U.S. DEPARTMENT OF ENERGY
Bonneville Power Administration

Business Plan

Final Environmental Impact Statement

Record of Decision

Summary

The Bonneville Power Administration (BPA) has chosen to respond to the challenges of the dynamic electric utility industry by changing its business direction. As proposed in the Business Plan Final Environmental Impact Statement (BP EIS, DOE/EIS-0183), BPA has decided to pursue the basic business direction outlined in the Market-Driven alternative, including certain response strategies to adapt quickly to the evolving marketplace. BPA will accordingly take actions to transform itself into a highly efficient Federal enterprise that achieves its mission by being more competitive in the wholesale electric utility market. BPA will be a more active participant in the competitive market for power, transmission, and energy services, and will use its success in those markets to ensure the financial strength necessary to better produce the public benefits that BPA affords to the region.

The decision to select the Market-Driven alternative provides basic policy direction for BPA to decide a number of major issues related to products and services, rate designs, energy resources, and transmission. before taking action on these issues, however, BPA will review the BP EIS to ensure that the impacts of the subsequent actions are adequately analyzed within the range of alternatives. Decisions on these specific issues will be the subject of subsequent Records of Decision (RODs) tiered to this BP EIS ROD. The BP EIS ROD and subsequent RODS will be distributed to all interested and affected persons and agencies.

FOR FURTHER INFORMATION CONTACT: Mr. Charles Alton, Manager for Policy and Strategic Planning, at (503) 230-4628. Copies of the BP EIS and this ROD are available from BPA's Public Involvement Office, P.O. Box 12999, Portland, Oregon 97212. Copies of the documents may also be obtained by using BPA's nationwide toll free document request line, 1-800-622-4520.

Supplementary Information

1. Background

The electric utility market is becoming increasingly competitive and dynamic. To participate successfully in this market and to continue to fulfill its missions for the benefit of its customers and the people of the Pacific Northwest (PNW), BPA needs adaptive policies to guide its marketing efforts (including contracts for the sale of power and transmission products and services, and pricing mechanisms) and its administration of public service obligations (such as its fish and wildlife responsibilities). BPA is striving to accomplish several purposes in meeting its overall need:

- achieve BPA's Strategic Business Objectives;
- competitively market BPA's products and services within and outside the region;
- provide for equitable treatment of Columbia River fish and wildlife;
- achieve the Pacific Northwest Power Planning Council's (Council) conservation goal;
- establish rates that are easy to understand and administer, stable and fair;
- recover costs through rates;
- meet legal mandates and contractual obligations;
- avoid adverse environmental impacts;
- and establish productive government-to-government relationships with Indian Tribes.

Four factors currently define and focus this need:

Market Change. The electric energy industry is in a period of rapid business change that has led to the emergence of competition for BPA's sales. The market is increasingly competitive. Natural gas prices have fallen. Combustion turbines (CT), the technology of choice for new power plants, cost less to install and operate more efficiently. The West Coast has a surplus of generating capacity that ISlikely to continue for several years. Wholesale marketers are aggressively pursuing sales to BPA's customers--some appear willing to take short-term losses to gain entrance to the PNW market. This competition has led to significantly lower prices for wholesale electric power.

Non-Power Obligations. BPA has major public service missions beyond power marketing. These include fish and wildlife enhancement, support of energy efficiency, and environmental stewardship. Costs to carry out these mandated missions have increased significantly over time. In fulfilling these missions, BPA must balance the interests of its

ratepayers and its responsibility to the environment. BPA also shares in the Federal government's trust responsibilities to Indian Tribes.

Cost/Revenue Balance. BPA must be able to balance its costs and revenues. With comparable power available at competitive prices, BPA can no longer meet increased costs simply by raising rates, without running the risk of losing customers and reducing overall revenues. The BPA firm power rate at which rate increases no longer increase BPA's revenue and cover BPA's cost is the level of maximum sustainable revenue (MSR).

Lost Hydro Opportunity. More than three-quarters of BPA's power is produced by generation at dams on the region's rivers. A recent series of dry years and changes in hydro system operations to enhance salmon runs have seriously affected BPA's ability to generate revenue. In times of average runoff, extra power can be produced and sold to help meet BPA's revenue requirements. Dry years reduce opportunity for these extra revenues. Opportunity is also likely to be reduced under the latest proposals to change hydroelectric operations, as specified in the 1995 National Marine Fisheries Service Biological Opinion, and under pressure from other multiple uses of the hydro system.

