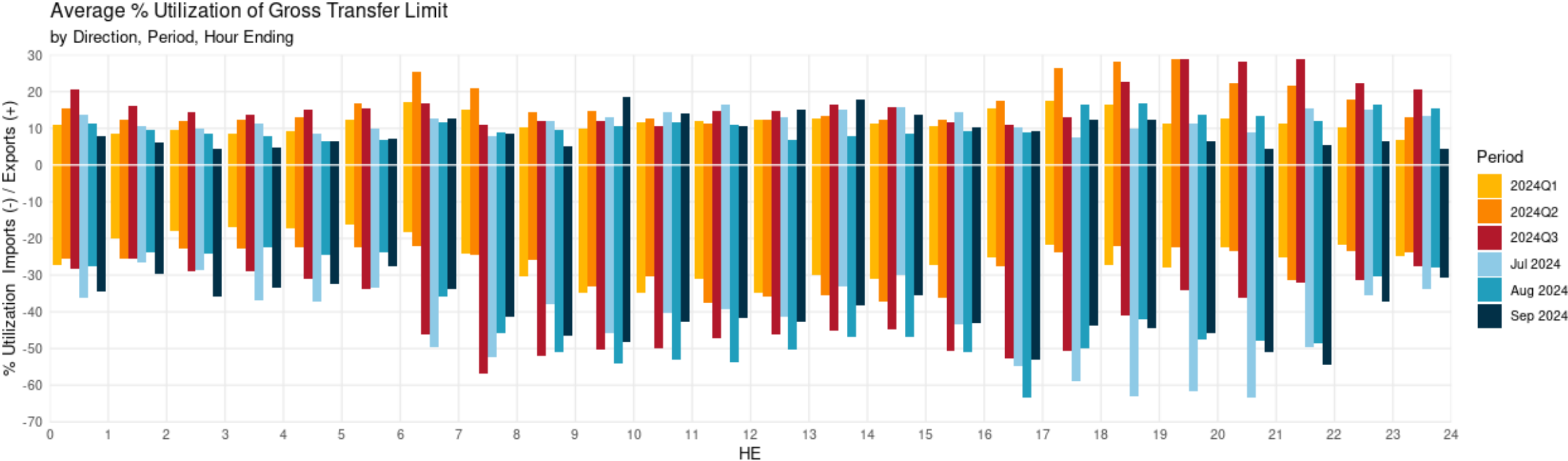
- Clear bias toward import transfers in most hours.
- **Sep 2024** stands out with marked increase in imports across many hours.

# EIM Net Transfer by BAA: Q1 2024 – Q4 2024

Average Net Transfer with BPAT  
by BAA, Period, Hour Ending



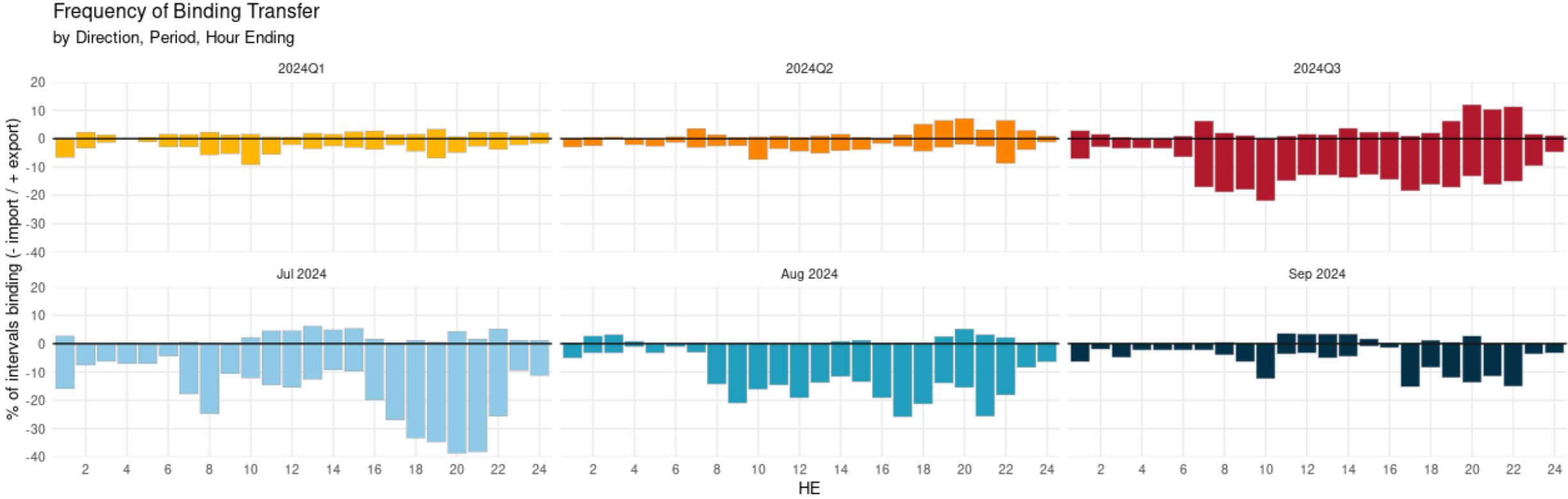
# EIM Utilization of Transfer Limits: Q1 2024 – Q4 2024



- Consistently high utilization in the import direction in the midday hours.
- Strong utilization in the import direction in evening peak hours in Q4 2024.



# Frequency of binding EIM transfers: Q1 2024 – Q4 2024



- Generally more binding incidence in the import direction across all periods.
- **Jul 2024** and **Aug 2024** continued the trend of increased binding frequency observed in **Q3 2024**.
- Binding incidence moderated in **Sep 2024** (but recall the notable increase in import donations in earlier slide).

