

BPA NEWS

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BONNEVILLE POWER ADMINISTRATION
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BPA finances still strong with one quarter left in FY 2022

Strong market prices continue to bolster BPA's net secondary revenues

Portland, Oregon – Three quarters through the fiscal year, the Bonneville Power Administration expects to finish the year with higher than expected net revenues, primarily driven by net secondary sales. BPA's current net revenue forecast is \$836 million compared to a rate case net revenue forecast of \$178 million.

Both BPA's Power and Transmission business lines are expected to finish fiscally stronger than originally projected.

"Bonneville continues to reap the benefits of higher than normal market prices for power and an almost ideal volume and runoff shape to the river," said Administrator and CEO John Hairston. "If this trend continues through the remaining three months, this will be BPA's strongest financial year since 2006."

The new \$836 million net revenue forecast has grown \$270 million since BPA's mid-year forecast.

With just three months remaining in the fiscal year, it looks highly likely that BPA's reserves distribution clause will activate for both Power and Transmission. The RDC is a process for determining the distribution of financial reserves to purposes determined by the administrator. The process, outlined in the General Rate Schedule Provisions, states the administrator determines what part, if any, will be applied to debt reduction, incremental capital investment, rate reduction, or any other purposes.

BPA's financial reserves are now projected to be \$1.594 billion at year's end. Power Services financial reserves for risk are projected at 243 days cash on hand, and Transmission Services reserves for risk are projected at 159 days cash on hand. BPA's

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financial policy sets the maximum days cash on hand with no RDC at 120 days. As of now, that would mean a \$500 million RDC for Power Services and a \$72 million RDC for Transmission Services.

“We are pleased to be in this position of very strong top-line and bottom-line financial performance that will likely lead to the reserves distribution clause triggering for both Power and Transmission and be able to pass back the benefits of this solid financial year in some form to our customers,” said Chief Financial Officer Marcus Harris.

While most of the financial news for BPA is overwhelmingly positive, inflation, higher interest rates, supply chain constraints and the start of a new water year loom.

“Barring an unexpected setback, this year looks like it will be among BPA’s financially strongest,” said Harris. “However, we start this process over in October. A new fiscal year will bring a new set of opportunities and challenges and requires a refocus to again manage the bottom lines of both the Power and Transmission business lines.”

BPA’s full third quarterly business review is available at the [Quarterly Business Review](#) page on BPA.gov.

About BPA

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

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