

# Webex Accessibility tools

## To enable Closed Captions

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



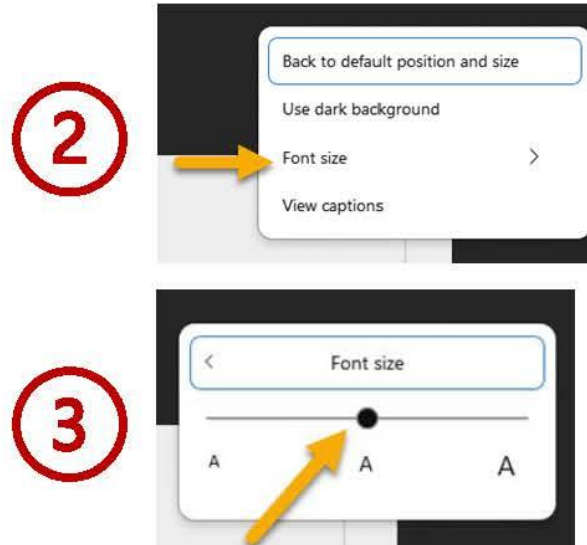
*Note: CC is set individually by each person who wants to enable them.*

## Change font size

Select the **ellipsis** in the lower right

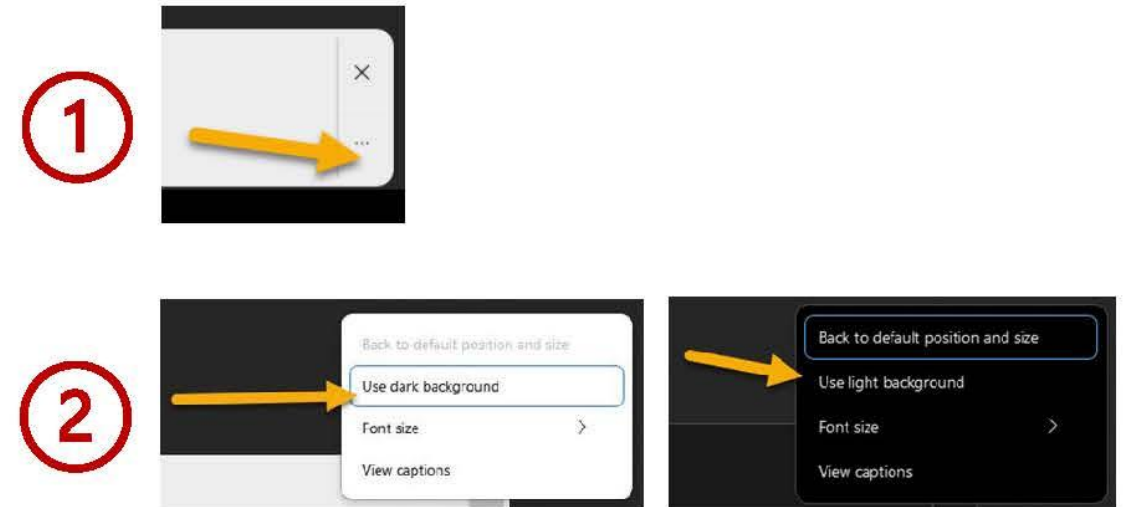
Select **font size**

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**





# QUARTERLY BUSINESS REVIEW TECHNICAL WORKSHOP

February 12, 2026

# AGENDA

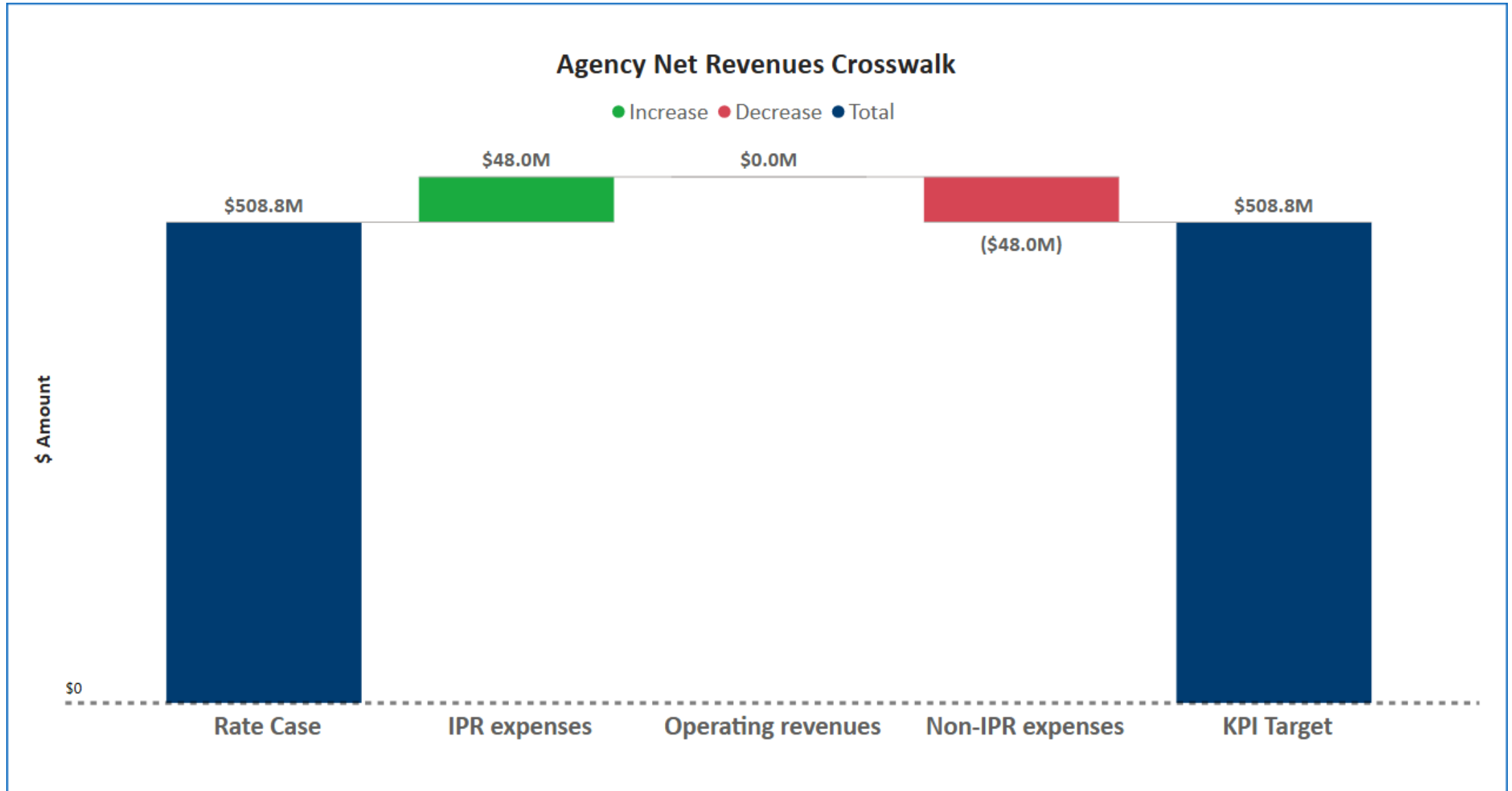
Time	Min.	QBRTW Topic	Presenter
1:00	5	Introduction	Taryn Redinger
1:05	5	Agency Net Revenue Crosswalk from Rate Case to Target	Manny Holowatz
1:10	10	Q1 Forecast: Power and Transmission Net Revenue	Karlee Manary, Pablo Zepeda-Martinez
1:20	10	FY26 Q1 Forecast: Reserves for Risk	Darren Heim
1:30	10	FY26 Q1 Forecast: Agency Capital	Heather Seibert, Gwen Resendes
1:40	10	Fed Hydro Capital Metrics	Wayne Todd
1:50	10	Transmission Capital Metrics	Joelle Brown, Jana Jusupovic
2:15	10	Western Resource Adequacy Program (WRAP)	Matt Hayes
2:40	10	Questions & Answers / Closing	Taryn Redinger

