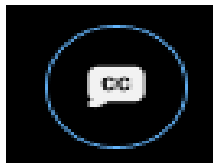


Webex Accessibility tools

To enable Closed Captions

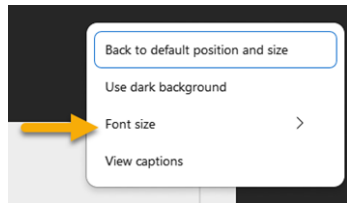
Select the **CC icon** in the lower-left of the WebEx screen



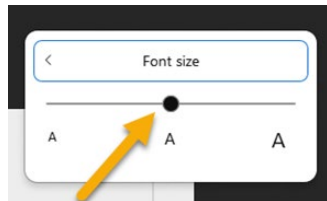
Note: CC is set individually by each person who wants to enable them.

Change font size

Select the **ellipsis** in the lower right



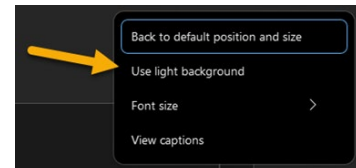
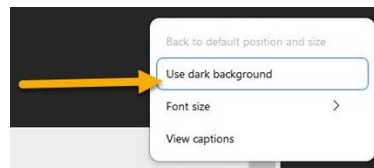
Select **font size**



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**



Safety Moment

- The Rates Hearing Room has two exits.
- In the event an alarm sounds, please meet at Holladay Park across the street.





BP-26 INTEGRATED PROGRAM REVIEW

BPA Strategic Plan & IPR

June 27, 2024





INTRODUCTIONS

Nita Zimmerman

Chief Business Transformation Officer



Agenda

| Topic | Minutes | Presenter |
|--|---------|--|
| Strategy Overview & Financial Forecast | 15 | J. Estep/N. Zimmerman |
| Invest in People | 5 | B. Bea |
| Enhance the Value of Products and Services | 10 | M. Spraggins/N. Zimmerman/ I. Tyson |
| Mature Asset Management | 5 | Stacy Webster-Wharton |
| Preserve Safe and Reliable System Operations | 10 | Ivy Tyson |
| Modernize Business Systems and Processes | 10 | N. Zimmerman/ C. Wilk |
| Question and Answer | 10 | J. Estep |



Strategy Overview & Financial Forecast

Nita Zimmerman & Judith Estep

Chief Business Transformation Officer & Deputy Chief
Workforce and Strategy Officer