*Note: Transfers and limits include both static and dynamic transmission. Binding incidence flagged anytime gross transfer reaches gross import limit or gross export limit.*

# Western Resource Adequacy Program (WRAP) Update

Presenter:

Matt Hayes

November 12, 2024



# Agenda

- What's Happening in WRAP
  - WPP Implementation Plan
  - Approved BPM's
  - WPP/WRAP Public Meetings/Workshops
- BPA Active Work with WRAP
  - Participation
  - Business Practice Manuals (BPM's)
  - BPA Technical Solution

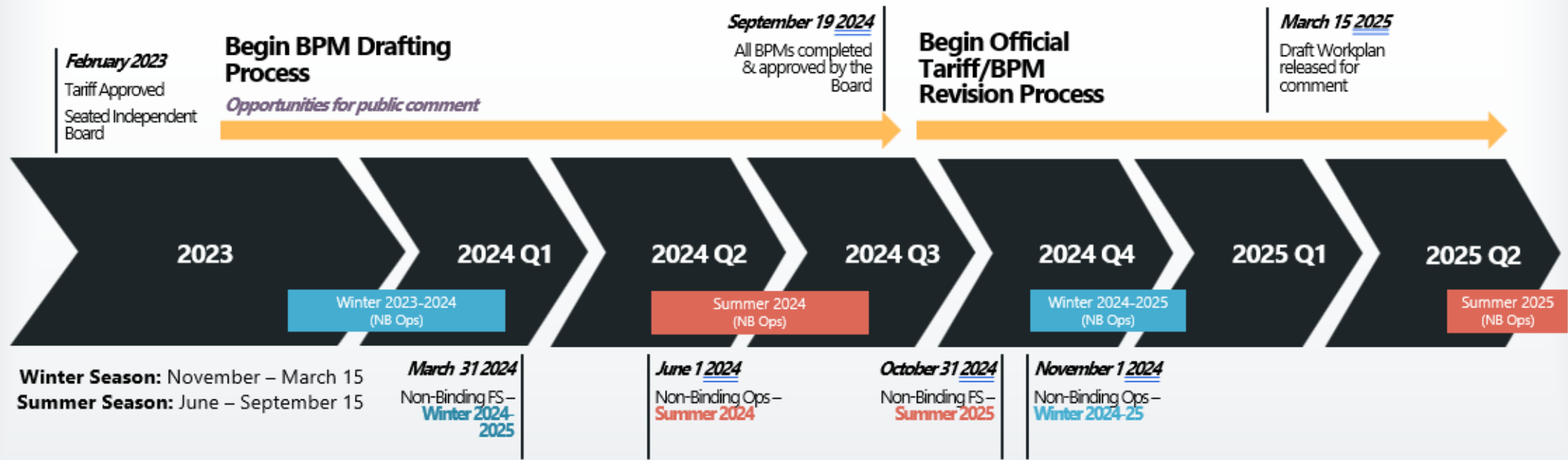
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# What's Happening in WRAP



# Western Power Pool WRAP Implementation Plan

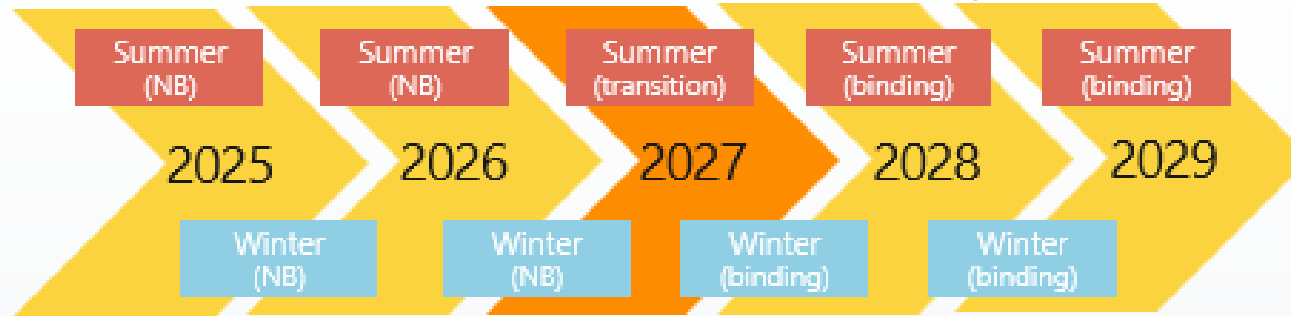
## WRAP IMPLEMENTATION



# Western Power Pool WRAP Implementation Plan

## Transition Period

Summer 25 through Winter 28-29



### Targeting Binding Program With Revised Transition Provisions

Modified Excused Transition Deficits and Cone Charge Deductions

### Binding Program

**Winter 27-28**  
and all seasons following\*

*\*Revised Transition Provisions until Winter 28-29*



# WRAP Approved Business Practice Manuals

- WPP Board of Directors has approved 25 BPM's

Forward Showing	Operations Program	Stakeholder Process	Auxillary
<a href="#">101: Advance Assessment Data Collection</a>	<a href="#">201: Operations Program Timeline</a>	<a href="#">301: Workplan Development and Approval</a>	<a href="#">401: New Participant Onboarding</a>
<a href="#">102: Forward Showing Reliability Metrics</a>	<a href="#">202: Participant Sharing Calculation Inputs</a>	<a href="#">302: Proposal Development and Approval</a>	<a href="#">402: Confidentiality</a>
<a href="#">103: Participant Forward Showing Capacity Requirements</a>	<a href="#">203: Program Sharing Calculation Inputs</a>	<a href="#">303: Expedited Review Process</a>	
<a href="#">104: Determination of Capacity Critical Hours</a>	<a href="#">204: Holdback Requirement</a>	<a href="#">304: Changes to Schedule 1 and WRAPA</a>	
<a href="#">105: Qualifying Resources</a>	<a href="#">205: Energy Deployment</a>		
<a href="#">106: Qualifying Contracts</a>	<a href="#">206: Settlement Pricing</a>		
<a href="#">106: Qualifying Contracts Join Contract Accreditation Form</a>	<a href="#">207: Settlement Process</a>		
<a href="#">107: Forward Showing Deficiency Charge</a>	<a href="#">209: Energy Delivery Failure Charge</a>		
<a href="#">108: Forward Showing Submittal Process</a>	<a href="#">210: Operations Program Transition Period</a>		
<a href="#">109: Forward Showing Transition Period</a>			

# WPP/WRAP Public Meetings/Workshops

- **Program Review Committee, or PRC**
  - The sector-representative PRC will be responsible for receiving, considering, and proposing changes to the WRAP design. The PRC will also be responsible for documenting proposed changes and overseeing public and committee comments and feedback processes to inform consideration of those recommendations by the RAPC and Board. In developing recommendations, the PRC will incorporate feedback and suggestions from the public process, Participants, committees, the PA and PO, and the Board
  - PRC Information and meeting schedule
  - PRC has opened its first submission window for submitting change proposal concepts and or non task forced proposals (NTFPs) submission website is open until December 15th
    - Submitting Concepts and NTFPs



# WPP/WRAP Public Meetings/Workshops

- **Resource Adequacy Participant Committee (RAPC)**
  - RAPC will be the main venue for participants in the program to engage in program implementation and compliance, as well as the highest form of participant engagement in the governance and decision-making of the program. The RAPC will be recommended changes to the program design as they relate to participation in the program and vote on all proposed changes prior to Board review. RAPC recommendations will be considered by the Board in conjunction with feedback from the public, stakeholders, and other committees.
  - RAPC Information and meeting schedule
- **General WPP/WRAP Events (WPP)**
  - All WPP Events