# Agency Net Revenue Crosswalk from Rate Case to Target

Presenter: Manny Holowatz



# AGENCY NET REVENUE RATE CASE TO TARGET

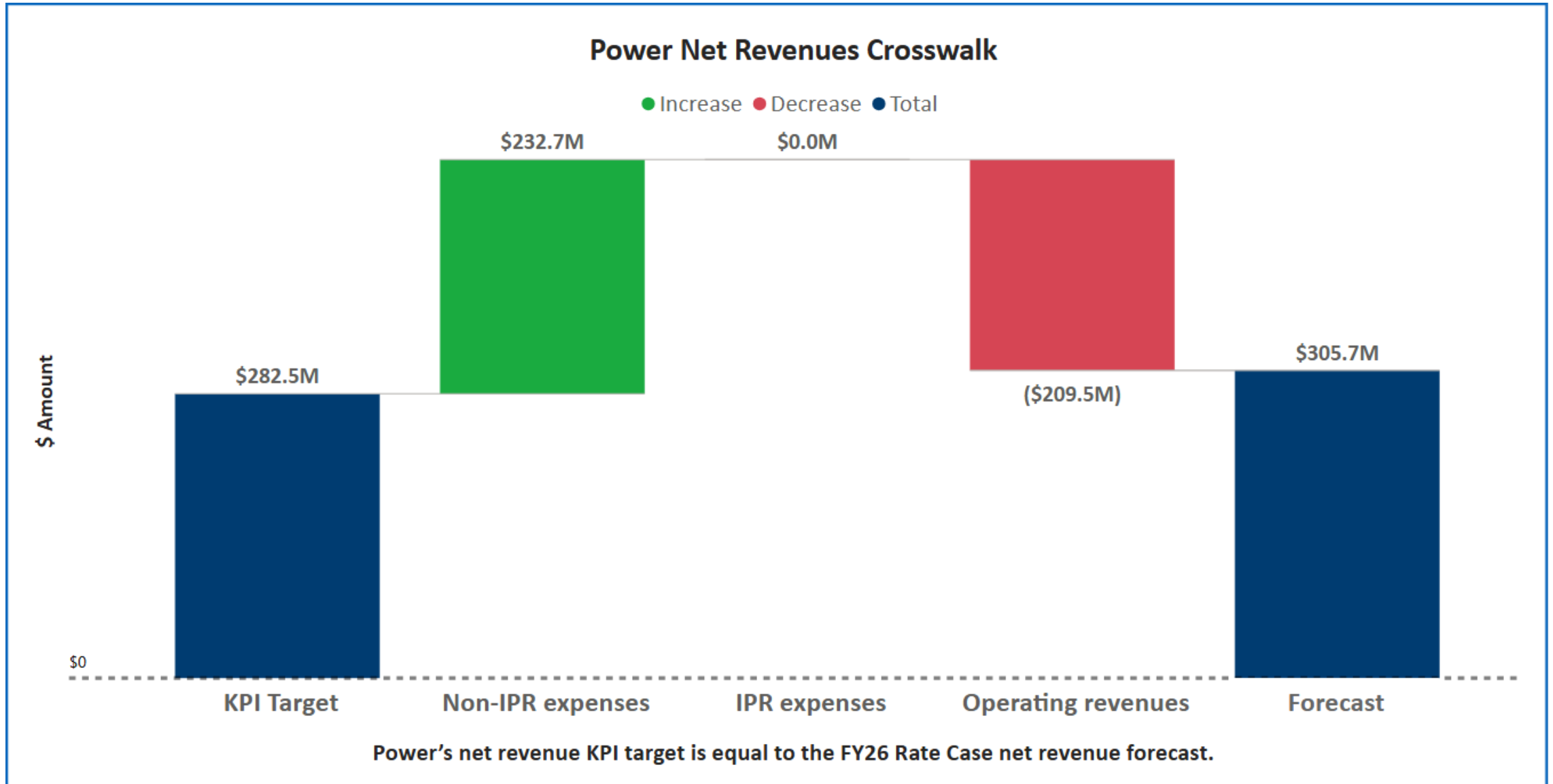


# Q1 Forecast: Power and Transmission Net Revenue Crosswalks

Presenter: Karlee Manary, Pablo Zepeda-Martinez



# FY26 FORECAST: POWER NET REVENUE



# QBRTW ANALYSIS: POWER NET REVENUE CROSSWALK

## The Q1 forecast for Non-IPR Program Expenses **decreased \$233M** from target primarily due to the following:

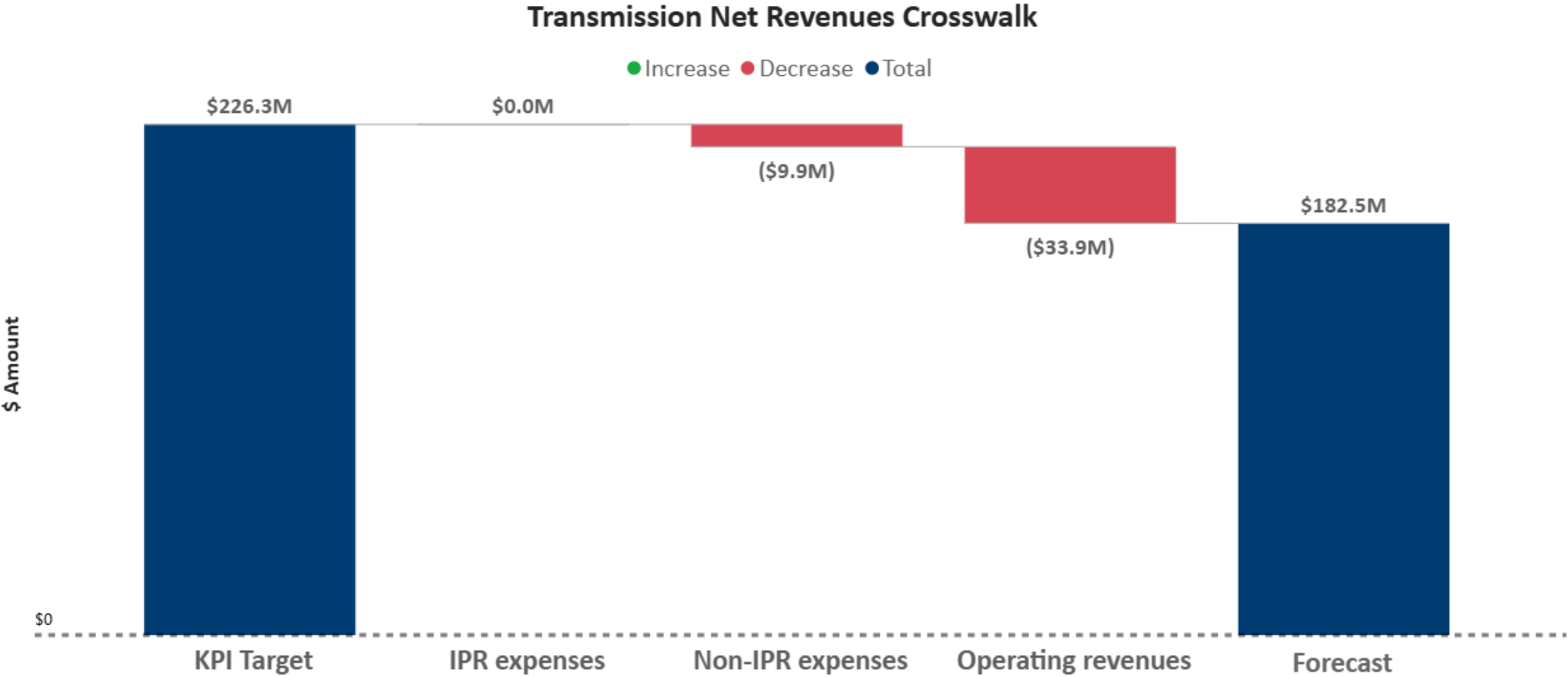
- Overall gross power purchases decreased driven by a change in assumption since rate case, namely the plan to serve Tier 2 from the FCRPS or short-term market purchases rather than a forward purchase. This means we zeroed out the forecast for Tier 2 purchases and that was only partially offset by an increase in other power purchase expense particularly in October and November. In general, purchase quantities and prices are up in most months.

## The Q1 forecast for Operating Revenues **decreased \$210M** from target mainly due to the following:

- Gross Sales decreased from Target driven by lower PF Revenues and lower Trading Floor Sales Revenue. PF Revenues decreased from Target driven by lower Composite Revenue, Load Shaping Revenue, Demand Revenue and Tier 2 Revenue. Composite Revenue is lower than Target due to lower Net Requirement resulting in a TOCA change. Tier 2 Revenue decreased due to an update to Tier 2 billing determinants to include customers' final elections which reduce Tier 2 amounts and increase non-federal amounts. A revision to the Tiered Rates Methodology billing determinants model was issued after Final Proposal. Load Shaping and Demand Revenues are lower than Target due to warmer than average temperatures experienced this fall. Trading Floor Sales Revenue has decreased since Target driven by the notably warmer-than-average temperatures. These decreases are partially offset by:
  - The \$40M reserves surcharge from FY25 that is being collected this fiscal year.
  - Additionally, the \$15.8M Slice True-up forecast is a charge to customers mainly due to a shift in debt repayment. In order to meet the settlement terms, rates reflected pre-shift principal repayment; in order to meet other RC tests, RC documentation reflected post-shift principal repayment. Principal repayment in the operating year reflects post-shift amortization



# FY26 FORECAST: TRANSMISSION NET REVENUE



The KPI Target is equal to the Transmission's FY26 Rate Case net revenue forecast.

# QBRTW ANALYSIS: TRANSMISSION NET REVENUE CROSSWALK

**The Q1 forecast for Non-IPR Program Expenses increased \$10M from Target primarily due to the following:**

- Increase in amortization expense and Commercial Activities Non-IPR program due to EIM Entity scheduling coordinator settlement charges.

**The Q1 forecast for Operating Revenues decreased \$34M primarily due to the following:**

- Decrease in Sales driven by:
  - Lower Point-to-Point Long-Term revenues due to Transmission Service Request (TSR) offers being deferred by customers because of project energization dates slipping.
- Decrease in Inter-Business Unit Revenue driven by:
  - Lower forecasted Short-Term purchases due to decreased hydro expectations in the US Basin.
- Partially offset by:
  - Increase in Other Revenues driven by increased reimbursable and other revenues.

# RESERVES

Presenter: Darren Heim



# FY26 FORECAST RESERVES FOR RISK

Business Unit	Q1 Forecast Range		Surcharge	RDC
	RFR	Days Cash		
Power	\$381M – \$442M	65 – 75	<\$370M	>\$741M
Transmission	\$227M – \$327M	102 – 147	<\$141M	>\$283M
Agency	\$607M – \$768M	75 – 95	–	>\$768M

**Power RFR:** RFR is ~\$127M lower than RC expectations. Key drivers:

- 1) RFR starting balance is ~\$232M lower than assumed in RC.
- 2) NR are forecasted to be ~\$23M higher than RC expectations.
- 3) Accruals vs cash adjustments result in an ~ \$31M net cash increase compared to RC expectations.
- 4) Rate Case cash flow shaping resulting in ~\$55M of positive cash flow in FY26.
- 5) Does not incorporate hydro variability risk or the risk of lost revenue from potential adverse litigation outcome. Low end for Power assumes FY26 revenue financing is unwound to prevent a Surcharge.

**Transmission RFR:** RFR is ~\$28M higher than RC expectations. Key drivers:

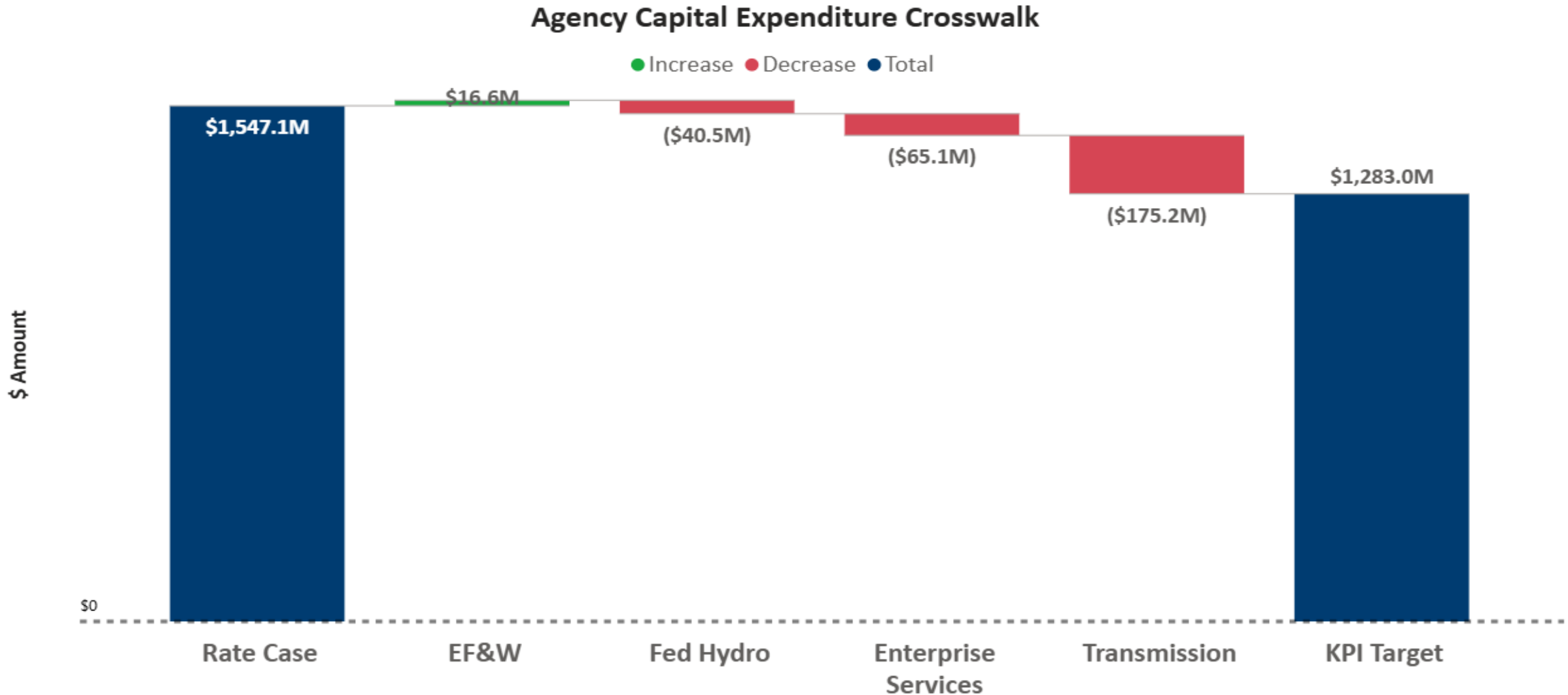
- 1) RFR starting balance is ~\$30M lower than assumed in RC.
- 2) NR are forecasted to be ~\$44M lower than assumed in RC.
- 3) Rate Case cash flow shaping resulting in ~\$96M of positive cash flow in FY26.