BPA has been operating under policies that do not adequately account for the confluence of these factors, and that, if continued, may prevent the agency from fulfilling its overall mission. BPA's business success is crucial to BPA's ability to continue to provide public benefits to the region.

2. The Business Plan and Business Plan EIS

BPA's Business Plan is a direct response to the changing electricity industry. It will provide the overall strategic direction for BPA to remain the supplier of choice and to meet legislative responsibilities. In December 1993, BPA announced that, in response to public comments and to evolving issues, BPA was expanding the scope of its ongoing Pacific Northwest Commercial Services and Rates EIS to encompass all aspects of BPA's business planning. Consequently, the BP Draft EIS was prepared and distributed to the public for. review and comment in June 1994. BPA's draft Business Plan was released simultaneously for review and comment. As a result of the comments received on the Draft EIS, updated information and analysis, and substantial changes in the business environment, BPA then chose to prepare a BP Supplemental Draft EIS. This Supplemental Draft EIS was distributed to the public in March 1995. After the close of the comment period, BPA issued a Final EIS on June 13, 1995, with publication in the *Federal Register* on June 23, 1995.

3. Alternatives Considered in the Business Plan EIS

In considering how to respond to these changing conditions in the electric utility industry and in the PNW; BPA analyzed six alternative policy directions, including the action selected (Market-Driven alternative).

Status Quo (No Action). BPA would continue its traditional activities in planning for long-term development of the regional power system, acquiring resources to meet forecasted customer loads, sharing costs and risks among its firm power customers and non-Federal customers using the Federal power system, and administering its fish and

wildlife function, with the goal of fulfilling the requirements of the Pacific Northwest Power Planning and Conservation Act (Northwest Power Act) and other statutes. BPA would continue its current pricing policies and rate designs, raising rates to cover costs.

BPA Exercises Market Influence to Support Regional Goals. In addition to its own activities to acquire energy conservation and renewable resources and to enhance fish and wildlife, BPA would exercise its position in the regional power market to promote compliance by its customers with the goals established by the Northwest Power Act and other organic statutes.

Market-Driven BPA. BPA would fully participate in the competitive market for power, transmission, and energy services, and use success in the market to ensure the financial strength necessary to fulfill its mandates. BPA would be more cost-conscious, customer-focused, and results-oriented. The focus would be both short- and long-term. In being responsive to the market, BPA would offer more flexible products and services either under short- or long-term agreements.

Maximize BPA's Financial Returns. BPA would operate more like a private, for-profit business. The focus would be on limiting costs and investing money where it can bring the best return, while continuing to fulfill the requirements of the Northwest Power Act and other statutes. However, rates would not be limited to recovering costs. Instead, BPA would seek to obtain the highest net revenue for marketable products and minimize costs for activities that do not produce revenue.

Minimal BPA Marketing. BPA would not acquire new power resources or plan to serve customers' load growth. BPA would meet revenue requirements through the long-term allocation of current Federal system capability, while continuing to fulfill other requirements of the Northwest Power Act.

Short-Term Marketing. All marketing activities would focus. on sales and cost recovery over the short term. BPA would emphasize short-term (five years or less) marketing of power and _transmission products and services to be responsive to the market, while continuing to fulfill the requirements of the Northwest Power Act.