# BPA Active Work with WRAP



## WRAP participant work:

- Resource Adequacy Participants Committee (RAPC) – reviewing and continuing development and design getting to full binding seasons
- Forward Showing Work Group – engaged in activities and discussion for FS submittals
- Ops Work Group – Submitting operations data for nonbinding winter season
- Program Review Committee (PRC) – participating member, actively reviewing materials as available
- Other ongoing workgroups

# BPA Active Work with WRAP

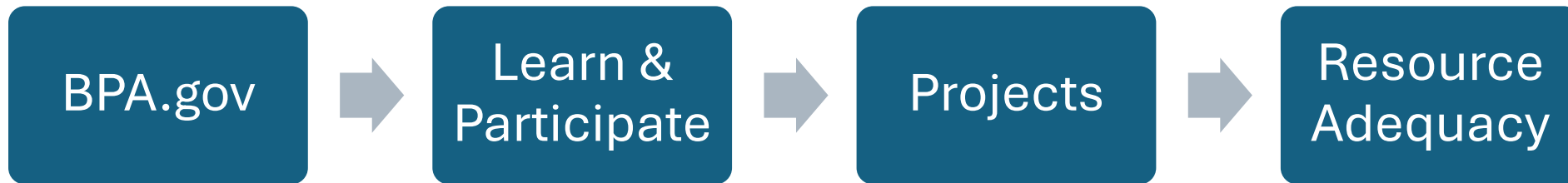
## Technical Solution for WRAP Participation:

- **WRAP System is Live:** BPA has successfully moved the WRAP system into production, as of 09/19/2024 all necessary validation issues have been resolved, allowing for smooth operational processes.
- **Data Submission is Active:** Daily and hourly data submittals are now fully functional through the PCI tool, meeting WRAP program requirements.
- **Ongoing Monitoring:** The BPA team is actively monitoring post-production performance and managing any minor adjustments that arise to maintain data quality and operational compliance.
- **Documentation Finalization:** Final documentation, including user guides and training resources, is near completion and will be provided to BPA staff to ensure comprehensive support and continuous training.
- **Future Enhancements:** BPA is planning for future system upgrades and additional capabilities, such as enhanced monitoring and further data stream optimizations to improve operational efficiency.

# Questions

- More information on BPA's participation in the Western Resource Adequacy Program can be found at

[Western Resource Adequacy Program - Bonneville Power Administration \(bpa.gov\)](http://www.bpa.gov)



- For more information on the Western Power Pool's Western Resource Adequacy Program at

<https://www.westernpowerpool.org/>

# Columbia Generating Station (CGS) Uprate

Presenters:  
Cherie Sonoda



# QBRTW: CGS Uprate

- Extended power uprate (EPU) is an option for U.S. commercial nuclear reactors to increase generating capability of the unit.
- An EPU of CGS will result in ~170MWe increase in output.
- Implementing an EPU at Columbia Generating Station (CGS) will require significant modification to major pieces of equipment such as the Electrical Distribution System, high-pressure turbine, condensate pumps and motors, and the main generator.
- Due to timing of CGS's current life cycle management of major equipment, EPU implementation could prove beneficial due to coinciding with planned equipment replacement.

# QBRTW: CGS Uprate (cont.)

- EN and BPA are currently investigating the business case for an Extended Power Uprate (EPU)
- The EPU initiative is being completed by a collaborative BPA/EN Working Group (WG)
- The joint EN/BPA WG has established a collaborative EPU Business Case Team
  - Key participants include EN Finance, BPA Finance, and BPA Power Services among others
  - Completed overall business case project plan and analysis plan
  - Developing financial model with alignment on key inputs/assumptions
  - Business case is utilizing existing BPA/EN governing documents
- Business case finalization in 2025 to align with EN/BPA approval processes



# QBRTW: CGS Uprate (cont.)

- **EN FY24 Project Status**

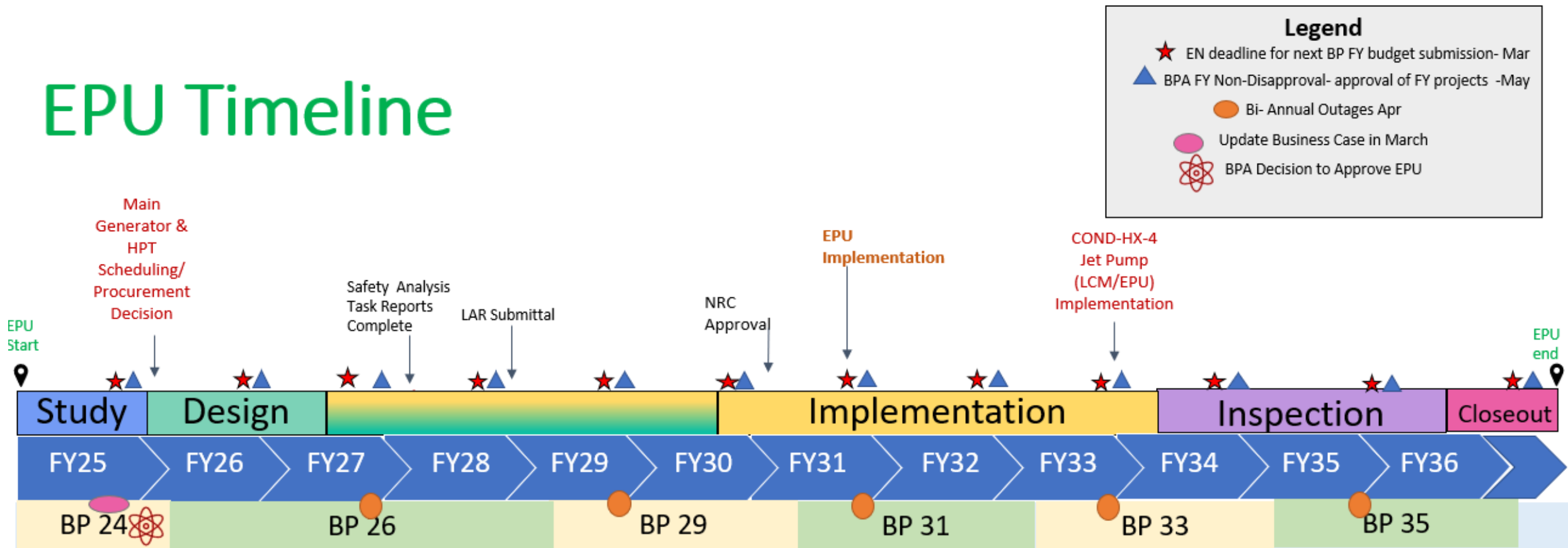
- Kicked off over fourteen detailed engineering studies and safety analyses to refine overall project scope and capital cost estimate
- Assembled project to refine scope, preliminary implementation timelines, and staffing plans
- Started developing individual project schedules, risk registers, and risk mitigation plans
- Begun updating probabilistic business case in collaboration with BPA
- Engaged Consulting services to offer counsel on the best use of the Inflation Reduction Act (IRA)

- **EN FY25 Planned Activities**

- Continue engineering studies, safety analyses, and refinement of scope and staffing plans
- Develop integrated project schedule and formalize cost-estimates to reduce classification uncertainty
- Finalize over-arching risk-management plan
- Finalize business case update

# QBRTW: CGS Uprate (cont.)

## EPU Timeline



# THANK YOU

The next QBR and Technical Workshop will be held on  
**February 13, 2024**

**Didn't get your question answered?**

Email [Communications@bpa.gov](mailto:Communications@bpa.gov).