# FY26 Q1 Forecast: Agency Capital

Presenters: Heather Seibert and Gwen Resendes



# AGENCY CAPITAL CROSSWALK



This chart illustrates the adjustments made since rate case to establish the midpoint of the agency capital KPI, which is a range. The range is equal to +15% and -10% of the target midpoint. Thereby, if the Agency direct capital spend is anywhere equal to or between the boundaries, the target is green.

# QBRTW ANALYSIS: CAPITAL CROSSWALK - RATE CASE TO TARGET

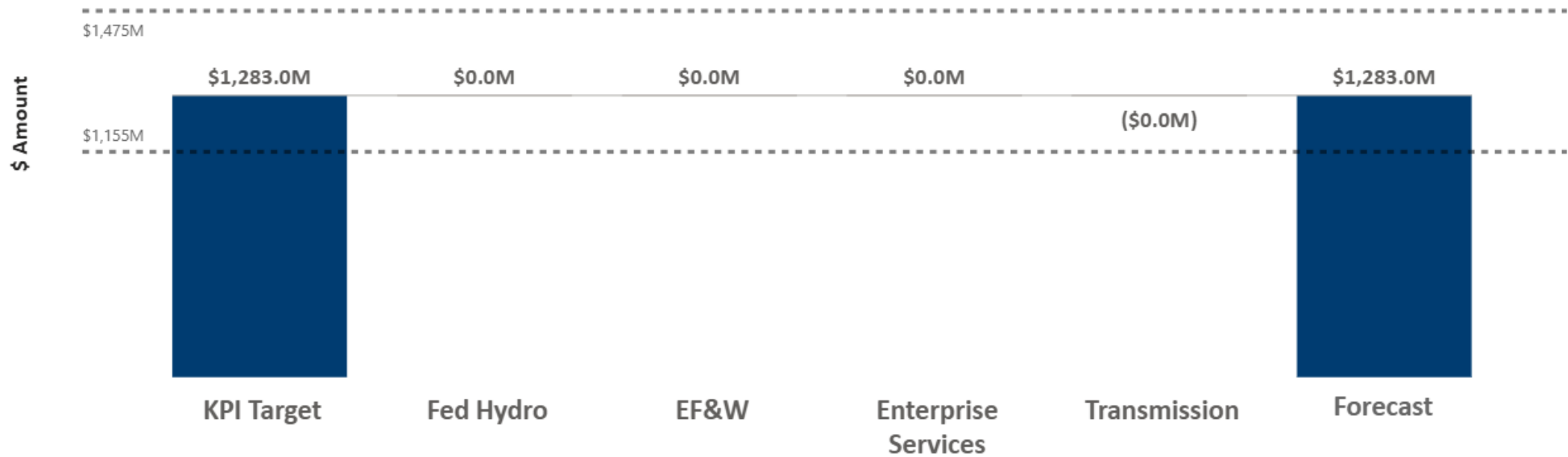
## **The KPI Target decreased \$264M from the BP-26 Rate Case forecast primarily due to:**

- \$16.6M increase in Environment and F&W. A \$15.3M increase is due to F&W Land purchases and Hatchery work planned in FY24 shifting to FY26. The additional \$1.3 increase is due to increased Environmental work, primarily caused by increased support needed because of a larger-than-forecasted Transmission capital program.
- \$40M decrease in Fed Hydro is driven largely by updated forecasts due to shifts in supply chain availability and long lead times for availability of personnel and materials/parts; contractor execution and slow-downs; design and scope changes for some projects, and so on. There is no one major project to point to as the root cause for the delta, rather, there are many smaller shifts up and down that result in an overall reduction of the target compared to Rate Case.
- \$65M decrease in Enterprise Services which is mainly due to the updated project estimates and schedules in the Facilities Asset Category primarily on the Vancouver Control Center project.
- \$175M decrease in Transmission due to risks associated with human resource limitations (hiring freeze, recent departures and retirements of critical staff) as well as supply chain disruptions causing material delays, restricted outage availability on the transmission system, as well as environmental review backlogs which can impede project execution.

# FY26 FORECAST: AGENCY CAPITAL

## Agency Capital Expenditure Crosswalk

● Increase ● Decrease ● Total



The Agency capital expenditures KPI target is a range. The range is equal to +15% and -10% of the target midpoint.  
If Agency direct capital spend is equal to or between the boundaries, the target is green.