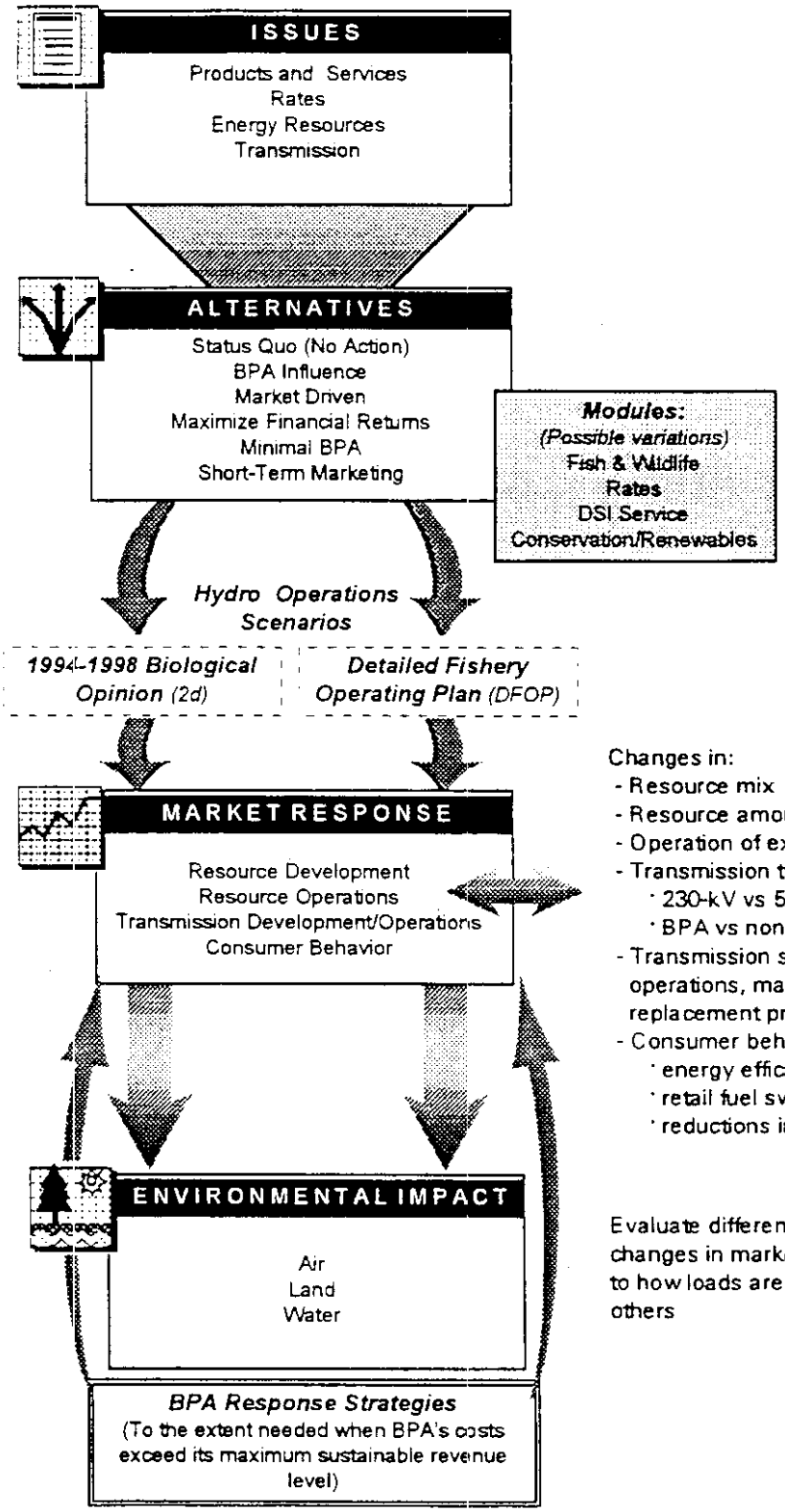
4. Environmental Analysis

In analyzing the effects of the alternatives, BPA used the framework shown in Figure 1. Each of the six alternatives provided policy direction for deciding major policy issues in broad categories, including products and services, rates, energy resources, and transmission. Variations on the alternatives--called "modules”--also were developed for four key issue areas: fish and wildlife administration, rate design, service to Direct Service Industries (DSIs), and conservation/renewable resource acquisition. Some modules are intrinsic to each alternative; others may be substituted as variants.

The amount of hydropower available to BPA will be defined by the System Operation Review (SOR), a separate process underway to determine future hydro operations. Therefore, all the alternatives and modules were examined under two widely different hydro operations strategies from the Columbia River System Operation Review Draft EIS (SOR EIS, DOE/EIS-0170). These strategies represent the range of effects on BPA's business activities and BPA's ability to balance costs and revenues. Response strategies (mitigations) were identified that BPA could adopt if its costs and revenues did not balance.

FIGURE 1

Framework for Environmental Impact Analysis



Changes in:
- Resource mix
- Resource amount
- Operation of existing resources
- Transmission types
  - 230-kV vs 500-kV
  - BPA vs non-BPA
- Transmission system operations, maintenance, and replacement priorities
- Consumer behavior
  - energy efficiency
  - retail fuel switching
  - reductions in use

Evaluate difference in impacts from changes in market responses due to how loads are met by BPA and others

Experience with other environmental processes and documents, such as the Resource Programs Final EIS (DOE/EIS-0162), the 1993 Wholesale Power and Transmission Rate Adjustment Final Environmental Assessment (DOE/EA-0838), the Initial Northwest Power Act Sales Contracts Final EIS (DOE/EIS-0131), and the SOR Draft EIS (all incorporated into the BP EIS by reference), has shown that environmental impacts are caused by the responses to BPA's marketing actions, rather than by the actions themselves. The BP EIS identified four types of market responses: resource development, resource operation, transmission development and operation, and consumer behavior. These market responses determined the environmental impacts.