Answers will be posted to [www.bpa.gov/qbr](http://www.bpa.gov/qbr).

# FINANCIAL DISCLOSURES

This information has been made publicly available by BPA on November 7, 2024 and contains information not sourced directly from BPA financial statements.

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# APPENDIX



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# WRAP

Final Closeout Letter Commitments  
Stakeholder Engagement Plan



# Final Closeout Letter Commitments

- On December 16, 2022, BPA issued its decision to join Phase 3B. In the WRAP Final Closeout Letter, BPA committed to:
  - sharing its stakeholder engagement plan for Phase 3B participation (goal is within the first half of 2023);
  - providing program implementation updates that impact BPA and its customers; and
  - continue working with customers on outstanding items raised in comments related to WRAP implementation.

# Stakeholder Engagement Plan

- Provide transparency of program design updates and information that may impact BPA and its customers, outcomes from BPA's participation in non-binding forward showing and operations program, and resolving BPA and customer raised issues in the Final Closeout Letter
- Engagement will be consistent with external WRAP engagement outside of BPA's process
- Pursue effective and efficient two-way communication between BPA and customers, stakeholders, and external interested parties
- Engage on a predictable, standardized cadence provided there is adequate content or relevant information to discuss
- Ensure engagement opportunities occur sufficiently to inform interested parties based on program timelines and information availability and applicability



# Stakeholder Engagement Plan cont.

- Engagement with customers and stakeholders will consist of:
  - Public meetings with a minimum of 4 meetings, preferably through the QBR Technical Workshops
  - Short-term Issue-focused workshops, as needed
  - Customer-impacted meetings focused by topic, upon request
- BPA proposes to host meetings through the completion of BPA's first binding season (winter 2027-2028). BPA will work with customers to reevaluate its engagement plan and the need for its proposed meeting schedule on an annual basis through its first binding season
- Meetings will focus on BPA's participation, the development of the business practice manuals, and updates to the WRAP policies as determined by the WRAP project schedule

# Stakeholder Engagement Plan cont.

## Public meetings

- Regularly scheduled meetings four times per year, utilizing a combination of stand-alone workshops and preferably the Quarterly Business Review (QBR) Technical Workshops
  - Typically February, May, August, and November
- Provide program design updates and information that may include any topics relevant to customer and stakeholder questions on BPA's WRAP participation

## Issue – focused workshops

- Workshops will be scheduled based on information availability from WRAP and applicability
- Will address topics raised in comments related to WRAP implementation

## Customer-impacted meetings focused by topic

- BPA will continue to meet with individual or groups of customers, upon request, to focus on their unique questions or needs.
- To the extent that there is a nexus between the implications of the WRAP and other issues of focus for customers, BPA will coordinate discussion with other BPA meetings or initiatives
- Resolution timing of customer identified items may depend on information availability from WRAP

# Stakeholder Engagement Topics

- Topics raised in comments related to WRAP implementation, including:
  - Considerations related to BPA's binding season (Winter 2027-2028)
    - The availability of transmission between loads in the SWEDE region and the FCRPS create risks that may create costs in the Forward Showing Program,
    - the uncertainty in details and requirements for the Operations Program,
    - identifying Bonneville system updates and business processes to support participation in the binding program, and
    - alignment with the timing for joining emerging regional markets
  - Treatment of NLSLs and AHWM loads related to BPA's WRAP participation
    - WRAP load exclusion process update / BPA load exclusion process between BPA and customers
  - Load exclusion process for AHWM loads caused by a single large consumer load and served solely with non-federal resources
  - Resource Adequacy Incentive rates
- Updates on Business Practice Manual development
  - Future BPM on BPA's statutory preference obligations
- Updates on Forward Showing and Operations Program development

# SLICE REPORTING

**Composite Cost Pool Review**

**Forecast of Annual Slice True-Up Adjustment**



# Q4 True-Up of FY 2024 Slice True-Up Adjustment

	<b>FY 2024 Forecast \$ in thousands</b>
February 13, 2024 First Quarter Technical Workshop	\$(1,304)*
May 23, 2024 Second Quarter Technical Workshop	\$(10,353)*
August 15, 2024 Third Quarter Technical Workshop	\$(18,555)*
November 12, 2024 Fourth Quarter Technical Workshop	\$(24,220)*

\*Negative = Credit; Positive = Charge

# Summary of Differences From Q4 to FY24 (BP-24)

#		Composite Cost Pool True-Up Table Reference	Q4 – Rate Case \$ in thousands
1	Total Expenses	Row 100	\$(5,958)
2	Total Revenue Credits	Rows 119 + 128	\$135,608
3	Minimum Required Net Revenue	Row 156	\$25,092
4	TOTAL Composite Cost Pool (1 - 2 + 3) $$(5,958) - \$135,608 + \$25,092 = $(116,474)$	Row 158	\$(116,474)
5	TOTAL in line 4 divided by <u>0.9493407</u> sum of TOCAs $$(116,474) / 0.9493407 = $(122,690)$	Row 163	\$(122,690)
6	QTR Forecast of FY24 True-up Adjustment 19.74071 percent of Total in line 5 $0.1974071 * $(122,690) = $(24,220)$	Row 164	\$(24,220)