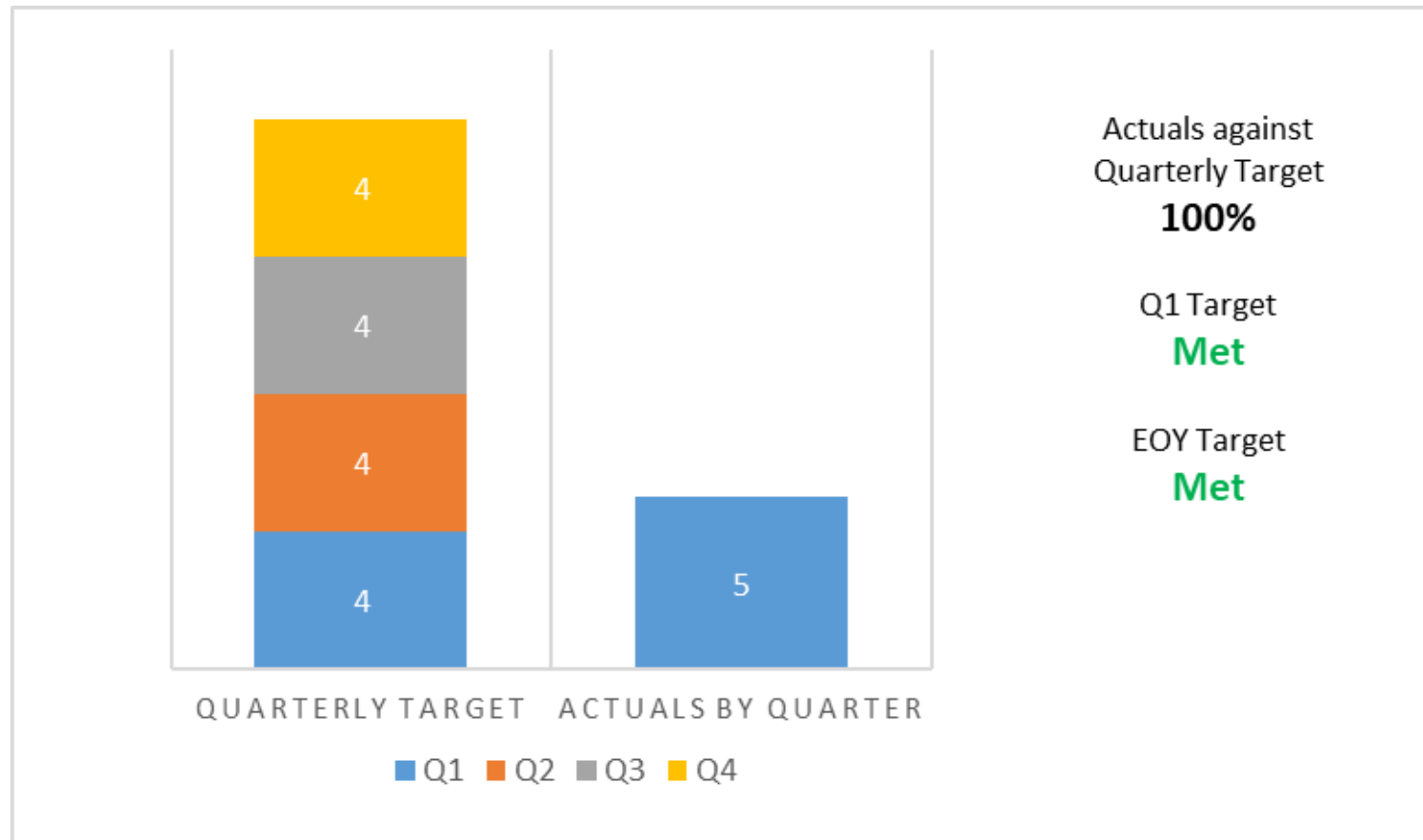


# FEDERAL HYDRO CAPITAL METRICS

Presenter: Wayne Todd



# FED HYDRO CAPITAL MILESTONES



**Key Takeaway:** Q1 Target exceeded. Target was 4, realized 5 milestones.

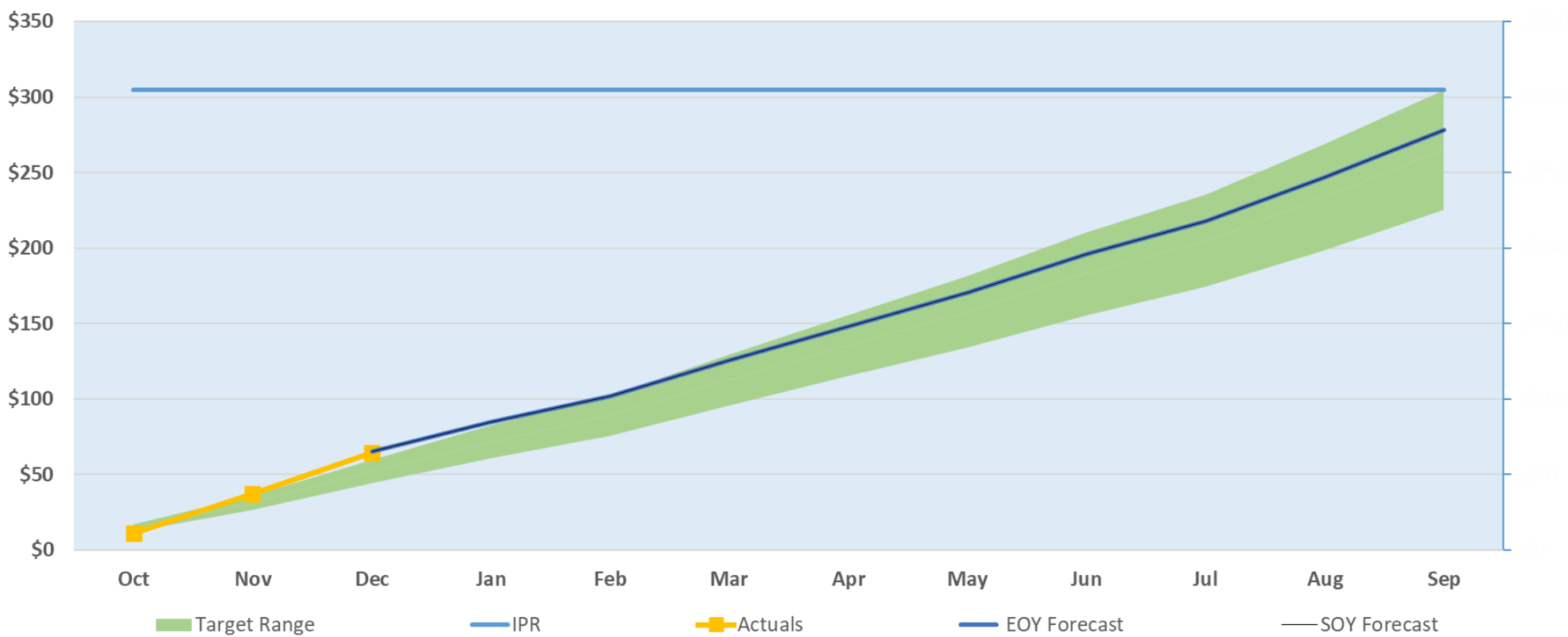
# FED HYDRO CAPITAL PROJECT MILESTONES

Grand Coulee	<a href="#">GCL Replace Underground Town of Coulee Dam Feeders 1, 3 &amp; 4 #3340</a>	Award Contract	30-Nov-25
McNary	<a href="#">MCN Spillway Gate Hoist Replacements</a>	Contract Award - Ph2b	19-Dec-25
Albeni Falls	<a href="#">ALB Intake Gates</a>	Complete Design	31-Dec-25
Chief Joseph	<a href="#">CHJ Intake Gantry Crane</a>	Physical Completion	27-Feb-26
The Dalles	<a href="#">TDA Exciters</a>	Complete Design	26-Mar-26
Bonneville	<a href="#">BON 2 Tailrace Gantry Crane</a>	Physical Completion	30-Mar-26
Albeni Falls	<a href="#">ALB Spillway Gate Recoating and HSS weld Repair</a>	Award Contract	31-Mar-26
The Dalles	<a href="#">TDA Generator Fire Protection</a>	Award Contract	1-Apr-26
Bonneville	<a href="#">BON 1 Spillway Cranes</a>	Begin Solicitation	19-May-26
Ice Harbor	<a href="#">IHR Turbine Runner Design &amp; Repl. Units 1,2,3</a>	Physical Completion	29-May-26
Ice Harbor	<a href="#">IHR Turbine Runner Design &amp; Repl. Units 1,2,3</a>	Unit 1 Return to Service	29-May-26
Ice Harbor	<a href="#">IHR Units 1-3 Stator Winding Replacement</a>	Unit 1 Return to Service	29-May-26
Ice Harbor	<a href="#">IHR Units 1-3 Stator Winding Replacement</a>	Physical Completion	29-May-26
The Dalles	<a href="#">TDA Control Room Modernization</a>	Complete Design	31-May-26
John Keys PGP	<a href="#">GCL KP10B Transformer Replacement</a>	Design Complete	30-Jul-26
Grand Coulee	<a href="#">GCL Radio System Modernization #3918</a>	Construction Contract Award	31-Jul-26
John Day	<a href="#">JDA HVAC System Upgrade</a>	Award Contract	13-Aug-26
Chief Joseph	<a href="#">CHJ Unit 1-16 Generator Rewind</a>	Unit 10 Return to Service	31-Aug-26
Detroit	<a href="#">DET Spillway Gate Rehabilitation</a>	Follow On Work Complete	30-Sep-26
Palisades	<a href="#">PAL Generator CO2 Fire Suppression Upgrade #4035</a>	Contract Award - Ph2b	30-Sep-26
The Dalles	<a href="#">TDA Intake Gantry Crane</a>	Physical Completion	30-Sep-26

## Key Takeaway:

Design Completion, Awarded Contracts, and Construction milestones for projects over \$10 million in direct funded capital costs are tracked toward the milestone target.

# FED HYDRO CAPITAL SPEND

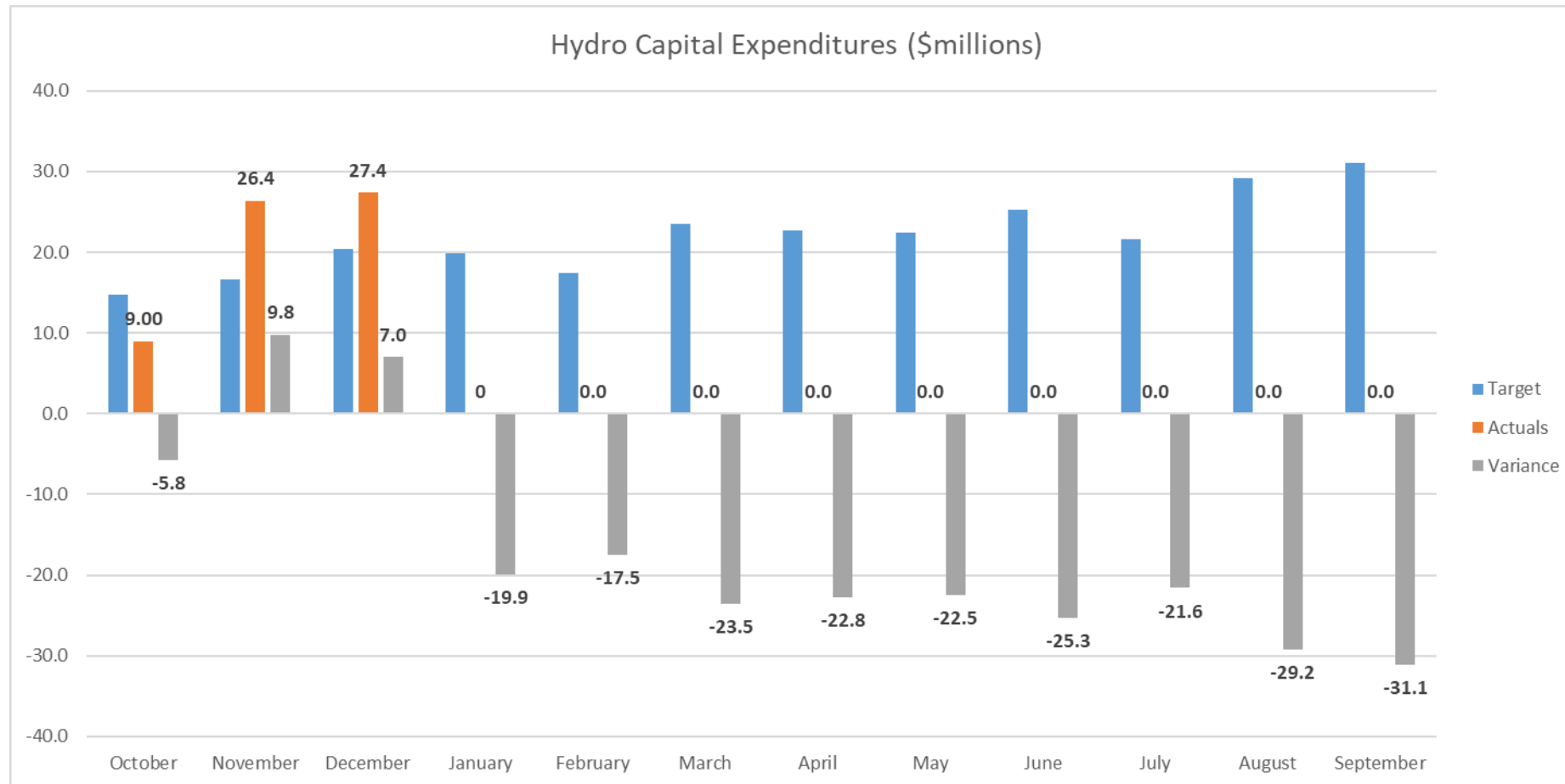


**FY26 Key Performance Indicators**

Rate Case: \$305 million  
SOY Forecast: \$265 million  
Target and Q1 Forecast: \$265 million

**Key Takeaway:** Capital expenditures are at 121% of target, above the 115% of Target range in Q1. It is expected to be green by EOY (the dark blue line in the green shading).

# FED HYDRO CAPITAL FORECAST VARIANCE



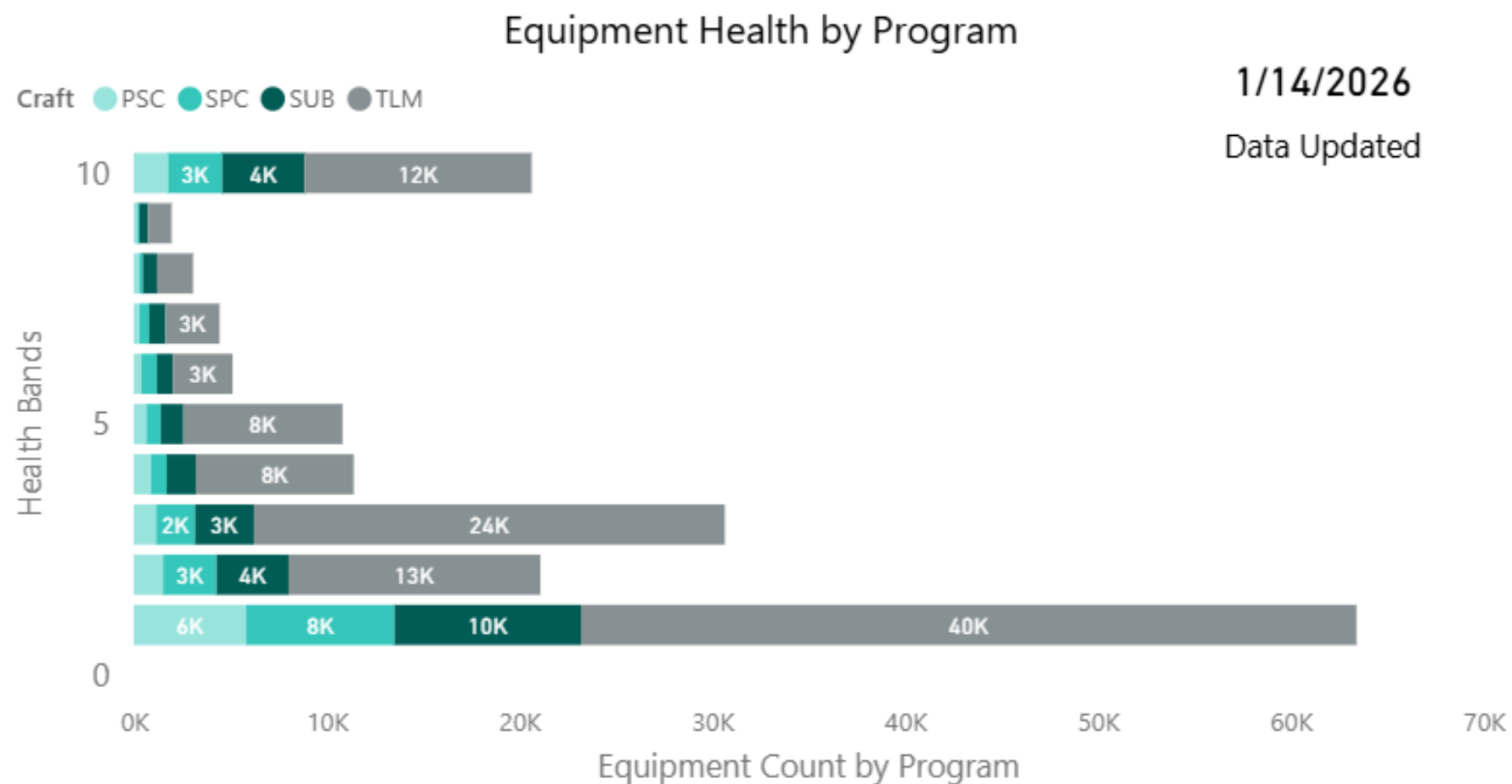
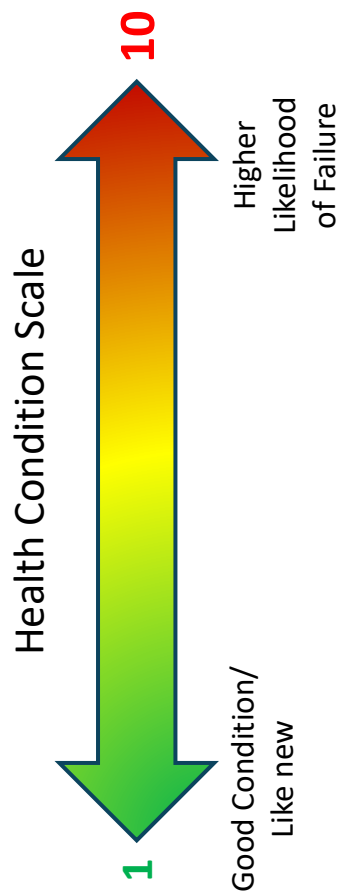
**Key Takeaway:** Monthly variances occur but on aggregate we are on track with forecasted expenditures.