The environmental impacts from an illustrative numerical comparison of the alternatives in the BP EIS are summarized in~Table 1. In Figure 2, the comparison of alternatives to the Status Quo alternative are based on both illustrative numerical analyses and professional judgment. Both comparisons are made under the 1994-1998 Biological Opinion hydro operation strategy. Comparable comparisons under the Detailed Fishery Operating Plan strategy were not possible. Under that strategy, BPA is unable to meet its revenue requirements and there is too much uncertainty about the response strategies to complete a detailed analysis.

The potential environmental impacts of all alternatives are within a fairly narrow band, and several of the key impacts are virtually identical across alternatives. In addition, the costs of environmental externalities (in this case, the costs of air impacts not included in the direct costs of the action) differ only slightly. Although the environmentally preferred alternatives are Status Quo and BPA Influence, the differences in total environmental impacts among alternatives are relatively small. Other business aspects, including loads and rates, show greater variation among the alternatives.

Figure 2 shows the relationship among the EIS alternatives for a variety of factors. The comparisons on the top half of the figure are essentially. marketing concerns, while those on the bottom half are environmental concerns. The figure shows that the Market-Driven alternative is preferable to the Status Quo and BPA Influence alternatives with respect to marketing concerns, and is preferable to the Maximum Financial Returns, Minimal BPA, and Short-Term Marketing alternatives with respect to environmental concerns. These comparisons demonstrate how the Market-Driven alternative strikes a balance between marketing and environmental concerns.

TABLE 1

Summary of Key Environmental Impacts of Alternatives[(a)]

Effect	Unit	Status Quo	BPA Influence	Market Driven (Proposed Action)	Maximize Financial Returns	Minimal BPA	Short-Term Marketing
Air							
S02	Tons	30,000	29,000	32,000	33,000	32,000	32,000
NOx	Tons	68,000	66,000	74,000	77,000	75,000	75,000
TSP	Tons	9,000	9,000	9,000	9,000	9,000	9,000
CO	Tons	166,000	165,000	166,000	167,000	167,000	155,000
C02	Tons	.32,000,000	31,000,000	33,000,000	34,000,000	35,000,000	34,000,000
Land							
Land Use	Hectares	15,000	16,000	15,000	15,000	15,000	15,000
Water							
Water Consumption	Cubic Meters	96,000,000	95,000,000	98,000,000	100.000,000	101,000,000	98,000,000
Socioeconomics							
Employment Change	Percent	1.9	NSSC	NSSC	NSSC	NSSC	NSSC
Environmental Externalities (b)	$ (1995)	$318,000,000	$308,000,000	$332,000,000	$344.000,000	$348,000,000	

NSSC = No statistically significant change.

(a) Summary of data in table 4.4-19 (BP Final EIS).

(b) Monetized environmental externalities for SOx, NOx, TSP, and CO_2.

BPA Environmental Externality Estimates ($1995)		
	$/lb	$/metric ton
SOx	$0.9099	$1,651
NOx	$0.2890	$524
TSP	$0.5175	$939
$C0_2$.	$0.0039	$7

Source: BPA final values for environmental costs, issued May 20, 1991, (escalated to $1995), except for CO_2 estimate, which is from draft values.

FIGURE 2
Summary Comparison of EIS Alternatives to Status Quo

		Status Quo	BPA Influence	Market-Driven	Maximum Financial Returns	Minimal BPA	Short-Term Marketing
RATES	**Average PF Rate**						
	Average IP Rate						
FIRM LOADS	BPA Utility Firm Load Loss						
	BPA DSI Firm Load Loss						
	Total Regional Load						
	Total BPA Firm Load Loss						
	BPA Firm Surplus						
RESOURCE DEV & OPS	Total Regional New CT Development						
	Total Regional New CT Operation						
	Reduction in Regional Conservation						
	BPA Power Purchases (under average runoff)						
ENVIRONMENTAL IMPACT	SO_2 Emissions						
	NO_2 Emissions						
	TSP Emissions						
	Emissions						
	SO_2 Emissions						
	Land Use						
	Water Consumption						
	Estimated Environmental Cost of Air Emissions						