# FY24 Impacts of Debt Management Actions

#	Description	FY24 Forecast	FY24 Rate Case	CCP	Delta from the FY24 rate case
1	MRNR Section of Composite Cost Pool Table				\$ -
2	<b>Principal Payment of Federal Debt</b>				\$ -
3	Regional Cooperation Debt (RCD)	\$ 114,000,000	\$ 341,581,000		\$ 227,581,000
4	Debt Service Reassignment (DSR)		\$ 17,600,000		\$ 17,600,000
5	Energy Northwest's Line Of Credit (LOC)	\$ -	\$ -		\$ -
6	Rate Case Scheduled Base Power Principal*	\$ 100,818,000	\$ 100,818,000		\$ -
7	Repayment due to FY24 RDC (based on FY23 results)		\$ -		\$ -
8	<b>Total Principal Payment of Fed Debt</b>	<b>\$ 214,818,000</b>	<b>\$ 459,999,000</b>	row 131	<b>\$ 245,181,000</b>
9	<b>Prepay</b>	<b>\$ 24,905,736</b>	<b>\$ 24,905,736</b>		<b>\$ -</b>
10	<b>Nonfederal Bond Principal Payment</b>	<b>\$ 169,172,379</b>	<b>\$ 27,167,200</b>	row 133	<b>\$ (142,005,179)</b>

# Composite Cost Pool Interest Credit

## Allocation of Interest Earned on the Bonneville Fund (\$ in thousands)

	<u>Q4 2024</u>
1 Fiscal Year Reserves Balance	570,255
2 Adjustments for pre-2002 Items	<u>16,341</u>
3 Reserves for Composite Cost Pool (Line 1 + Line 2)	586,596
4 Composite Interest Rate	4.29%
5 Composite Interest Credit	(25,152)
6 Prepay Offset Credit	0
7 Total Interest Credit for Power Services	(26,744)
8 Non-Slice Interest Credit (Line 7 – (Line 5 + Line 6))	(1,591)



# Net Interest Expense in Slice True-Up Q4

	<b>FY24 Rate Case</b>	<b>Q4</b>
	<u>(\$ in thousands)</u>	<u>(\$ in thousands)</u>
• Federal Appropriation	34,236	39,310
• Capitalization Adjustment	(45,937)	(45,937)
• Borrowings from US Treasury	50,818	52,696
• Prepay Interest Expense	5,694	5,694
• <b>Interest Expense</b>	<b>44,811</b>	<b>51,763</b>
• AFUDC	(17,821)	(21,414)
• Interest Income (composite)	(2,274)	(25,152)
• Prepay Offset Credit	0	0
• <b>Total Net Interest Expense</b>	<b>24,716</b>	<b>5,197</b>

# Schedule for Slice True-Up Adjustment for Composite Cost Pool True-Up Table and Cost Verification Process

Dates	Agenda
February 13, 2024	First Quarter Technical Workshop
May 23, 2024	Second Quarter Technical Workshop
August 15, 2024	Third Quarter Technical Workshop
October 2024	BPA External CPA firm conducting audit for fiscal year end
Mid-October 2024	Recording the Fiscal Year End Slice True-Up Adjustment Accrual
End of October 2024	Final audited actual financial data is expected to be available
November 12, 2024	Fourth Quarter Business Review and Technical Workshop Meeting Provide Slice True-Up Adjustment for the Composite Cost Pool (this is the number posted in the financial system; the final actual number may be different)
November 14, 2024	Mail notification to Slice Customers of the Slice True-Up Adjustment for the Composite Cost Pool
November 18, 2024	BPA to post Composite Cost Pool True-Up Table containing actual values and the Slice True-Up Adjustment
December 10, 2024	Deadline for customers to submit questions about actual line items in the Composite Cost Pool True-Up Table with the Slice True-Up Adjustment for inclusion in the Agreed Upon Procedures (AUPs) Performed by BPA external CPA firm (customers have 15 business days following the BPA posting of Composite Cost Pool Table containing actual values and the Slice True-Up Adjustment)
December 26, 2024	BPA posts a response to customer questions (Attachment A does not specify an exact date)
January 13, 2025	Customer comments are due on the list of tasks (The deadline can not exceed 10 days from BPA posting)
February 4, 2025	BPA finalizes list of questions about actual lines items in the Composite Cost Pool True-Up Table for the AUPs

# Composite Cost Pool True-Up Table

COMPOSITE COST POOL TRUE-UP TABLE				
		(Q4) (\$000)	Rate Case forecast for FY (\$000)	Q4 - Rate Case Difference
1	<b>Operating Expenses</b>			
2	<b>Power System Generation Resources</b>			
3	<b>Operating Generation</b>			
4	COLUMBIA GENERATING STATION (WNP-2)	\$ 313,960	\$ 296,477	\$ 17,483
5	BUREAU OF RECLAMATION	\$ 171,658	\$ 154,364	\$ 17,294
6	CORPS OF ENGINEERS	\$ 270,658	\$ 265,146	\$ 5,512
7	CRFM STUDIES	\$ 14,175	\$ 9,349	\$ 4,825
8	LONG-TERM CONTRACT GENERATING PROJECTS	\$ 22,416	\$ 16,036	\$ 6,380
9	<b>Sub-Total</b>	<b>\$ 792,866</b>	<b>\$ 741,372</b>	<b>\$ 51,494</b>
10	<b>Operating Generation Settlement Payment and Other Payments</b>			
11	COLVILLE GENERATION SETTLEMENT	\$ 29,101	\$ 22,000	\$ 7,101
12	SPOKANE LEGISLATION PAYMENT	\$ 7,275	\$ 5,749	\$ 1,526
13	<b>Sub-Total</b>	<b>\$ 36,376</b>	<b>\$ 27,749</b>	<b>\$ 8,627</b>
14	<b>Non-Operating Generation</b>			
15	TROJAN DECOMMISSIONING	\$ 1,944	\$ 1,200	\$ 744
16	WNP-1&3 DECOMMISSIONING	\$ 1,248	\$ 1,141	\$ 107
17	<b>Sub-Total</b>	<b>\$ 3,192</b>	<b>\$ 2,341</b>	<b>\$ 851</b>
18	<b>Gross Contracted Power Purchases</b>			
19	PNCA HEADWATER BENEFITS	\$ 2,778	\$ 3,100	\$ (322)
20	OTHER POWER PURCHASES (omit, except Designated Obligations or Purchases)	\$ (25,400)	\$ -	\$ (25,400)
21	<b>Sub-Total</b>	<b>\$ (22,622)</b>	<b>\$ 3,100</b>	<b>\$ (25,722)</b>
22	<b>Bookout Adjustment to Power Purchases (omit)</b>			
23	<b>Augmentation Power Purchases (omit - calculated below)</b>			
24	AUGMENTATION POWER PURCHASES	\$ -	\$ -	\$ -
25	<b>Sub-Total</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
26	<b>Exchanges and Settlements</b>			
27	RESIDENTIAL EXCHANGE PROGRAM (REP)	\$ 274,506	\$ 274,777	\$ (271)
28	OTHER SETTLEMENTS	\$ -	\$ -	\$ -
29	<b>Sub-Total</b>	<b>\$ 274,506</b>	<b>\$ 274,777</b>	<b>\$ (271)</b>
30	<b>Renewable Generation</b>			
31	RENEWABLES (excludes Kill)	\$ 9,015	\$ 17,809	\$ (8,794)
32	<b>Sub-Total</b>	<b>\$ 9,015</b>	<b>\$ 17,809</b>	<b>\$ (8,794)</b>
33	<b>Generation Conservation</b>			
34	CONSERVATION ACQUISITION	\$ 52,864	\$ 69,027	\$ (16,163)
35	CONSERVATION INFRASTRUCTURE	\$ 20,861	\$ 26,044	\$ (5,183)
36	LOW INCOME WEATHERIZATION & TRIBAL	\$ 4,306	\$ 6,005	\$ (1,699)
37	ENERGY EFFICIENCY DEVELOPMENT	\$ -	\$ -	\$ -
38	DISTRIBUTED ENERGY RESOURCES	\$ 44	\$ 215	\$ (171)
39	LEGACY	\$ 521	\$ 590	\$ (69)
40	MARKET TRANSFORMATION	\$ 11,703	\$ 11,800	\$ (97)
41	<b>Sub-Total</b>	<b>\$ 90,300</b>	<b>\$ 113,681</b>	<b>\$ (23,381)</b>
42	<b>Power System Generation Sub-Total</b>	<b>\$ 1,183,634</b>	<b>\$ 1,180,830</b>	<b>\$ 2,804</b>
43				