# TRANSMISSION SERVICES CAPITAL METRICS

Presenters: Jana Jusupovic, Joelle Brown



# ASSET MANAGEMENT HEALTH



PSC: Power System Control, SPC: System Protection Control, Sub: Substation, TLM: Trans Line Maintenance

Transmission’s health scoring methodology is most mature for substations and some lines assets, or about 40% of the assets included in Transmission’s sustain program.

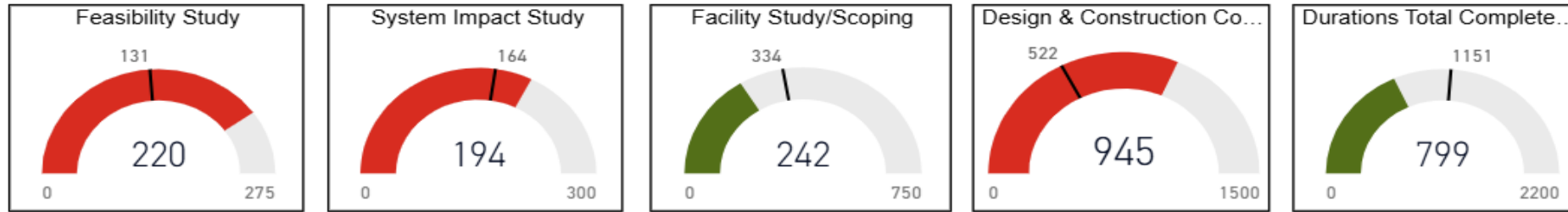
# ASSET MANAGEMENT METRIC MATURITY

- Transmission has developed Excel-based models, which contain algorithms related to asset replacement and project value.
- In FY25, initial data requirements were mapped and understood technically to support future capability development.
- In FY26, Transmission will continue to mature its asset management capability, with additional information coming in future QBRs.



# CUSTOMER DURATION METRIC

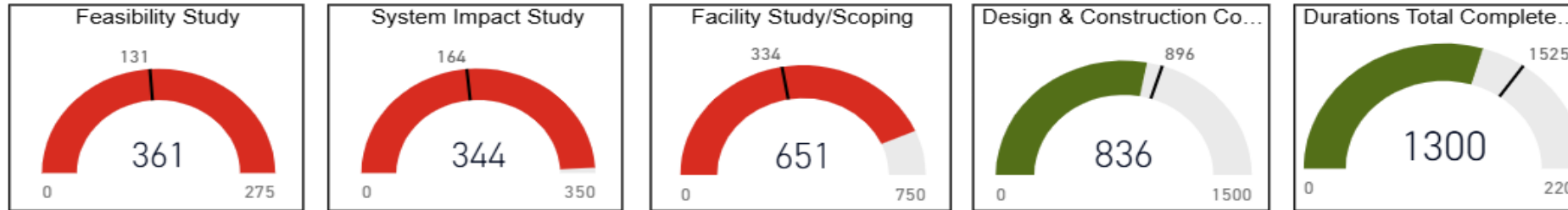
**Small Generation Interconnection projects:** Projects with an aggregation of generators, whose single or combined generating capacity is > than 0.2MW and = to or < 20MW



Includes LGI, LLI, SGI projects with a Queue date on or after 01/01/2015

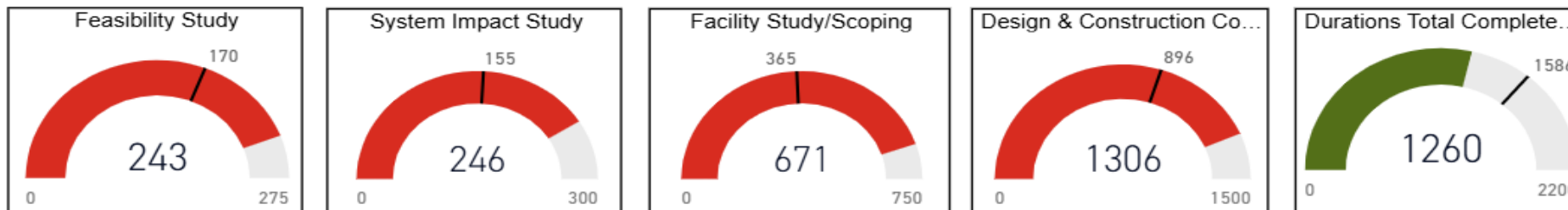
Optimal performance is below the lines, which denote the target ceiling levels

**Large Generation Interconnection Projects:** Projects with an aggregation of generators, whose single or combined generating capacity is greater than 20MW



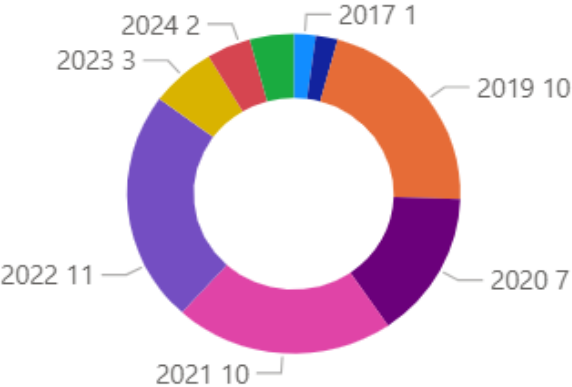
\* Completed Projects Only

**Line and Load Interconnection Projects:** Projects can be a customer owned line terminated at a BPA facility, a tap of a BPA owned line or other plans of service

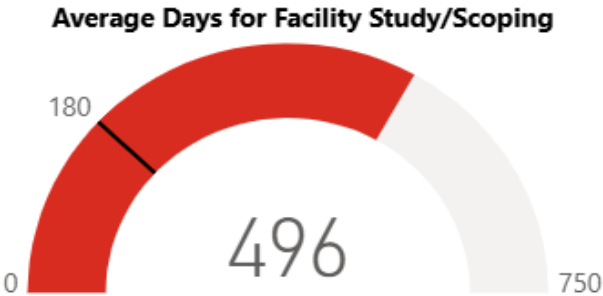


# CUSTOMER DURATION METRIC (NEW)

FAS Study Completion by Year



PCM Process | FAS with CDD (47 Projects)



**Primary Capacity Model**  
(Internal Scoping Resources)

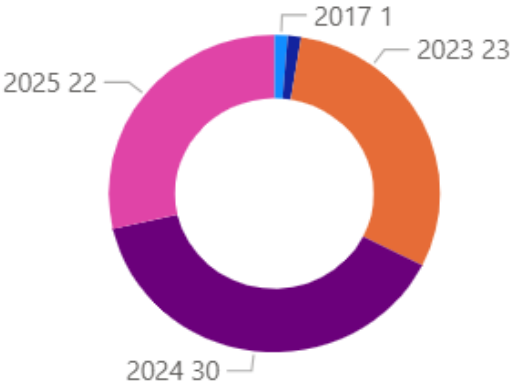
Includes LGI, LLI, SGI projects with a Queue date on or after 01/01/2017

Optimal performance is below the lines, which denote the target ceiling levels

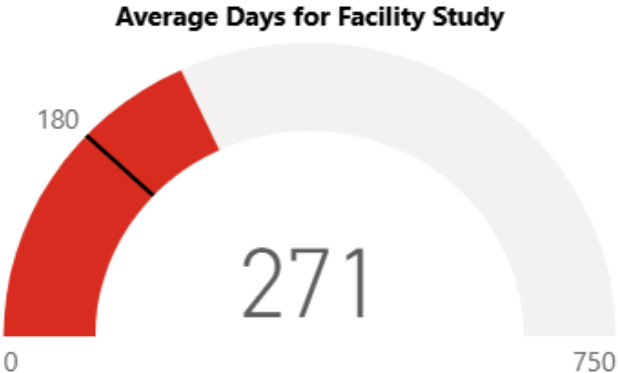
Completed Projects Only

Does not includes the time projects were waiting for Scoping Resources prior to New Process starting