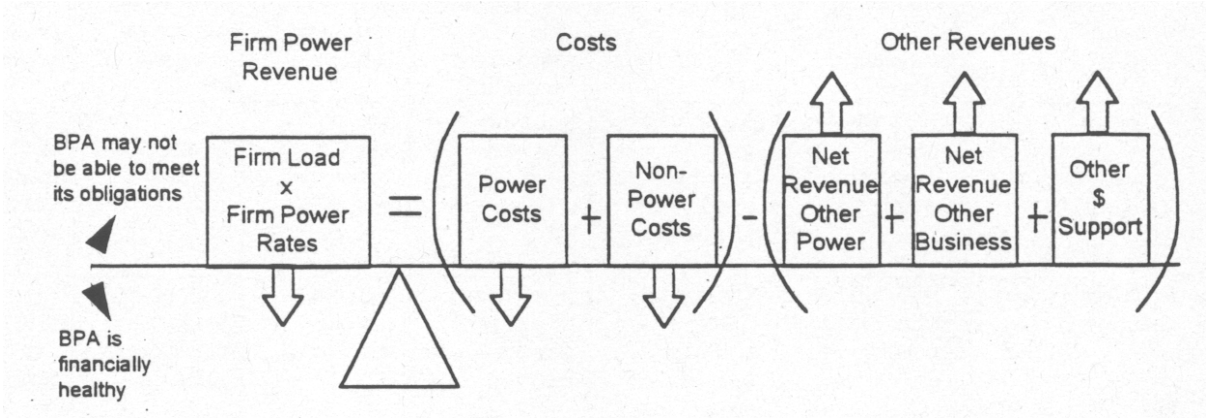
much less | less | same | more | much more

5. Decision Factors

The alternatives exanuned in the BP EIS were evaluated against the need for and purposes of the action. BPA's fundamental need is to be able to compete in the changing utility market, which will allow the agency to meet both public service and business missions. Two relationships dominate the effects of the six EIS alternatives. They are:

- the effect of BPA's rates, as compared to the price of alternative power supplies, on customers' decisions on whether to buy from BPA (and therefore on BPA's firm loads); and
- the effect of the terms of BPA service on customers' decisions on whether to buy power from BPA.

In brief, if BPA's firm power rates are close to or higher than the price of alternative power supplies, BPA's firm loads will decline sharply, as more and more customers choose to buy their power from suppliers other than BPA. Increases in BPA's costs will push BPA's rates upward, and increase the likelihood that BPA's firm loads will go to other suppliers. In addition, terms of BPA service that customers perceive as burdensome can accelerate the decline in BPA's loads, while more appealing terms can slow it down.



These relationships and some of the factors that influence changes in those relationships are illustrated in the simplified equation below that summarizes BPA's marketing situation. BPA is able to meet its revenue requirements if this equation balances.

The likelihood that an alternative could achieve cost/revenue balance was a primary factor in evaluating whether an alternative could achieve the purposes defined in the BP EIS. Table 2 summarizes this analysis from the Final BP EIS.