# Composite Cost Pool True-Up Table

COMPOSITE COST POOL TRUE-UP TABLE				
		(Q4) (\$000)	Rate Case forecast for FY (\$000)	Q4 - Rate Case Difference
44	<b>Power Non-Generation Operations</b>			
45	<b>Power Services System Operations</b>			
46	EFFICIENCIES PROGRAM	\$ -	\$ -	\$ -
47	INFORMATION TECHNOLOGY	\$ -	\$ 2,376	\$ (2,376)
48	GENERATION PROJECT COORDINATION	\$ 3,734	\$ 4,443	\$ (709)
49	ASSET MGMT ENTERPRISE SVCS	\$ 2,975	\$ -	\$ 2,975
50	SLICE IMPLEMENTATION	\$ 694	\$ 608	\$ 86
51	<b>Sub-Total</b>	<b>\$ 7,403</b>	<b>\$ 7,428</b>	<b>\$ (25)</b>
52	<b>Power Services Scheduling</b>			
53	OPERATIONS SCHEDULING	\$ 11,739	\$ 9,505	\$ 2,235
54	OPERATIONS PLANNING	\$ 9,548	\$ 9,739	\$ (192)
55	<b>Sub-Total</b>	<b>\$ 21,287</b>	<b>\$ 19,244</b>	<b>\$ 2,043</b>
56	<b>Power Services Marketing and Business Support</b>			
57	GRID MOD	\$ 314	\$ -	\$ 314
58	EIM INTERNAL SUPPORT	\$ -	\$ -	\$ -
59	POWER INTERNAL SUPPORT	\$ 18,915	\$ 28,410	\$ (9,495)
60	COMMERCIAL ENTERPRISE SVCS	\$ 7,357	\$ 4,348	\$ 3,010
61	OPERATIONS ENTERPRISE SVCS	\$ 5,154	\$ 4,573	\$ 580
62	POWER R&D	\$ 1,954	\$ 3,537	\$ (1,583)
63	SALES & SUPPORT	\$ 14,364	\$ 17,871	\$ (3,507)
64	STRATEGY, FINANCE & RISK MGMT (REP support costs included here)	\$ -	\$ -	\$ -
65	EXECUTIVE AND ADMINISTRATIVE SERVICES (REP support costs included here)	\$ -	\$ -	\$ -
66	CONSERVATION SUPPORT	\$ 9,300	\$ 7,045	\$ 2,256
67	<b>Sub-Total</b>	<b>\$ 57,359</b>	<b>\$ 65,784</b>	<b>\$ (8,425)</b>
68	<b>Power Non-Generation Operations Sub-Total</b>	<b>\$ 86,048</b>	<b>\$ 92,455</b>	<b>\$ (6,407)</b>
69	<b>Power Services Transmission Acquisition and Ancillary Services</b>			
70	TRANSMISSION and ANCILLARY Services - System Obligations	\$ 31,933	\$ 32,208	\$ (275)
71	3RD PARTY GTA WHEELING	\$ 78,890	\$ 91,278	\$ (12,389)
72	POWER 3RD PARTY TRANS & ANCILLARY SVCS (Composite Cost)	\$ 4,099	\$ 3,300	\$ 799
73	TRANS ACQ GENERATION INTEGRATION	\$ 19,894	\$ 19,894	\$ (0)
74	EESC CHARGES (Composite)	\$ (3,252)	\$ -	\$ (3,252)
75	TELEMETERING/EQUIP REPLACEMT	\$ -	\$ -	\$ -
76	<b>Power Services Trans Acquisition and Ancillary Serv Sub-Total</b>	<b>\$ 131,564</b>	<b>\$ 146,680</b>	<b>\$ (15,117)</b>
77	<b>Fish and Wildlife/USF&amp;V/Planning Council/Environmental Req</b>			
78	<b>Fish &amp; Wildlife</b>	\$ 253,113	\$ 269,235	\$ (16,121)
79	<b>USF&amp;V Lower Snake Hatcheries</b>	\$ 33,884	\$ 32,765	\$ 1,119
80	<b>Planning Council</b>	\$ 10,225	\$ 11,942	\$ (1,717)
81	<b>Fish &amp; Wildlife RDC Funds</b>	\$ 2,742	\$ -	\$ 2,742
82	<b>Lower Snake Hatcheries RDC Funds</b>	\$ 6,349	\$ -	\$ 6,349
83	<b>Fish and Wildlife/USF&amp;V/Planning Council Sub-Total</b>	<b>\$ 306,314</b>	<b>\$ 313,942</b>	<b>\$ (7,628)</b>
84	<b>BPA Internal Support</b>			
85	<b>Additional Post-Retirement Contribution</b>	\$ 18,173	\$ 19,310	\$ (1,137)
86	<b>Agency Services G&amp;A (excludes direct project support)</b>	\$ 78,771	\$ 84,662	\$ (5,891)
87	<b>BPA Internal Support Sub-Total</b>	<b>\$ 96,945</b>	<b>\$ 103,972</b>	<b>\$ (7,027)</b>

