INTRODUCTION

Scott Simms, DIRECTOR OF COMMUNICATIONS
<table>
<thead>
<tr>
<th>Time</th>
<th>Presentation</th>
<th>Speaker</th>
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</table>
| 9:00 a.m.  | Introductions                                    | Scott Simms  
Director of Communications                |
| 9:01 a.m.  | State of the business:  
• Environment, Fish and Wildlife updates | Elliot Mainzer  
Administrator                                |
| 9:20 a.m.  | Power Services update                            | Joel Cook  
Senior VP of Power Services                  |
| 9:28 a.m.  | Transmission Services update                     | Richard Shaheen  
Senior VP of Transmission Services            |
| 9:36 a.m.  | Finance update                                   | Michelle Manary  
Chief financial officer                       |
| 9:44 a.m.  | Grid modernization update                        | Nita Zimmerman  
Deputy executive VP of Business Transformation Office |
| 9:51 a.m.  | Upcoming involvement opportunities               | Scott Simms                                  |
| 9:53 a.m.  | Question and answer                              |                                              |
STATE OF THE BUSINESS
Elliot Mainzer, ADMINISTRATOR AND CHIEF EXECUTIVE OFFICER
Incident frequency rate
Number of injuries and illnesses per 200,000 hours worked

- 2019
- Ceiling
Delivering on our public responsibilities through a commercially successful business

BPA 2018–2023 Strategic Plan
*Dates reflect commitment to the Council on Environmental Quality based on the October 2018 presidential memoranda.
Flexible spill agreement

- Tests an innovative approach to fish survival while managing costs of hydro generation.
- In place while we complete the CRSO process.
POWER SERVICES

Joel Cook, SENIOR VICE PRESIDENT OF POWER SERVICES
### Power Services total expense

Total expenses in millions of dollars

- **BP-18 Rate Case**
- **Actuals**

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<tbody>
<tr>
<td>BP-18</td>
<td>191</td>
<td>204</td>
<td>212</td>
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<td>Actuals</td>
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#### Total expense (in millions of dollars)

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<tr>
<th></th>
<th>BP-18 Rate Case</th>
<th>Q1 EOY forecast</th>
<th>Variance</th>
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<tbody>
<tr>
<td>Year-to-date</td>
<td>646</td>
<td>607</td>
<td>(40)</td>
</tr>
<tr>
<td>FY 2019</td>
<td>2,690</td>
<td>2,486</td>
<td>(204)</td>
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Power Services total revenues

Total revenues in millions of dollars

- BP-18 Rate Case
- Actuals

<table>
<thead>
<tr>
<th>Year-to-date</th>
<th>BP-18 Rate Case</th>
<th>Q1 EOY forecast</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2019</td>
<td>671</td>
<td>706</td>
<td>35</td>
</tr>
<tr>
<td></td>
<td>2,821</td>
<td>2,797</td>
<td>(24)</td>
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National Weather Service official water supply forecast as of Jan. 4, 2019

<table>
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<tr>
<th>Jan. – July (million acre feet)</th>
<th>Percent average</th>
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<tbody>
<tr>
<td>93.5</td>
<td>92</td>
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</tbody>
</table>
Henry Hub prices
In dollars per one million British thermal units

- BP-18 Rate Case
- Actuals (S&P Global Platts)
- Jan. 8 NYMEX Average

BP-18 forecast: $3.00
FY 2019 average: $2.13
Mid-C heavy load hour prices
In dollars per megawatt hour

- BP-18 Rate Case
- Actuals
- Forward market (ICE)

BP-18 forecast: $22.90
FY 2019 average: $39.50
Capital expenditure for fiscal year 2019
In millions of dollars

BP-18 Rate Case
- Actuals fiscal year-to-date

Chart showing the capital expenditure for fiscal year 2019, with data points for each month.
Power’s capital work plan completed includes only direct-funded federal hydropower capital projects and spending.
Federal hydropower forced outage factor
Percentage of hours fed hydro projects are offline due to unplanned outages

- FY 2019
- Target

FY 2019:
- Q1: 5.1
- Q2: 5.9
- Target: 6

Good

Q1: 3
Q2: 4
Q3: 5
Q4: 6
Columbia Generating Station availability factor
Percentage of time Columbia is available to serve demand

- FY 2019
- Target

Columbia Generating Station availability factor for FY 2019:
- Q1: 92%
- Q2: 94%
- Q3: 96%
- Q4: 98%