TABLE 2

Summary Comparison of Alternatives Against Purposes

PURPOSES	Status Quo (No, Action)	BPA Exercises Market Influence to Support Regional Goals	Market-Driven BPA - Proposed Action	Maximize BPA's Financial Returns	Minimal BPA Marketing	Short - Term Marketing
Meets Strategic Business Objectives	No, increasing costs will lead to declining revenues.	Better than Status Quo, but ability to be lowest-cost producer threatened.	Yes, unless hydro operations change or market price decreases.	Yes, in most cases, but customers may at times feel BPA competition.	No, except BPA would be lowest-cost producer.	Yes, as in Market-Driven, except short- term limit may lose customers.
Competitively markets within and outside region	No, program costs, rates rise above MSR level.	Difficult, due to high program costs, rates. .	Yes, due to lower costs, rates, higher loads.	Yes, due to low costs, rates near MSR level.	No, No, new resources to serve load growth.	No, due to short-term marketing.
Provides for - equitable treatment of fish and wildlife	Weakened, because BPA can't meet costs.	Weakened, due to limitations on marketing and thus funding of F&W measures.	Yes, unless new hydro operations increase power costs.	Only as required cost cuts or power cost increases could weaken.	Yes, based on greater ability to support fish investments.	Yes, as in Market-Driven.
Achieves Council's conservation goal	Yes, but distributed among smaller customer group.	Yes, as in Status Quo.	Yes, by utility programs plus BPA conservation reinvention.	Unlikely, BPA would attempt to reduce goal.	Unlikely, BPA would acquire No, conservation.	Unlikely, with investment pay-back requirement of 5 yss.
Easy to administer, stable and fair rates	No, unstable due to increases to cover load losses.	Yes, unless hydro operations changes increase power costs.	Yes, as in BPA Influence.	Yes, unless simple rates do not maxi-mite BPA revenues.	Yes, resources and costs are static.	Yes, as in Market-Driven, except stability suffers with 5-yr limit.
Recovers costs through rates	Difficult due to load losses from higher costs, rates.	Yes, unless hydro operations changes increase costs.	Yes, unless market price drops or costs increase.	Yes, due to revenue maximization	Yes, by marketing only existing resources.	More difficult than Market-Driven, due to 5-yr sales limit.
Meets legal mandates and contractual obligations	Hampered by load losses, revenue shortfalls.	Hampered, as in Status Quo.	Yes, supported by customer-oriented marketing.	Yes, at least possible cost.	Yes, within bounds of limited marketing.	Yes, as in Market-Driven.
Avoids adverse environmental impacts	Yes, due to conservation, renewables; CTs offset existing impacts.	Yes, due to conservation, I renewables, "Green" Firm Power,. CTs.	Yes, due to conservation, "Green" Firm Power, less new generation.	Less impact than other alts., due to more use of existing generation.	More impact due to uncoordinate d development by others.	More impact than Market- Driven, due to less conservation and more use of existing generation
Establishes productive gov't-to-govt relationships with Indian Tribes	Uncertain, due to past practices continuing.	Yes, due to higher revenues then Status Quo.	Yes, due to more resources for Indian Tribes.	Yes, if met business goals, costs were low.	Yes, but limited by fewer resources.	Yes, as in Market-Driven.

6. BPA Decision Regarding the Preferred Alternative

The BPA Administrator is choosing the Market-Driven alternative, the preferred alternative in the BP EIS. Overall, this alternative more consistently meets the need and purposes defined in the Final BP EIS than the other alternatives. Although it is not one of the environmentally preferred alternatives, the differences between Market-Driven and the environmentally-preferred alternatives are small. BPA's ability to achieve all the purposes for action would be weakened under the environmentally preferred alternatives. The Market-Driven alternative allows BPA to be competitive in the marketplace, and better provide the benefits BPA provides to the region--including energy conservation and fish and wildlife mitigation. The reasons for selecting the Market-Driven alternative as the preferred alternative are:

Achieves Strategic Business Objectives. The Market-Driven alternative has a greater probability of meeting this purpose than th; other alternatives. Customer-focused marketing efforts, cost reductions, program reinventions, unbundled products, and, if market conditions warrant, tiered rates will help to promote customer satisfaction. This alternative will better enable BPA to increase the value of its business and generate expanded benefits to share with customers and constituents. Under the Market-Driven alternative; BPA will be more cost-conscious, customer-focused, and results-oriented. Therefore, more customers are likely to stay with BPA, maintaining BPA's loads.

The cost reductions and program changes will also help BPA to be among the lowest-cost producers and to maintain its financial integrity. If changes in hydro operations increase power costs, or significant declines in the market price for power reduce BPA's revenues, BPA will need to take further actions to remain competitive. In implementing its improved programs and marketing its redesigned products and services, BPA will be able to function as a high-performing business organization.

Competitively markets BPA's products and services, within and outside the region. Under the Market-Driven alternative, BPA will cut program costs and offer competitive rates, leading to lower rates than would occur under the Status Quo and BPA Influence alternatives. BPA's reduced revenue requirements, more flexible power products, and customer-responsive rate designs will provide for a more competitive power supply. Overall, loads on BPA will be higher than under Status Quo, and, with a stronger load base, BPA will be more likely to maintain revenues; which will help to assure a competitive power supply.

Provides for equitable treatment of Columbia River fish and wildlife. Under all alternatives, BPA would manage hydro operations to provide equitable treatment for fish and wildlife along with power production, and would continue its commitment to fund fish and wildlife mitigation measures. However, high power costs due to changes in hydro operations, or adverse developments in the power market, could reduce BPA's ability to generate revenues to fund fish and wildlife measures and, consequently, BPA's ability to provide equitable treatment for fish and wildlife.

Under the Market-Driven alternative, BPA is reinventing its fish and wildlife program to emphasize better results, effectiveness, and efficiency. The program will be reoriented to establish priorities, provide stable funding, monitor results, and focus on ecosystem management. This reinvention, coupled with marketing initiatives and cost management efforts, will enhance BPA's ability to ensure equitable treatment.