Strategy Overview



Enhance the value of products and services



Mature asset management



Invest in people

2024–2028 Strategic Goals



Preserve safe, reliable system operations

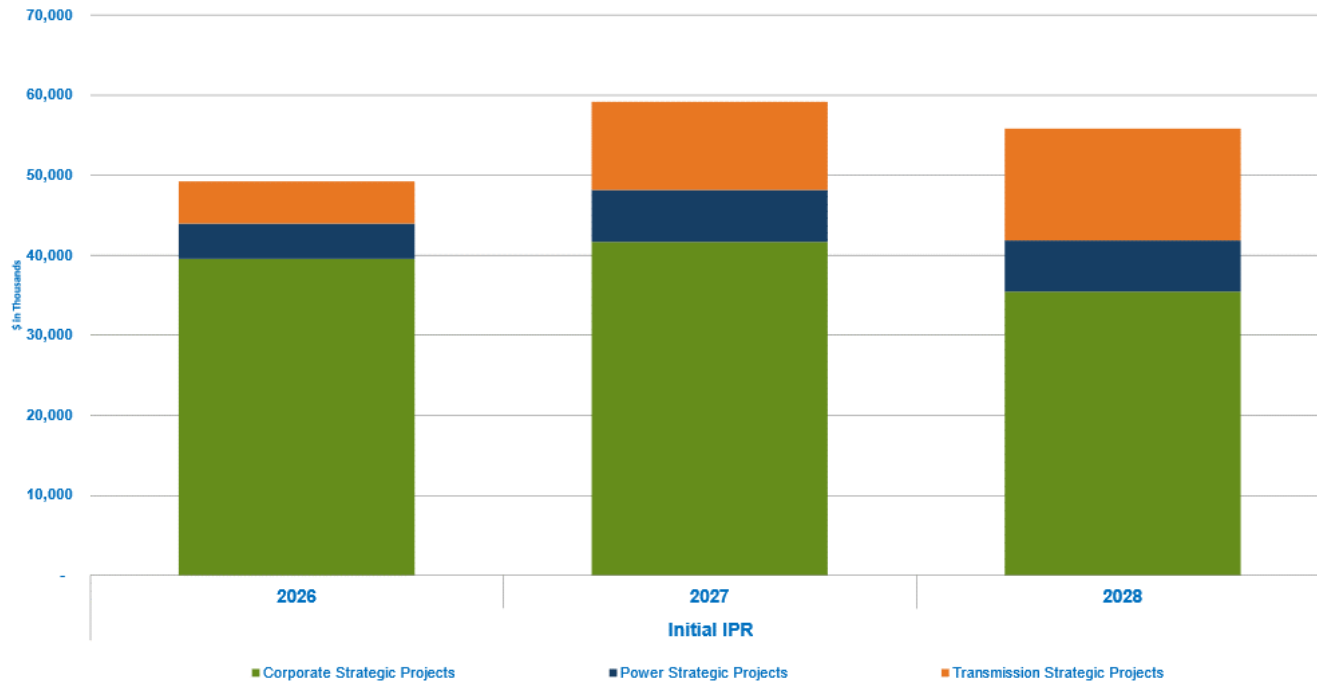


Sustain financial strength

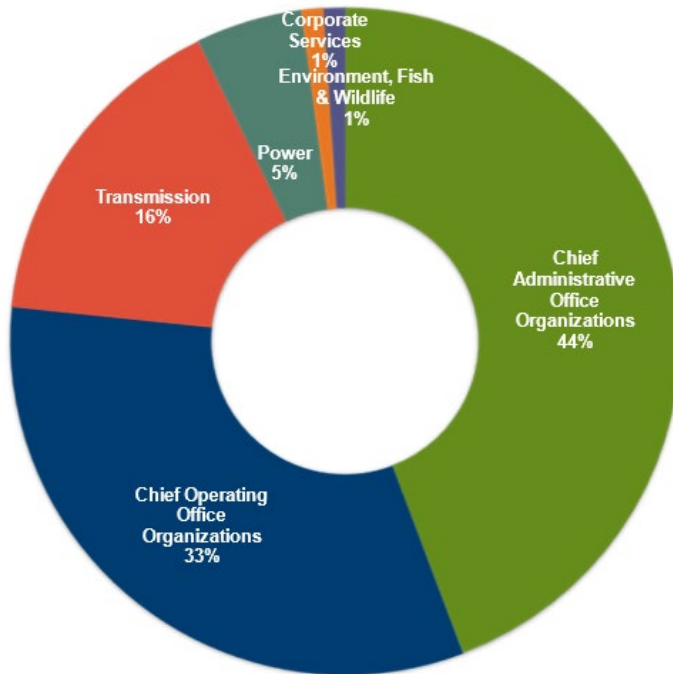


Modernize business systems and processes

Strategy Financials



Strategy Financials





Invest in People

Brad Bea

Chief Safety Officer



Invest in People

Objective: *Become the safest utility in North America by continuously improving the physical and psychological safety of the BPA workforce*

Summary: In executing our Safety strategy, BPA will proactively address safety in the workplace through program enhancements, enhancing the safety culture across BPA and facilitating a robust, comprehensive training curriculum relevant to all employees.

Forecast includes resources needed to:

- Develop and implement second phase of safety leader training
- Incorporate mobile solutions for improved accuracy, effectiveness and efficiency
- Create a shared safety learning environment with our workforce, customers and federal partners



Enhance the Value of Products & Services

Melanie Spraggins, Nita Zimmerman, Ivy
Tyson

Deputy Senior Vice President for Power Services, Chief Business
Transformation Officer, Transmission Services Chief of Staff



Enhance the Value of Products and Services

Objective: *Remain public power's provider of choice by fully subscribing the federal base system in long-term contracts*

Summary: Ready to implement Provider of Choice contracts prior to the expiration of Regional Dialogue contracts.