Target availability factors:
- Q1: 100%
- Q2: 100%
- Q3: 100%
- Q4: 100%

Status:
- Good
Transmission Services total expense
Total expense in millions of dollars

- BP-18 Rate Case
- Actuals

<table>
<thead>
<tr>
<th>Year</th>
<th>BP-18 Rate Case</th>
<th>Q1 EOY forecast</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year-to-date</td>
<td>259</td>
<td>252</td>
<td>(7)</td>
</tr>
<tr>
<td>FY 2019</td>
<td>1,067</td>
<td>1,070</td>
<td>3</td>
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Transmission Services total revenues
Total revenues in millions of dollars

- BP-18 Rate Case
- Actuals

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<th>Total revenues (in millions of dollars)</th>
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<td>BP-18 Rate Case</td>
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<td>Year-to-date</td>
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<td>FY 2019</td>
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Capital expenditure for fiscal year 2019
In millions of dollars

- BP-18 Rate Case
- Actuals FYTD
Percent of capital work plan completed

The percentage of assets completed compared to budget spent

- Completed assets
- Budget spent
- Planned assets
- Planned budget

Q1: 67%
Q2: 71%
Q3: 100%
Q4: 100%

Percent of capital work plan completed
System average interruption frequency index
Tracks frequency of unplanned outages

- Low voltage (< 200kV)
- High voltage (>= 200kV)
- Low voltage warning level
- High voltage warning level

Good
System average interruption duration index
Tracks duration of unplanned outages

- Low voltage (< 200kV)
- High voltage (>= 200kV)
- Low voltage warning level
- High voltage warning level

Good

Q1 Q2 Q3 Q4
• Reliability coordinator services.
• TC-20 proposed settlement and schedule discussions.
• Planning work:
  – Regional planning organization.
  – Criticality, health and risk assessments.
$45 million less than expected POWER EXPENSES*

$3 million more than expected TRANSMISSION EXPENSES

$24 million more than expected POWER REVENUES

$5 million less than expected TRANSMISSION REVENUES

*Note: Power’s expenses exclude the $159 million expense reduction due to Regional Cooperation Debt refinancing
Federal Columbia River Power System
Total expense and revenue in millions of dollars

- BP-18 Rate Case
- Q1 EOY forecast

- Expense
  - Non-IPR: $1,647
  - IPR: $1,891

- Revenue
  - Non-IPR: $1,502
  - IPR: $1,840
  - Total: $3,659

- Revenue
  - Non-IPR: $3,622

Bar chart showing the financial health of the Federal Columbia River Power System with a breakdown of expenses and revenues.
FCRPS net revenues
In millions of dollars

- BP-18 Rate Case
- Q1 EOY forecast

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<th>Q1 EOY Forecast</th>
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<tr>
<td>Agency net revenues less Regional Cooperation Debt transactions (in millions of dollars)</td>
<td>274</td>
<td>280</td>
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• Coming in the second quarter.
GRID MODERNIZATION

Nita Zimmerman, DEPUTY EXECUTIVE VICE PRESIDENT OF BUSINESS TRANSFORMATION OFFICE
• Grid modernization investments will support:
  – More reliable, flexible and efficient systems.
  – Reduce future costs.
  – Create new market opportunities.
ROADMAP
Grid Modernization Key Strategic Initiative spending
In millions of dollars

- Incremental spent
- Existing spent
- Incremental planned
- Existing planned

Q1: 1
Q2: 1.6
Q3: 0
Q4: 15

GRID MOD SPENDING
• Collaborative process across BPA to minimize negative impacts on power and transmission operations.
• Advanced planning reduces the number of outages and likelihood of rescheduling.
• Optimizes transmission capacity.
PUBLIC ENGAGEMENT

Scott Simms, DIRECTOR OF COMMUNICATIONS
• Jan. 30: Distributed energy resources utility cross-share.
• Jan. 31: Proposed TC-20 settlement update.
• Jan. 31: Transmission long-term commercial update.
• Feb. 5: Regional planning organization efforts.
COMMENT PERIODS

• Feb. 20: Willow Creek Summit and Windy Devil Radio upgrade project.
• March 1: BP-20 Rate Case Initial Proposal.
QUESTION AND ANSWER
The next QBR is scheduled for
April 30, 2019.

Didn’t get your question answered?
Email Communications@bpa.gov. Answers will be posted to
www.bpa.gov/goto/QBR.

The strategic plan is available at
www.bpa.gov/StrategicPlan.
FINANCIAL DISCLOSURE

This information was made publicly available on Jan. 28, 2019, and contains information not sourced directly from BPA financial statements.