Achieves Council's conservation goal. BPA is committed to achieving its share of the Council's regional conservation goal. Consistent with the market-driven approach, BPA will pursue mechanisms to achieve conservation savings more cost-effectively and at a lower cost to BPA. These mechanisms include energy services in support of utility-sponsored programs, investments in market transformation, and, potentially, pricing strategies. If these efforts with customers fall short of the target, BPA will support further incentive programs.

Establishes rates that are easy to understand and administer, stable, and fair. BPA's commitment to be responsive to customer needs means that BPA will develop rates that meet customers' needs for clarity and simplicity. Changes to make BPA more efficient will help to assure that BPA will maintain stable rates, although cost increases due to changes in hydro operations could pose additional challenges for BPA in maintaining rate stability.

Recovers costs through rates. BPA will continue to design its rates to recover its projected costs under the Market-Driven alternative. BPA must set its rates to meet market competition, and therefore must manage its costs to stay within the limits imposed by the market. Traditionally, BPA would simply raise its rates to cover increasing costs. This was possible in a market environment in which BPA had no competitors. Today's competitive environment means that BPA needs first to identify the market price for power, determine whether BPA's rates would be competitive, and then adjust its costs to insure a competitive price. Changes to make BPA more competitive under the MarketDriven alternative will help assure BPA can accomplish that goal.

Meets legal mandates and contractual obligations. BPA will continue to meet all of its mandates and obligations, supporting its actions by customer-oriented marketing.

Avoids adverse environmental impacts. The Market-Driven alternative will avoid adverse environmental impacts. Pursuing energy conservation and sales of "Green" Firm Power (renewable resources), will have fewer environmental impacts than the CTs that would otherwise be developed to serve loads. Greater success in maintaining service to BPA's historical loads will lessen the amount of new generation constructed, avoiding the adverse impacts of those developments.

Establish productive government-to government relationships with Indian Tribes. BPA will adopt a more customer-oriented approach to its activities, including steps to establish better communications with Indian Tribes. The market-driven emphasis on cost management and competitiveness will make it easier for BPA to devote resources to enhancing its relationships with the Indian Tribes.

Being market-driven will enable BPA to be competitive today and in the long term. The same strategy that frames decisions today and enables BPA to respond to the market is also a long-term strategy for growth. In other words, BPA will continue to use its success in the market to ensure the financial strength necessary to better achieve its public service mandates.

In framing the alternatives for the EIS, BPA chose six different approaches. to participation in the competitive market. The general theme of each approach determined the likely actions for each major issue. However, to compete successfully in the marketplace, BPA may need to modify these actions in order to remain consistent with the market-driven approach. To help ensure that BPA remains a viable participant in the competitive electrical utility market and is able to continue adequate support for public benefits, BPA will implement certain mitigations, as necessary, to respond to the changes in the market.

7. Mitigation Action Plan

BPA needs to generate enough revenue to pay all of its costs. BPA's ability to generate revenue reflects the concept of maximum sustainable revenue, which recognizes that the market price for power sets a limit on BPA's potential firm power revenues. BPA needs to mitigate revenue shortfall through response strategies. These marketing response strategies include decreasing spending, increasing revenues, and transferring costs to others. BPA has decided, consistent with the Market-Driven alternative, to apply as many mitigation response strategies as are necessary when BPA's costs and revenues do not balance. Representative strategies are shown in Table 3. These mitigation strategies, or equivalents, will be implemented to enhance BPA's ability to balance revenues and costs and to meet its public service and environmental obligations while remaining competitive in the wholesale electric power market. These mitigations will enhance BPA's ability to adapt to changing conditions under the Market-Driven alternative.