FAS Study Completion by Year



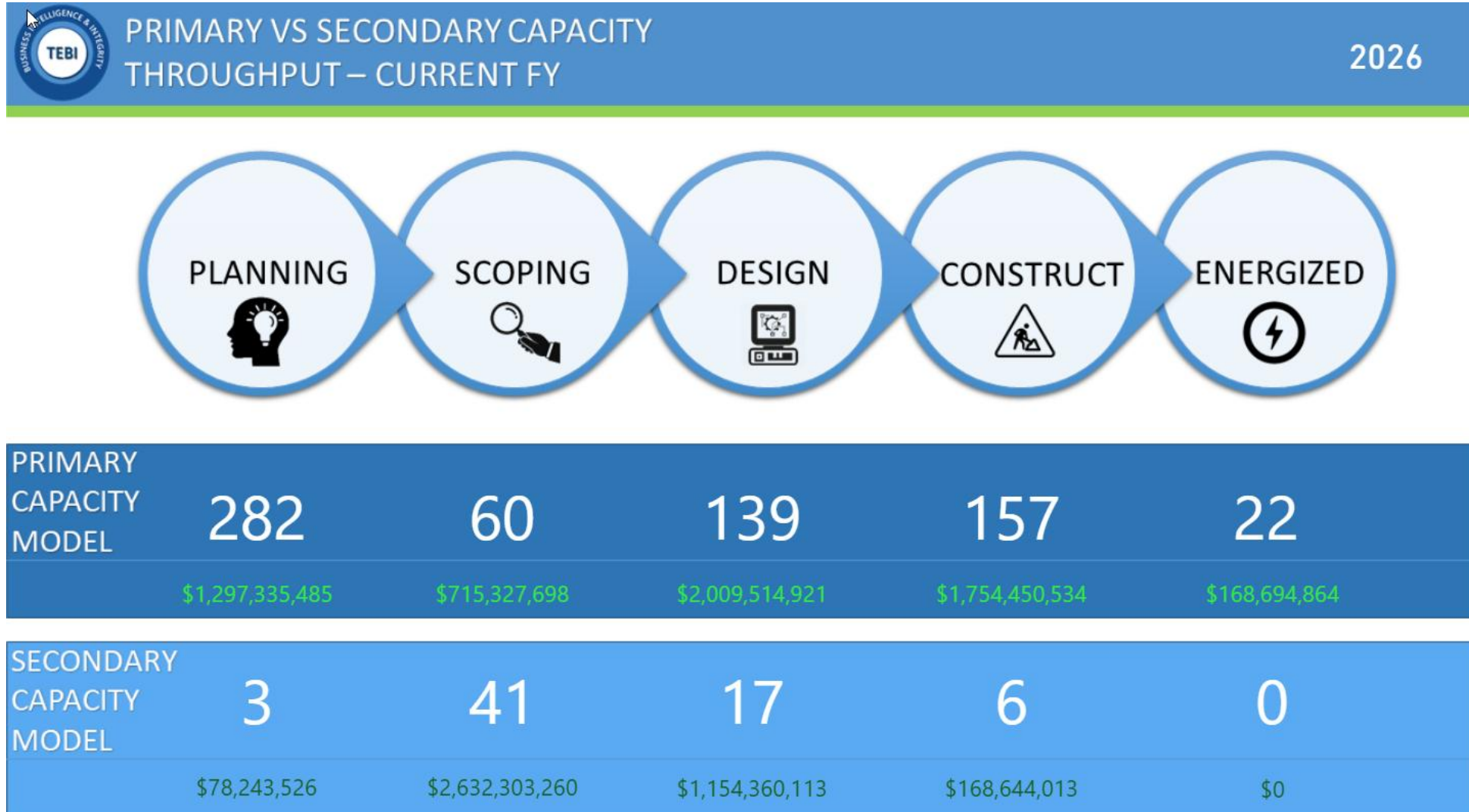
ECM Process | FAS/Scoping No CDD (77 Projects)



**Engineering Capacity Model**  
(Internal Consulting Resources)

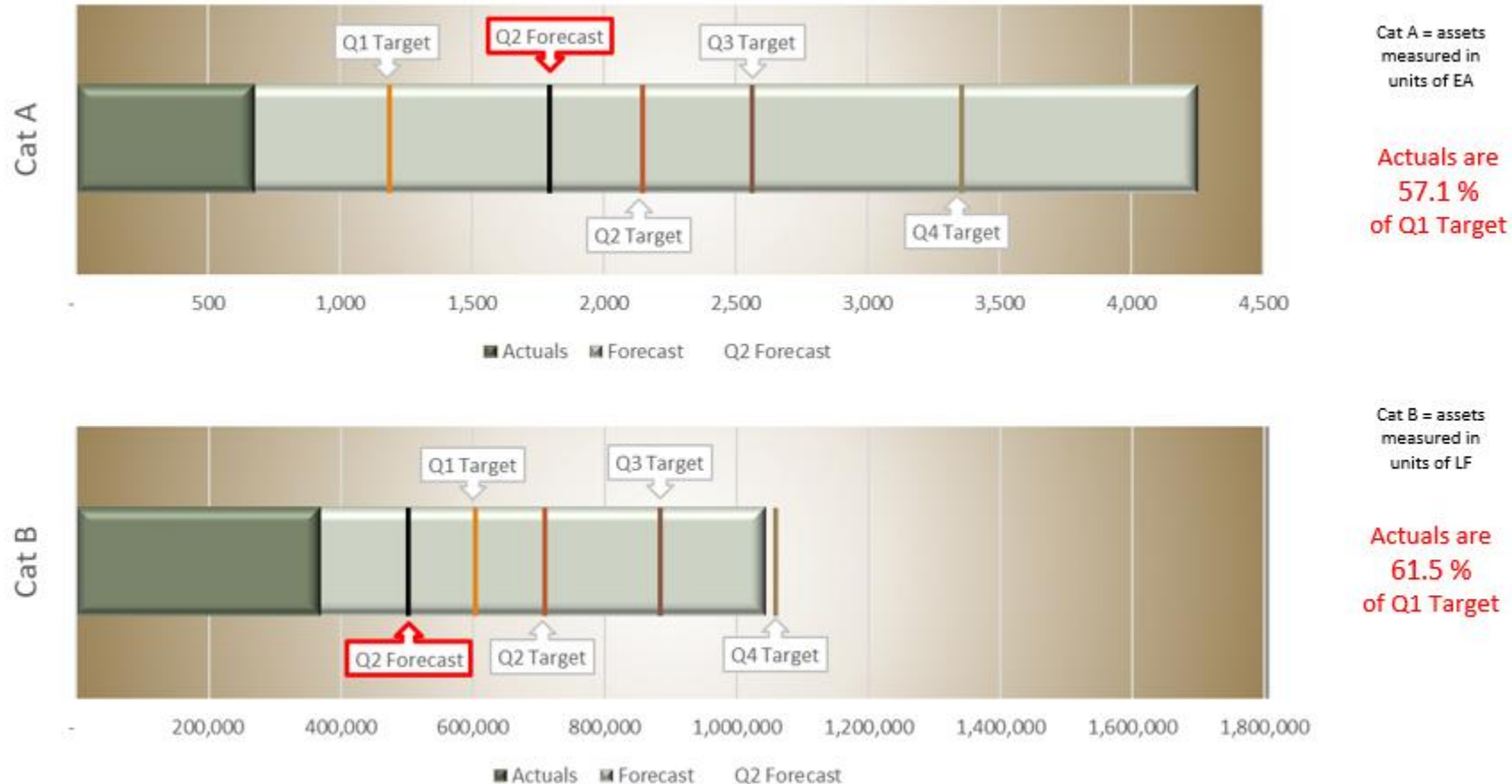
# PRIMARY VS SECONDARY CAPACITY THROUGHPUT

Transmission as of FY26 Q1:



# CAPITAL ASSETS PLANNED VS COMPLETED

## Transmission as of FY26 Q1



### Key Takeaway:

**Not On Track:** Falling short of the Q1 target in both Category A and Category B assets due to construction resource availability and outage constraints.

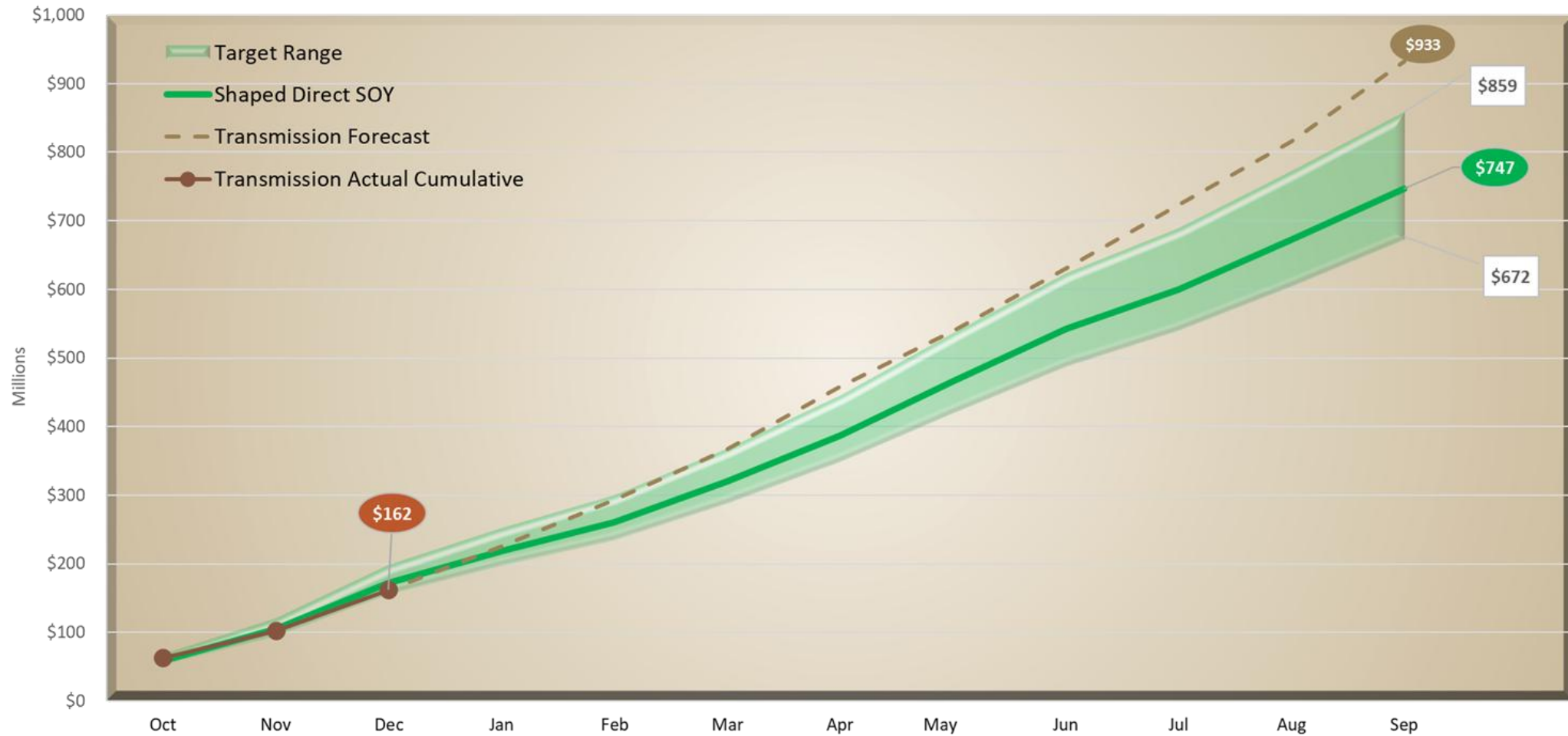
# WORK PLAN COMPLETE

## Transmission as of FY26 Q1:

Qtr	Priority Projects	Target Milestones	Model	On Track
Q1	P03252 Grand Coulee Upgrade Project	Complete RFP process	EPC	Complete
Q2	P05580 L0510 Six Mile Canyon 500kV/230kV Substation	Complete NEPA	SCM	On Track
Q2	P05847 L0543 Bonanza Substation	Initiate Independent Cost Estimate	SCM	On Track
Q2	P02230 Wendson Substation Control House replacement, yard expansion, new bus-tie breaker, new disconnects, station service and ground grid upgrades	Complete Construction	PCM	Complete
Q2	P01277 Chehalis-Convington #1 Insulator Replacement	Construction Complete	PCM	On Track
Q3	P05738 Maple Valley Transformer Replacement	Complete Electrical Design	PCM	On Track
Q3	P00781 FY18 SER/SCADA	Construction Start for Alston	PCM	On Track
Q3	P03425 Ross Station Service Upgrade	Complete Contract Design	PDB	On Track
Q3	P00695 Shelton-Fairmount #1 Line Rebuild	Fiber Design Substantially Complete	PCM	On Track
Q3	P02678 Wautoma-Rock Creek #1 Twisted Bundle Mitigation	Line Construction Complete	PCM	On Track
Q4	P05468 Big Eddy-Chemawa-1 500kV Line Rebuild	Initiate Procurement for EPC Contract	SCM	On Track
Q4	P001237 MREDI VHF Radio Replacement	Region 3 Contract Design Complete	PCM	On Track

