

FY 2011 Key Agency Targets (amended 02-04-11)

BPA sets key agency targets that the organization as a whole is responsible for achieving in the specified year. These targets serve as indicators of the agency's annual performance.

Stakeholder Perspective

Transmission System Infrastructure

BPA's stewardship of the transmission system infrastructure addresses current and future demands by assuring that:

- (1) Capital investment program expenditures for the year are at least 80% and not more than 100% of the Start of Year direct capital budget, and;
- (2) At least 80% of the in-service milestones are met for all projects in the capital work plan, and;
- (3) 80% of Capital Allocation Board (CAB) "major capital investment" projects are on track for end-of-project completion per CAB-approved capital cost, schedule, and scope.

Hydro Generation System Infrastructure

BPA's stewardship of FCRPS hydroelectric generation plants, through replacement and modernization of failed or deteriorating equipment, sustains reliability and performance by assuring that:

- (1) The capital investment program expenditure rate for the year is at least 85% and not more than 102% of the Start of Year direct capital budget, and;
- (2) 80% of the targeted milestones are met for all major projects in the capital work plan, and;
- (3) 80% of these projects are on track for end-of-project completion per capital cost, schedule, and scope approved by the Capital Allocation Board.

Energy Efficiency/Demand Management

Deliver at least 99 aMW of new energy efficiency from all BPA and public utility energy efficiency programs at a cost to BPA of less than \$2.2 million per aMW. Ensure that EE is set up to achieve the five-year targets in the 6th Power Plan by implementing NEET recommendations, undertaking technology innovation, emerging technology and demand response initiatives to fill the pipeline with new measures, capturing non-programmatic savings, and collaborating with utilities to complete Phase 2 of the Post-2011 process by the end of quarter three.



Transmission Reliability

Maintain the reliability of the Federal Columbia River Power System's (FCRPS) transmission system by (1a) No instance of a "High Risk Factor" technical violation with a "high" or "severe" violation severity level; (1b) 100 percent of BPA NERC Reliability Standard mitigation plan milestones are completed for technical compliance and 95 percent of NERC Reliability Standard mitigation plan milestones are completed for documentation; and by (2) no involuntary curtailments of firm load due to a reliability violation, transmission system security breach or cascading outages originating on the BPA system.

Transmission Availability

BPA's most important transmission lines (Category 1 and 2) are available for service at least 98.0% of the time.

Generation Reliability

Maintain the reliability of the Federal Columbia River Power System's (FCRPS) generators by:

(1a) No "High Risk Factor" technical violations with a "high" or "severe" violation severity level;

(1b) 100% of BPA, generation related, NERC Reliability standard mitigation plan milestones are completed for technical compliance and 95% of NERC Reliability standard mitigation plan milestones are completed for documentation; and,

(2) no involuntary curtailments of firm load due to a reliability violation, inadequate power supply, or a power supply system security breach.

Generation Availability

Hydro generating units achieve 97.5 percent heavy load hour availability.

Columbia Generating Station Performance & Cost

Columbia Generating Station (CGS) cost and performance achieves both of the following targets for the 12 months ending in June 2011:

- (1) The CGS overall performance index indicator is ≥ 55.7 points (aggregate result for CGS operational indices); and
- (2) The CGS cost of power is between \$56.42 and \$62.36 per megawatt-hour.



Renewable Resource Integration

To support the continued integration of renewable resources while preserving system reliability, without cost shifts to BPA preference customers, and facilitating alternatives to the FCRPS for balancing capacity, BPA will ensure that the FY 2012-2013 rate proposal recovers the cost of wind integration, and will meet three of the four following targets: (1) implement and evaluate customer-supplied generation imbalance pilot project; (2) implement the FY 2011 milestones of the intra-hour scheduling work plan; (3) implement the FY 2011 milestones of the dynamic transfer capacity work plan, and; (4) advance strategies for maximizing inertia utilization, and managing high-water/high-wind events.

Pumped Storage

To enable increasing variable renewable generation on the FCRPS through evaluation of pumped storage applications in the region, the Capital Allocation Board decides, based on a complete business case, how to proceed with modernization of the existing Keys Pumping Plant and Banks Lake project at the Grand Coulee complex. Preference customers are engaged on the issue of cost and benefit allocation.

BPA Rate Case (FY 2012-13)

New wholesale power rates and transmission and ancillary services rates for the FY 2012-2013 rate period that reflect the lowest cost for service consistent with sound business principles are in effect on October 1, 2011.

ESA Compliance

BPA meets its responsibilities under the 1) 2008 FCRPS Biological Opinion Reasonable and Prudent Alternative (RPA), as amended by the 2010 Supplemental Biological Opinion (the BiOp), and 2) Fish Accord commitments. Subsequent court action results in no substantial change of the FCRPS Biological Opinion, as amended.

Financial Perspective

Net Revenue

Agency Net Revenue (NR) is in the range of \$5 million to \$130 million.

Treasury Payment

Treasury payment is made in full for the 28th consecutive year.

Bond Rating

BPA-backed bonds maintain ratings of "AA" or better from all three rating agencies (Standard & Poor's, Moody's, and Fitch).



Internal Operating Costs

Actual internal operating costs are in the range of \$692 million to \$710 million.

Internal Operations Perspective

Transmission Process Improvement Program

Transmission Services' implements within FY11, the TPIP Roadmap*, TAS*, Strategic Capability Planning, Demand Planning* and Availability to Promise*.

*Required elements that must be met for target to be green.

Regional Enterprise Value (REV)

The REV program achieves all major system and process milestones to achieve effective on-time, on-budget implementation of the Long-term Regional Dialogue contracts and Tiered Rate Methodology.

RODS Replacement & Retirement Project

The RODS Replacement and Retirement Project achieves major milestones in the development and implementation of software and processes that contribute to the overall target of replacing the RODS system within forecast and budget.

Business Continuity Program

BPA will achieve the following major milestones in order to substantially advance our responsiveness and business continuity (BC) capabilities throughout the agency:

- (1) Alternate Scheduling Capability (ASC) – A multi-year plan is in place to enable Power and Transmission Scheduling to continue operations or rapidly recover operations in the case of a major, regional disruptive event.
- (2) Alternate Workspace (AWS) – Alternate workspace capacity is in place to support critical processes in the event of the loss of a major BPA worksite.
- (3) IT Disaster Recovery Capabilities (ITDR) – A multi-year plan is developed and FY 2011 milestones are met to improve recovery capabilities for key IT systems.
- (4) BC Program Operations (BCPO) – Maintain, exercise and improve BC plans and capabilities to mature and imbed BC practices and activities into BPA operations.

Smart Grid

Participate in regional smart grid initiatives, including the Pacific Northwest Smart Grid Demonstration Project and the Western Interconnect Synchrophasor Program in accordance with their respective project management plans.



People and Culture Perspective

Talent Management

This target tracks the implementation of the Talent Management Strategy in order to develop and maintain a BPA Workforce that is the right size with the right skills, working in the right environment to deliver on BPA business outcomes.

Safety

The lost-time accident frequency rate is ≤ 1.5 . No fatalities occur to BPA employees or contract staff working on BPA facilities.