TABLE 3

Sample Response Strategies to Alternatives

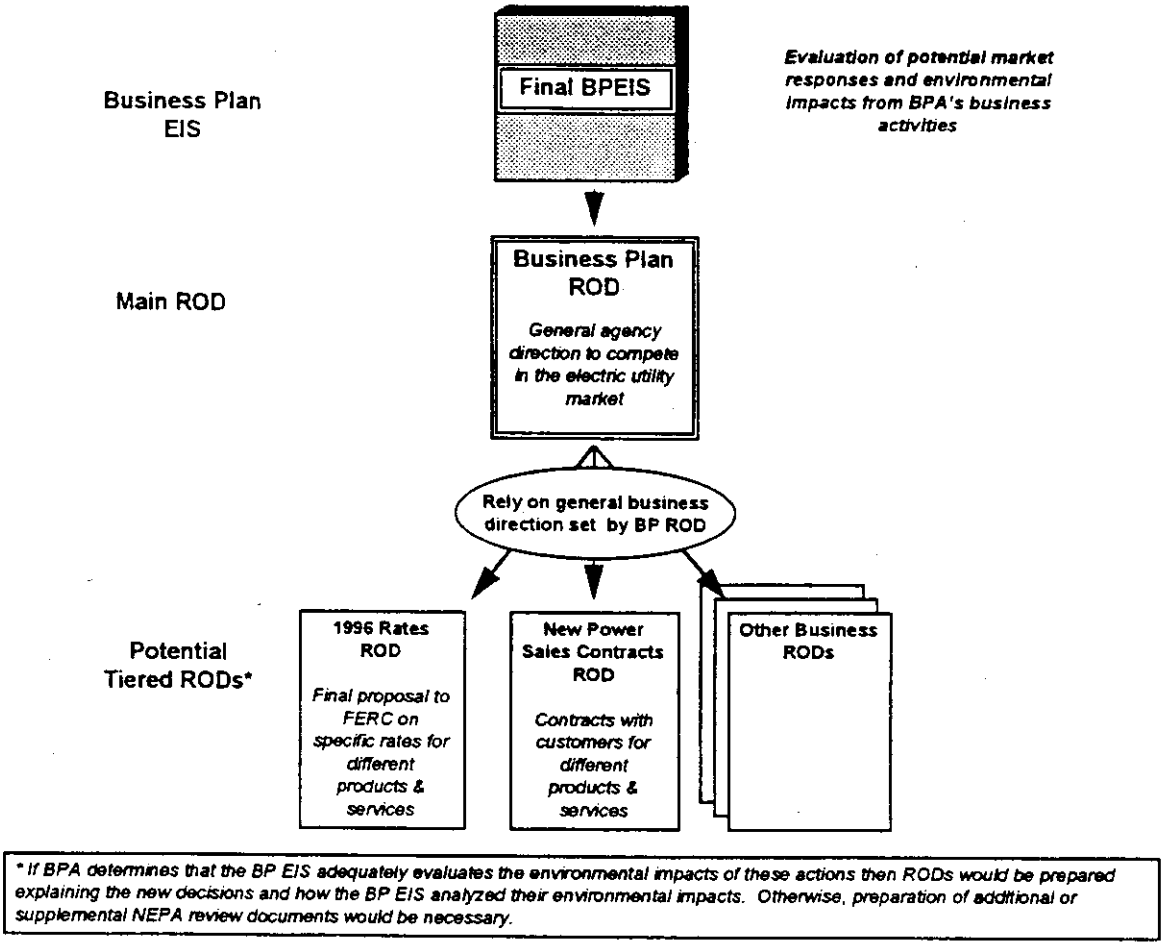
Increase Revenues	
Raise firm power rates	Increase sales of new products & services
Raise transmission rates to cover other power system costs I	Increase unbundled products & services revenues
Implement a stranded investment charge	Optimize hydro operations for net revenues
Increase seasonal storage	Increase extraregional sales revenues
Increase joint venture revenues	Sell assets
Decrease *Spending*	
Eliminate power purchases	[Shift from revenue to debt financing
Reduce BPA spending on corporate overhead	Increase Treasury borrowing limits
Reduce WNP-1, -2, & -3 spending	Lower probability of making Treasury payments
Reduce conservation incentive spending	Reduce fish & wildlife spending
Reduce generation acquisition spending	Reduce transmission construction spending
Sell capacity ownership in new facilities	Reduce pollution prevention & abatement spending
Reduce operations & maintenance spending	
Transfer Costs	
Seek 4(h)(10)(C) credit for fish & wildlife costs	Increase cost sharing for BPA programs
Reallocate Federal Base System costs & debt between power & non-power	Secure appropriations for BPA's costs

8. Future Decisions

Other decisions on specific issues will be the subject of subsequent RODS that will be tiered to this ROD and distributed to the public. For example, while this ROD provides general direction on rate policies, decisions on how these policies will be applied in the 1996 Rate Case will be included in a tiered ROD. The BP EIS will sufficiently document the analysis needed for a variety of these business decisions. See Figure 3 below.

FIGURE 3

Business Plan EIS Records of Decision (RODs) Strategy



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