**Key Takeaway:** On Track

# CAPITAL SPEND



**Key Takeaway:** On Track

# Western Resource Adequacy Program (WRAP) Update

Presenter:

Matt Hayes

February 12, 2026



# Agenda

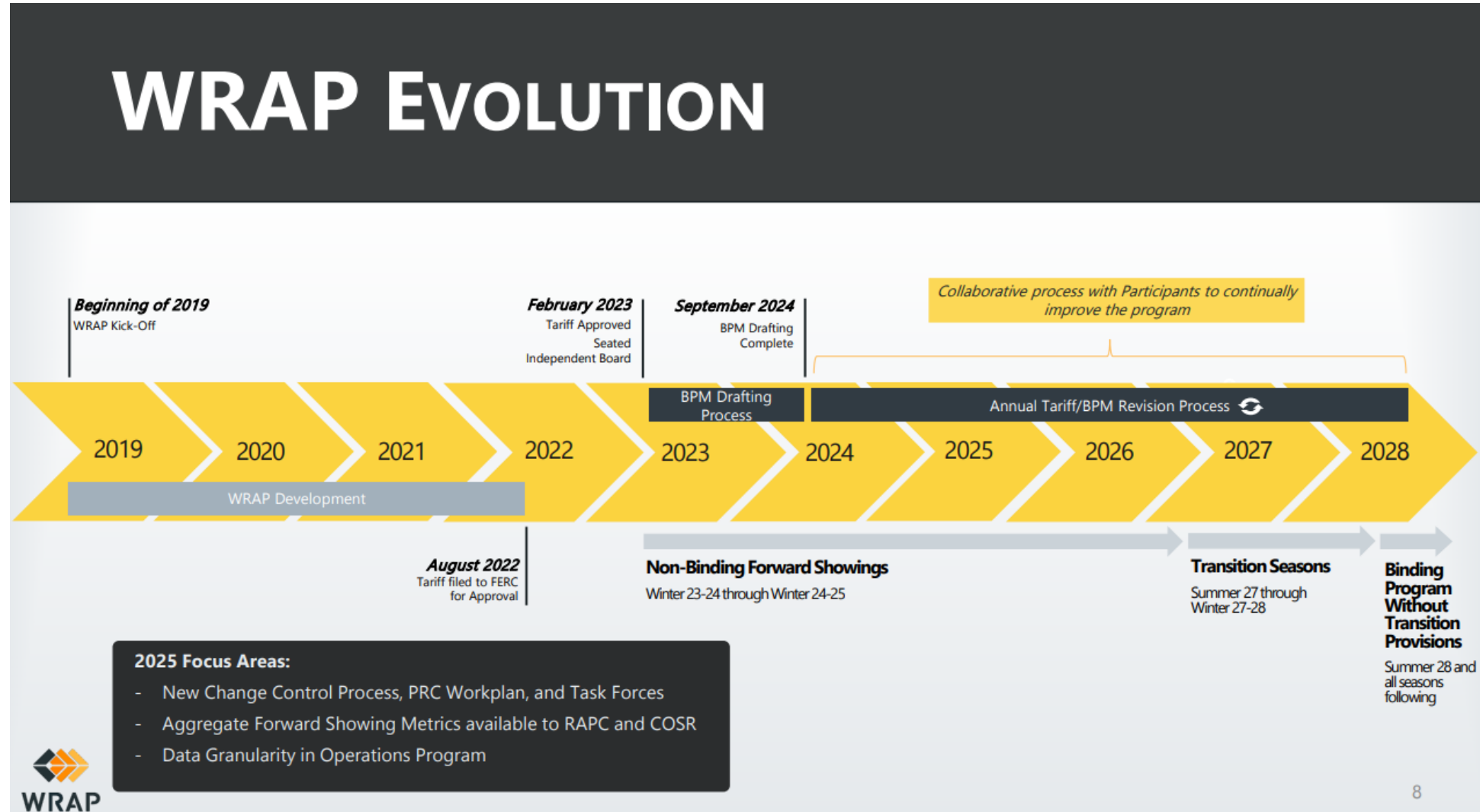
- What's Happening in WRAP
  - WPP Implementation Timeline
  - Binding Season Commitments
  - PRC Workplans
  - Current PRC Task Force Activities
- BPA Active Work with WRAP
  - Existing WRAP Participation Work
  - BPA Technical Solution for WRAP Participation
  - Customer Meetings



# What's Happening in WRAP



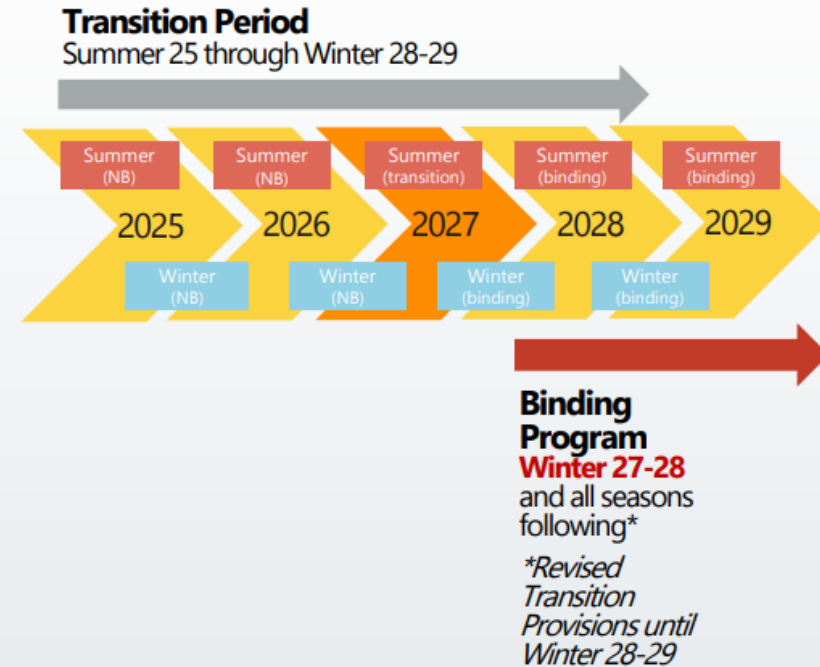
# Western Power Pool WRAP Implementation Timeline



# Revised Transition Plan Timeline

## REVISED TRANSITION PLAN

- » Participants developed a proposal for a revised transition plan approved by the Board in September 2024 and by FERC in January 2025
- » Revised plan includes changes & additions pertaining to:
  - Summer 27 Binding Season
  - Discounted Deficiency Charges
  - Assumptions of diversity sharing
  - Operations Program data sharing



# Binding Season Commitments

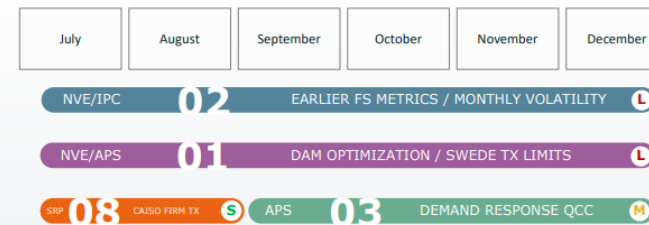
- October 31<sup>st</sup> Program Commitment
  - Official notices of withdrawal were submitted by Calpine, EWEB, NVE, PAC, PGE and PNM. PAC.
  - As November 1<sup>st</sup>, there are 16 participants that are committed to the first binding season of Winter 2027/28. The committed participants bring significant load (over 58,000 MW in peak load) and resources and a large, diverse geographic footprint, making WRAP one of the largest RA programs in the country and giving us critical mass for a binding program.

# WRAP PRC Workplans

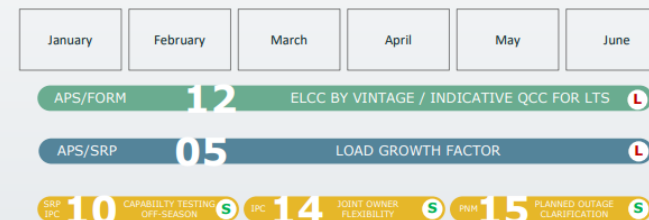
- The 2025 PRC Workplan was approved by the WPP BOD in late June.
- The 2026 PRC Workplan is under development:
  - 12 Change Request (CR) concepts were submitted prior to December 31, 2025 for consideration
  - PRC met January 28, 2026 to begin workplan development and CR prioritization.
    - A recording of the meeting is available [here](#)
  - The PRC held a prioritization vote on submitted concepts.
  - Next steps are:
    - Obtain comments from PRC members on potential work schedule
    - Create draft Work Plan
    - Submit draft work plan to the RAPC

## PRC 2025 WORKPLAN SCHEDULE

2025



2026



FS Capacity Requirement

FS Demonstration

Resource Accreditation

FS Tx Requirement

Operations Program

# Summary of Current PRC Task Force Activity

- 01 - DAM Optimization

- The DAM Task Force remains on hold while WPP develops its proposal for how to move forward. A straw-man proposal to significantly overhaul the Ops program was presented at the 1/14 meeting. The BPA WRAP team is currently evaluating this proposal and coordinating with other participants. More details from WPP are expected soon which will allow further discussion within WRAP.

- 02 – Earlier FS Metrics / Monthly Volatility

- The PRM task force has finalized its proposal to reevaluate WRAP's FS Planning Reserve Margin (FSPRM) and FS Capacity Requirement. Proposal was approved by Task Force on January 20th for advancement to the PRC.
- On January 21st PRC approved the Task Forces Proposal was ready for release for Public Comment.
- The proposal was posted for Public comment on January 21st with comment period running through February 18, 2026. Proposal is available [here](#).