# Composite Cost Pool True-Up Table

COMPOSITE COST POOL TRUE-UP TABLE				
		(Q4)	Rate Case	Q4 - Rate Case
		(\$000)	forecast for FY	Difference
			(\$000)	
88	<b>Bad Debt Expense</b>	\$ 5	\$ -	\$ 5
89	<b>Other Income, Expenses, Adjustments</b>	\$ (1,201)	\$ -	\$ (1,201)
90	<b>Depreciation</b>	\$ 144,701	\$ 139,703	\$ 4,998
91	<b>Amortization</b>	\$ 318,906	\$ 312,487	\$ 6,419
92	<b>Accretion (CGS)</b>	\$ 39,742	\$ 40,043	\$ (302)
93	<b>Total Operating Expenses</b>	<b>\$ 2,306,656</b>	<b>\$ 2,330,112</b>	<b>\$ (23,456)</b>
94				
95	<b>Other Expenses and (Income)</b>			
96	Net Interest Expense	\$ 224,187	\$ 203,494	\$ 20,694
97	LDD	\$ 34,558	\$ 37,701	\$ (3,143)
98	Irrigation Rate Discount Costs	\$ 21,718	\$ 21,770	\$ (53)
99	<b>Sub-Total</b>	<b>\$ 280,463</b>	<b>\$ 262,964</b>	<b>\$ 17,498</b>
100	<b>Total Expenses</b>	<b>\$ 2,587,119</b>	<b>\$ 2,593,077</b>	<b>\$ (5,958)</b>
101				
102	<b>Revenue Credits</b>			
103	Generation Inputs for Ancillary, Control Area, and Other Services Revenues	\$ 114,407	\$ 110,911	\$ 3,496
104	Downstream Benefits and Pumping Power revenues	\$ 20,367	\$ 20,607	\$ (240)
105	4(h)(10)(c) credit	\$ 257,831	\$ 111,288	\$ 146,543
106	PRSC Net Credit (Composite)	\$ (13,743)	\$ -	\$ (13,743)
107	Colville and Spokane Settlements	\$ 4,600	\$ 4,600	\$ -
108	Energy Efficiency Revenues	\$ -	\$ -	\$ -
109	PF Load Forecast Deviation Liquidated Damages	\$ -	\$ -	\$ -
110	Miscellaneous revenues	\$ 10,707	\$ 12,104	\$ (1,396)
111	Renewable Energy Certificates	\$ -	\$ -	\$ -
112	Net Revenues from other Designated BPA System Obligations (Upper Baker)	\$ 1,195	\$ 523	\$ 671
113	RSS Revenues	\$ 3,114	\$ 3,114	\$ -
114	Firm Surplus and Secondary Adjustment (from Unused RHW/M)	\$ 99,053	\$ 98,789	\$ 264
115	Balancing Augmentation Adjustment	\$ 2,358	\$ 2,358	\$ -
116	Transmission Loss Adjustment	\$ 33,464	\$ 33,464	\$ -
117	Tier 2 Rate Adjustment	\$ 2,713	\$ 2,713	\$ -
118	NR Revenues	\$ 1	\$ 1	\$ -
119	<b>Total Revenue Credits</b>	<b>\$ 536,068</b>	<b>\$ 400,473</b>	<b>\$ 135,595</b>
120				
121	<b>Augmentation Costs (not subject to True-Up)</b>			
122	Tier 1 Augmentation Resources (includes Augmentation RSS and Augmentation RSC adders)	\$ 10,948	\$ 10,948	\$ 0
123	Augmentation Purchases	\$ -	\$ -	\$ -
124	<b>Total Augmentation Costs</b>	<b>\$ 10,948</b>	<b>\$ 10,948</b>	<b>\$ 0</b>
125				
126	<b>DSI Revenue Credit</b>			
127	Revenues 12 aMW @ IP rate	\$ 4,011	\$ 3,998	\$ 13
128	<b>Total DSI revenues</b>	<b>\$ 4,011</b>	<b>\$ 3,998</b>	<b>\$ 13</b>
129				

# Composite Cost Pool True-Up Table

COMPOSITE COST POOL TRUE-UP TABLE				
		(Q4) (\$000)	Rate Case forecast for FY (\$000)	Q4 - Rate Case Difference
130	<b>Minimum Required Net Revenue Calculation</b>			
131	Principal Payment of Fed Debt for Power	\$ 214,818	\$ 459,999	\$ (245,181)
132	Repayment of Non-Federal Obligations (EN Line of Credit)	\$ -	\$ -	\$ -
133	Repayment of Non-Federal Obligations (CGS, WNP1, WNP3, N. Wasco, Cowlitz Falls)	\$ 169,172	\$ 27,167	\$ 142,005
134	Irrigation assistance	\$ 8,387	\$ 8,067	\$ 320
135	<b>Sub-Total</b>	<b>\$ 392,377</b>	<b>\$ 495,233</b>	<b>\$ (102,856)</b>
136	Depreciation	\$ 144,701	\$ 139,703	\$ 4,998
137	Amortization	\$ 318,906	\$ 312,487	\$ 6,419
138	Accretion	\$ 39,742	\$ 40,043	\$ (302)
139	Capitalization Adjustment	\$ (45,937)	\$ (45,937)	\$ 0
140	Amortization of Refinancing Premiums/Discounts (MRNR - Reverse Sign)	\$ (32,294)	\$ (34,767)	\$ 2,473
141	Amortization of Cost of Issuance (MRNR-reverse sign)	\$ 1,000	\$ 500	\$ 500
142	Cash freed up by DSR refinancing	\$ -	\$ 17,600	\$ (17,600)
143	Gains/Losses on Extinguishment	\$ (2,031)	\$ -	\$ (2,031)
144	Non-Cash Expenses	\$ -	\$ -	\$ -
145	Prepay Revenue Credits	\$ (30,600)	\$ (30,600)	\$ -
146	Non-Federal Interest (Prepay)	\$ 5,694	\$ 5,694	\$ (0)
147	Contribution to decommissioning trust fund	\$ (15,100)	\$ (15,100)	\$ 0
148	Gains/losses on decommissioning trust fund	\$ (16,739)	\$ (11,469)	\$ (5,270)
149	Interest earned on decommissioning trust fund	\$ (4)	\$ (4,335)	\$ 4,331
150	Revenue Financing Requirement	\$ (33,743)	\$ (33,743)	\$ 0
151	Capital Financing (RCD)*	\$ (101,467)	\$ -	\$ (101,467)
152	Other Adjustments	\$ -	\$ -	\$ -
153	Payments for Litigation Stay Agreements**	\$ (20,000)	\$ -	\$ (20,000)
154	<b>Sub-Total</b>	<b>\$ 212,128</b>	<b>\$ 340,075</b>	<b>\$ (127,948)</b>
155	Principal Payment of Fed Debt plus Irrigation assistance exceeds non cash expenses	\$ 180,249	\$ 155,158	\$ 25,092
156	Minimum Required Net Revenues	<b>\$ 180,249</b>	<b>\$ 155,158</b>	<b>\$ 25,092</b>
157				
158	Annual Composite Cost Pool (Amounts for each FY)	<b>\$ 2,238,237</b>	<b>\$ 2,354,711</b>	<b>\$ (116,474)</b>
159				
160	<b>SLICE TRUE-UP ADJUSTMENT CALCULATION FOR COMPOSITE COST POOL</b>			
161	TRUE-UP AMOUNT (Diff. between Rate Case and Forecast)	(116,474)		
162	Sum of TOCAs	0.9493407		
163	Adjustment of True-Up Amount when actual TOCAs < 100 percent	<b>(122,690)</b>		
164	TRUE-UP ADJUSTMENT CHARGE BILLED (19.74071 percent)	(24,220)		