Forecast includes resources needed to:

- Develop, execute and implement long-term power contracts (Provider of Choice)
- Make enhancements to load forecasting system, billing system, contract management system
- Acquire long-term resources, if needed

Enhance the Value of Products and Services

Objective: *Foster market evolution across the West to enhance the delivery of cost-effective and reliable service*

Summary: Participate in new markets and to continue to enable BPA to participate in the Western Resource Adequacy Program (WRAP) to have the ability to tap into the pool of shared generating resources, if needed

Forecast includes resources needed to:

- Implementation activities needed to adapt systems and process changes to participate in new markets
- Ensure participation in WRAP is an integrated part of BPA's day-to-day Power Services planning and operational activities

Enhance the Value of Products and Services

Objective: *Foster market evolution across the West to enhance the delivery of cost-effective and reliable service*

Summary: New markets present opportunities to enhance the delivery of reliable, affordable and carbon-free power to our customers through increased resource diversity. BPA is currently exploring two market initiatives underway in the West—the California Independent System Operator’s (CAISO’s) Extended Day-Ahead Market and Southwest Power Pool’s Markets+. While BPA has not yet made a final decision on day-ahead market participation, implementation planning is underway to ensure BPA is ready when and if the decision is made. The cost forecast reflects system changes and service contracts to support the go-live efforts.

Forecast includes resources needed to:

- Fund updates to existing and/or new IT systems
- Fund membership in a Day-Ahead Market
- Secure managed service contracts to support execution or exploration of best practices for changes

Enhance the Value of Products and Services

Objective: *Advance transmission investments and innovative solutions to integrate loads and resources*

Summary: Transmission Services is aggressively identifying and developing transmission expansion projects to support the clean energy goals of our customers and the region.

Forecast includes resources needed to:

- Deliver the portfolio of Evolving Grid project
- Seek potential queue reforms and related tariff changes

Enhance the Value of Products and Services

Objective: *Advance transmission investments and innovative solutions to integrate loads and resources*

Summary: Transmission Services is aggressively identifying and developing transmission expansion projects to support the clean energy goals of our customers and the region.

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- Deliver the portfolio of Evolving Grid project
- Seeking potential queue reforms and related tariff changes



Mature Asset Management

Stacy Webster-Wharton
Director Operations Performance



Mature Asset Management

Objective: *Improve asset management data systems and capabilities*

Summary: BPA's Transmission asset management program maturity depends upon readily accessible quality data from defined sources to best understand information. Transmission is diving into processes, data mapping and systems with the intention of improving our existing and new defined sources, having the appropriate system consolidation, and an understanding on how to enhance system integration and system optimization where practicable.

Forecast includes resources needed to:

- Business process and data mapping to understand existing processes, data applications, existing system integrations, gaps and identifying areas of improvement
- Enhance data technology mapping functions to Enterprise Architecture's business capabilities
- Conduct system consolidation where applicable, improving system integration from defined sources and optimization (right number of systems)

Mature Asset Management

Objective: *Enhance risk-based decision making and portfolio optimization*

Summary: Solid risk-based decisions is an outcome of a mature Asset Management program and clear, collaborative processes, and relies heavily on quality, accessible data from clearing defined sources. BPA is working to enhance asset and data governance consistently and effectively, clearly understand and map business processes appropriately and create stronger decision criteria methodologies that leverages CHR data and decisions that maximizes an asset's value. Ultimate goal is to automate our portfolio and project optimization via a new automated software tool.

Forecast includes resources needed to:

- Clearer business process mapping
- Enhance CHR decision criteria methodologies to enhance maintenance plans and improve asset capital forecasting
- Improved methodologies to optimize asset portfolio



Preserve Safe & Reliable System Operations

Ivy Tyson

Transmission Services Chief of Staff



Preserve Safe and Reliable System Operations

Objective: *Strengthen resilience in preparation for high-impact events and system change*

Summary: Climate-related risks and security threats—both physical and cyber—have intensified. At the same time, the resource and load mix is changing, with fewer baseload resources available and more variable energy resources connecting to the grid. Transmission Services' forecast includes resources for hardening facilities and communication systems to enable continued operations through high-impact events.

