

BPA NEWS

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BONNEVILLE POWER ADMINISTRATION
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BPA releases 2023 second quarter results

Portland, Ore. – A dry, cold winter drove higher than expected power purchase expenses resulting in the Bonneville Power Administration’s current net revenue forecast of negative \$396 million, which is \$101 million below this year’s performance target.

The higher power expenses have offset higher than expected Power and Transmission revenues. Colder than average winter temperatures and precipitation falling mostly in the form of snow, necessitated the need to make significant power purchases to meet preference customer load obligations.

This year looks vastly different than fiscal year 2022. Last year, BPA closed the year with net revenues eclipsing \$960 million compared to a target of \$172 million.

“At the half-way point, we have a great example of the uncertainty we face year to year with regard to volatile weather, system and market conditions,” said Marcus Harris, BPA’s acting chief financial officer. “The good news is that the prudent and fiscally responsible measures we’ve taken over the past several years continue to pay off. Even with high prices and significant market purchases, as well as distribution of reserves for rate relief for both Power and Transmission customers this year, we still expect our cash reserves to be at the upper threshold or beyond for both sides of our business by the end of the year.”

This year’s negative net revenue target accounts for the Reserves Distribution Clause rate reduction to customers, which reduced revenues relative to the rate case. It also reflects modest budget increases to fund additional inflationary pressures and unused budget shifted from last year.

Agency financial reserves for risk are forecast to be \$914 million at the end of the fiscal year, a decrease of \$598 million from the prior year. From the business line perspective,



the end of year Power reserves for risk forecast is \$638 million, a decrease of \$606 million from the prior year; and BPA forecasts Transmission to end the year with \$276 million of reserves for risk, an increase of \$9 million from the prior year.

“Even with the projected shortfall, we do not expect to have to collect additional funds from customers,” said Harris. “This is clear evidence our financial plan and reserves policy are more than adequate to help us manage the volatility and uncertainty that weather, energy markets and other variables can throw at us.”

While the Power reserves for risk forecast is projected to be at the upper RDC threshold of \$638 million, this forecast assumes a portion of planned revenue financing and planned debt repayment from the RDC decision are avoided to preserve \$50 million of liquidity, allowing Power reserves to remain at the upper RDC threshold by the end of the year.

BPA’s full second quarterly business review is available at the [link](#).

About BPA

The Bonneville Power Administration, headquartered in Portland, Oregon, is a nonprofit federal power marketer in the U.S. Department of Energy 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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