\* Capital Financing (RCD)- RCD funds will be used to directly finance Power FY24 capital investments instead of repaying outstanding debt

\*\* Payments for Litigation Stay Agreements- cash payments of \$10m each for the P2IP settlement and the CBRI settlement

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# Fish and Wildlife RDC & Agreements Reporting



# FY22 RDC F&W \$50M Set Aside - Application

- Based on FY22 financial results, \$50M of the Rates Distribution Clause (RDC) was designated to spend on certain non-recurring maintenance needs of existing Fish & Wildlife mitigation assets that (i) BPA anticipates would otherwise need to be addressed during future rate periods and (ii) will result in avoidance of those costs in future rate periods.
  - This \$50M was split evenly between the Fish and Wildlife and Lower Snake programs.
  - The fund is being spent over several years (through FY27) and must be separated from current year rate-funded spending in the aforementioned programs.
  - To track these costs and isolate them from rate funded projects, we created two non-IPR projects that can be seen in our detailed reports found on BPA's Quarterly Reports Portal.



# Locating F&W RDC Report

## Information & Reports

- Investor Relations
- Annual Reports**
- Quarterly Reports
- Budget Submission
- Debt Management
- Financial Plan
- Quarterly Business Review

## Annual Reports

BPA continues to build on its commercial success to maximize the benefits of the federal hydropower and transmission grid for our customers.

### Current Annual Report

[2024 Annual Report](#)

### Past Annual Reports

- [2023 Annual Report](#)
- [2022 Annual Report](#)
- [2021 Annual Report](#)

## Annual Reports - Bonneville Power Administration (bpa.gov)

BONNEVILLE POWER ADMINISTRATION

**Q4 FY 2024 Quarterly Financial Package**  
**As of September 30, 2024**



Title
0120FY24 - Program Plan View
0120FY24 - QBR Analysis
0121FY24 - Summary POWER I.S.
0160FY24 - Detailed POWER I.S.
0064FY24 - POWER

# FY22RDC F&W \$50M Set Aside - Application

Report ID: 0160FY24	<b>Power Services Detailed Statement of Revenues and Expenses</b>	Data Source: PFMS
Requesting BL: Power Business Unit	<b>Program Plan View</b>	Run Date/Time: October 16, 2024 / 07:30
Unit of Measure: \$ Thousands	Through the Month Ended September 30, 2024	% of Year Elapsed = 100%
Unaudited		

	A	B	C	C	D (Rate 1)	E	F
	FY 2023	FY 2024				FY 2024	FY 2024
	Actuals	Rate Case	SOY Budget	Target	Current EOY Forecast	Actuals: FYTD	Actuals per Rate Case
<b>Operating Revenues</b>							
<b>Operating Expenses</b>							
<b>Non-Integrated Program Review Programs</b>							
<b>Asset Management</b>							
56 Billing Credits Generation	5,765	5,300	5,300	5,300	6,000	5,775	109%
57 Clearwater Hatchery Generation	1,367	1,368	1,368	1,368	1,330	1,212	89%
58 Colville Generation Settlement	25,946	22,000	22,000	22,000	29,101	29,101	132%
59 Cowlitz Falls O&M	8,946	8,600	8,600	8,600	15,462	14,383	167%
60 Fish & Wildlife RDC Funds	24	-	-	-	1,000	2,742	0%
61 Lower Snake Hatcheries RDC Funds	4,106	-	-	-	10,000	6,349	0%
62 Phase 2 Implementation Plan (P2IP) Agreement	-	-	-	-	-	-	0%
63 Resilient Columbia Basin Agreement (RCBA)	-	-	-	-	-	-	0%
64 Spokane Generation Settlement	6,487	5,749	5,749	5,749	7,275	7,275	127%
65 Trojan Decommissioning	1,794	1,200	1,200	1,200	1,100	1,944	162%
66 WNP-1,3&4 O&M	1,139	1,141	1,141	1,141	1,200	1,248	109%
67 <b>Sub-Total</b>	55,576	45,359	45,359	45,359	72,467	70,029	154%
<b>Operations</b>							
68 3rd Party GTA Wheeling	70,221	91,278	91,278	92,843	84,508	78,890	86%
69 3rd Party Trans & Ancillary Services	2,217	3,300	3,300	3,300	3,940	4,099	124%
70 New Resources Integrtn Wheeling	782	768	768	768	839	1,046	136%
71 PNCA Headwater Benefits	2,832	3,100	3,100	3,100	2,911	2,778	90%
72 Residential Exchange Program	267,350	274,777	274,777	274,777	274,777	274,506	100%
73 <b>Sub-Total</b>	343,402	373,223	373,223	374,788	366,976	361,319	97%

This table can be found in “0160FY24 – Detailed POWER I.S.” tab of the Quarterly Financial Packages – Fiscal Year 2024 mentioned in the previous slide.

# FY22 RDC F&W \$50M Set Aside - Application

- Our FY24 spending was \$9M.
- Note: Based on FY23 financial results, the RDC again triggered for Power Services with \$30M of the FY23 RDC being set aside for certain F&W projects/spending. The use of these additional funds is set to begin in FY25.

# Long Term Agreements Reporting

- In FY24, BPA Administrator signed a new long-term agreements with the Kalispel Tribe (“Tribe”):
  - BPA agrees to provide the Tribe with funding through BPA’s Fish and Wildlife Program to implement certain projects to benefit fish and wildlife in the upper Columbia River Basin, primarily on and in the vicinity of the Tribe’s reservation, to help BPA fulfill its mitigation obligations under the Northwest Power Act and Endangered Species Act. This ten-year agreement will commence on October 1, 2024 (superseding the final year of the Tribe’s existing Accord) and continue through the end of fiscal year 2034. BPA’s total financial commitments in the MOA over its ten-year term are \$68.25 million in expense funding and \$21 million in capital funding.