Forecast includes resources needed to:

- Develop tools to improve situational awareness for wildfires and extreme events
- Increase the knowledge and training of staff capable of 24/7 operations

Preserve Safe and Reliable System Operations

Objective: *Implement operational improvements that support grid reliability*

Summary: Transmission Services continues to maximize the capacity of the existing grid through a combination of operational studies, visualization tools, congestion management and other operational improvements.

Forecast includes the following tools:

- Common visualization platform between BPA Power and Transmission real-time operations
- Real-time tools including automation and stability
- Implementing the use of ambient adjusted ratings within real-time

Preserve Safe and Reliable System Operations

Objective: *Advance a culture of compliance to meet changing requirements, improve reliability and manage risk*

Summary: Improvements in internal practices and capabilities will accommodate changing compliance standards and reduce risk associated with meeting changing compliance standards.

Forecasted investments include:

- Increased engagement with regulators
- Advancements in internal controls and causal analysis
- Maintains our focus on developing BPA's facilities ratings methodology and implementation



Modernize Business Systems & Processes

Nita Zimmerman & Christopher Wilk

Chief Business Transformation Officer & Chief
Information Officer (Acting)



Modernize Business Systems and Processes

Objective: *Develop more cost-effective, well-organized and efficient systems for managing technology and business operations*

Summary: Corporate Modernization – This initiative aims to improve processes and technology in key centralized business functions with a goal to holistically redesign corporate business processes and systems to improve efficiency, accuracy, performance, and flexibility. Projects will include improvements to procurement and finance as well as potential other areas that support the rest of the agency. The result for BPA will be shared services that are closely integrated with core business functions, enhancing BPA's ability to ensure a reliable power supply while keeping rates affordable.

Forecast includes resources needed to:

- Fund updates to existing and/or new IT systems
- Managed service contracts to support execution or exploration of best practices for changes

Modernize Business Systems and Processes

Objective: *Develop more cost-effective, well-organized and efficient systems for managing technology and business operations*

Summary: Information Technology - BPA's Technology initiatives address a broad range of foundational needs. Improvements will support our internal business systems and processes as well as our ability to deliver reliable, resilient, and competitive power and transmission services. We aim to improve internal service delivery methods, integration of enterprise security, operational resilience, situational awareness and technology rationalization, processes for requirements development and prioritization, and enhanced project throughput enabling numerous business modernization initiatives.

Forecast includes resources needed to:

- Support initiatives (and throughput) for capabilities spanning Power, Transmission, and Corporate
- Modernize legacy systems and mitigate technical debt

Modernize Business Systems and Processes

Objective: *Strengthen the resiliency and security of information and operational technology*

Summary: Cyber - BPA's Technology initiatives embrace our culture of continuous improvement and place heavy emphasis on cybersecurity. We will mature our continuous monitoring capabilities to improve identification and mitigation of key threats, as well as evolve our processes for assessing and addressing cyber risk. Furthermore, we will evaluate and leverage new technologies that enhance our abilities to address risk to critical infrastructure in support of the delivery of reliable and resilient power and transmission services.

Forecast includes resources needed to:

- Maturation of cyber situational awareness; incorporation of Zero Trust Architecture
- Foundational improvements to security operations and integration across technology ecosystem



QUESTION AND ANSWER



Submitting Comments

- Comment Period: July 2nd – August 5th
- Comments can be submitted through:
 - Online: www.bpa.gov/comment
 - Mail: BPA Public Involvement, P.O. Box 14428, Portland, OR 97293
- Webpages:
 - IPR: <https://www.bpa.gov/about/finance/bp-26-ipr>
 - SAMPs: <https://www.bpa.gov/about/finance/strategic-asset-management-plans>

Publication

The BP-26 Initial Publication and other materials are available at:
<https://www.bpa.gov/about/finance/bp-26-ipr>

Strategic Asset Management Plans (SAMPs) are available at:
<https://www.bpa.gov/about/finance/strategic-asset-management-plans>

Questions can be submitted to BPAFinance@BPA.gov

FINANCIAL DISCLOSURE

This information was publicly available on June 25, 2024, and contains information not sourced directly from BPA financial statements.