# Summary of Current PRC Task Force Activity Cont.

- 08 – CAISO Firm TX

- Task Force completed its work, filing a proposal that was approved by WPP Board of Directors
- Approved changes redefined Firm Transmission for WRAP as a defined term, and added CAISO High Priority Transmission to the existing 6NN and 7 firm designation

- 03 - Demand Response QCC

- The DR task force is nearing completion of a DR dispatch optimization tool that will use participant defined parameters to establish limits on DR product performance and establish a Monthly QCC for each product. The tool is exceeding BPA's initial functionality expectations and should provide an effective means to integrate DR products into WRAP. Once complete the task force will modify the BPM and potentially tariff language to make needed changes.

# BPA Active Work with WRAP





# BPA Active Work with WRAP

## Existing WRAP Participant Work:

- Resource Adequacy Participants Committee (RAPC) – Reviewing and continuing development and design of the program to prepare for full binding operations.
- Forward Showing Work Group – Engaged in activities and discussion for FS submittals
- Ops Work Group – Submitting operations data for upcoming nonbinding winter season
- Program Review Committee (PRC) – Participating member, actively reviewing materials (including prioritizing CRFs)
- Other ongoing workgroups
  - Preparation for Winter 2026/2027 Operations Season (non-binding season)

# BPA Active Work with WRAP

## Existing WRAP Participant Work:

- NTFP – Removing PRM from FS Transmission Requirement:
  - The Comment period for this NTFP closed on 1/15.
  - BPA team has not determined how what the next steps it will take with proposal are.
  - Proposal and comments are available [here](#).

## Technical Solution for WRAP Participation:

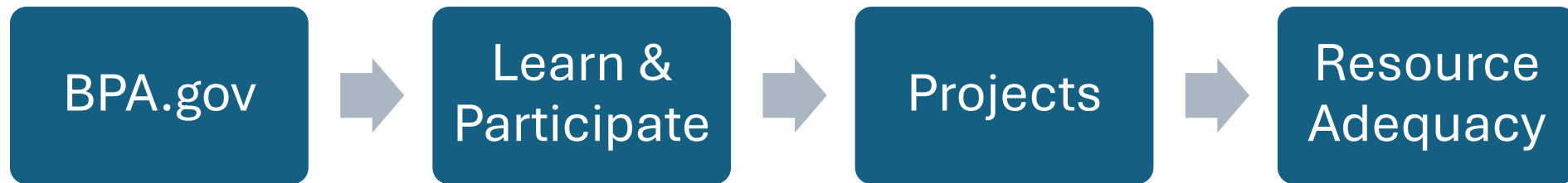
- BPA continues to refine the now live WRAP Operations data submittal system
- Work is ongoing to identify enhancements that are needed to support BPA's binding operations
- Additional information and updates to BPA Resource Adequacy website are coming soon: [Western Resource Adequacy Program - Bonneville Power Administration \(bpa.gov\)](#)

# Customer-impacted meetings

- BPA remains focused on the 2025 PRC Work Plan Task Forces
- BPA acknowledges that it needs to schedule meetings with customers who have new large single loads (NLSLs) to discuss the treatment of those loads in BPA's WRAP submittals.
  - Topics to include:
    - Load Exclusion
    - Physical Resources serving those loads
    - etc.

# Questions

- More information on BPA's participation in the WRAP can be found at: Western Resource Adequacy Program - Bonneville Power Administration (bpa.gov)



- More information on the Western Power Pool's WRAP program can be found at: <https://www.westernpowerpool.org/>

# THANK YOU

The next QBR and Technical Workshop will be held on  
**May 14, 2026**

**Didn't get your question answered?**

Email [Communications@bpa.gov](mailto:Communications@bpa.gov).

Answers will be posted to [www.bpa.gov/qbr](http://www.bpa.gov/qbr).

# APPENDIX



# Final Closeout Letter Commitments

- On December 16, 2022, BPA issued its decision to join Phase 3B. In the WRAP Final Closeout Letter, BPA committed to:
  - sharing its stakeholder engagement plan for Phase 3B participation (goal is within the first half of 2023);
  - providing program implementation updates that impact BPA and its customers; and
  - continue working with customers on outstanding items raised in comments related to WRAP implementation.



# Stakeholder Engagement Plan

- Provide transparency of program design updates and information that may impact BPA and its customers, outcomes from BPA's participation in non-binding forward showing and operations program, and resolving BPA and customer raised issues in the Final Closeout Letter
- Engagement will be consistent with external WRAP engagement outside of BPA's process
- Pursue effective and efficient two-way communication between BPA and customers, stakeholders, and external interested parties
- Engage on a predictable, standardized cadence provided there is adequate content or relevant information to discuss
- Ensure engagement opportunities occur sufficiently to inform interested parties based on program timelines and information availability and applicability

# Stakeholder Engagement Plan cont.

- Engagement with customers and stakeholders will consist of:
  - Public meetings with a minimum of 4 meetings, preferably through the QBR Technical Workshops
  - Short-term Issue-focused workshops, as needed
  - Customer-impacted meetings focused by topic, upon request
- BPA proposes to host meetings through the completion of BPA's first binding season (winter 2027-2028). BPA will work with customers to reevaluate its engagement plan and the need for its proposed meeting schedule on an annual basis through its first binding season
- Meetings will focus on BPA's participation, the development of the business practice manuals, and updates to the WRAP policies as determined by the WRAP project schedule

# Stakeholder Engagement Plan cont.

## Public meetings

- Regularly scheduled meetings four times per year, utilizing a combination of stand-alone workshops and preferably the Quarterly Business Review (QBR) Technical Workshops
  - Typically, February, May, August, and November
- Provide program design updates and information that may include any topics relevant to customer and stakeholder questions on BPA's WRAP participation

## Issue – focused workshops

- Workshops will be scheduled based on information availability from WRAP and applicability
- Will address topics raised in comments related to WRAP implementation

## Customer-impacted meetings focused by topic

- BPA will continue to meet with individual or groups of customers, upon request, to focus on their unique questions or needs.
- To the extent that there is a nexus between the implications of the WRAP and other issues of focus for customers, BPA will coordinate discussion with other BPA meetings or initiatives
- Resolution timing of customer identified items may depend on information availability from WRAP

# Stakeholder Engagement Topics

- Topics raised in comments related to WRAP implementation, including:
  - Considerations related to BPA's binding season (Winter 2027-2028)
    - The availability of transmission between loads in the SWEDE region and the FCRPS create risks that may create costs in the Forward Showing Program,
    - the uncertainty in details and requirements for the Operations Program,
    - identifying Bonneville system updates and business processes to support participation in the binding program, and
    - alignment with the timing for joining emerging regional markets
  - Treatment of NLSLs and AHWM loads related to BPA's WRAP participation
    - WRAP load exclusion process update / BPA load exclusion process between BPA and customers
  - Load exclusion process for AHWM loads caused by a single large consumer load and served solely with non-federal resources
  - Resource Adequacy Incentive rates
- Updates on Business Practice Manual development
  - Future BPM on BPA's statutory preference obligations
- Updates on Forward Showing and Operations Program development

# **SLICE REPORTING**

**Composite Cost Pool Review**

**Forecast of Annual Slice True-Up Adjustment**



# Q1 True-Up of FY 2026 Slice True-Up Adjustment

	<b>FY 2025 Forecast \$ in thousands</b>
February 12, 2026 First Quarter Technical Workshop	15,840*
May 2026 Second Quarter Technical Workshop	
August 2026 Third Quarter Technical Workshop	
November 2026 Fourth Quarter Technical Workshop	

\*Negative = Credit; Positive = Charge

# Summary of Differences From Q1 to FY26 (BP-25)

#		Composite Cost Pool True-Up Table Reference	Q1 – Rate Case \$ in thousands
1	Total Expenses	Row 101	\$(449)
2	Total Revenue Credits	Rows 120 + 129	\$(27,748)
3	Minimum Required Net Revenue	Row 156	100,009
4	TOTAL Composite Cost Pool (1 - 2 + 3) $\$(449) - \$(27,748) + \$100,009 = \$127,308$	Row 161	\$127,308
5	TOTAL in line 4 divided by 0.9439553 sum of TOCAs $\$127,308 / 0.9439553 = \$134,866$	Row 163	\$134,866
6	QTR Forecast of FY26 True-up Adjustment 11.74505 percent of Total in line 5 $0.1174505 * \$134,866 = \$15,840$	Row 164	\$15,840

# FY26 Impacts of Debt Management Actions

#	Description	FY26 Q1	FY26 Rate Case	CCP	Delta from the FY26 rate case
1	MRNR Section of Composite Cost Pool Table				
2	<b>Principal Payment of Federal Debt</b>	-			
3	Regional Cooperation Debt (RCD)	\$ 371,000,000	\$ 371,000,000		\$ -
4	Debt Service Reassignment (DSR)		\$ -		\$ -
5	Energy Northwest's Line Of Credit (LOC)	\$ -	\$ -		\$ -
6	Rate Case Scheduled Base Power Principal*	\$ 146,000,000	\$ 66,000,000		\$ (80,000,000)
7	Repayment due to FY26 RDC		\$ -		\$ -
8	<b>Total Principal Payment of Fed Debt</b>	<b>\$ 517,000,000</b>	<b>\$ 437,000,000</b>	row 132	<b>\$ (80,000,000)</b>
9	<b>Prepay</b>	<b>\$ (27,270,544)</b>	<b>\$ (27,270,544)</b>		<b>\$ -</b>
10	<b>Nonfederal Bond Principal Payment</b>	<b>\$ 56,170,000</b>	<b>\$ 36,162,000</b>	row 135	<b>\$ (20,008,000)</b>



# Composite Cost Pool Interest Credit

## Allocation of Interest Earned on the Bonneville Fund (\$ in thousands)

	<u>Q1 2026</u>
1 Fiscal Year Reserves Balance	570,255
2 Adjustments for pre-2002 Items	<u>16,341</u>
3 Reserves for Composite Cost Pool (Line 1 + Line 2)	586,596
4 Composite Interest Rate	4.83%
5 Composite Interest Credit	(28,348)
6 Prepay Offset Credit	0
7 Total Interest Credit for Power Services	(20,569)
8 Non-Slice Interest Credit (Line 7 – (Line 5 + Line 6))	7,778

# Net Interest Expense in Slice True-Up Q1

	<b>FY26 Rate Case</b>	<b>Q1</b>
	<u>(\$ in thousands)</u>	<u>(\$ in thousands)</u>
• Federal Appropriation	28,017	28,017
• Capitalization Adjustment	(45,937)	(45,937)
• Borrowings from US Treasury	39,368	39,368
• Prepay Interest Expense	3,329	3,329
• <b>Interest Expense</b>	<b>24,778</b>	<b>24,778</b>
• AFUDC	(20,002)	(20,002)
• Interest Income (composite)	(18,891)	(28,348)
• Prepay Offset Credit	0	0
• <b>Total Net Interest Expense</b>	<b>(14,116)</b>	<b>(23,572)</b>

# Draft Schedule for Slice True-Up Adjustment for Composite Cost Pool True-Up Table and Cost Verification Process

Dates	Agenda
February 12, 2026	First Quarter Technical Workshop
May 2026	Second Quarter Technical Workshop
August 2026	Third Quarter Technical Workshop
October 2026	BPA External CPA firm conducting audit for fiscal year end
Mid-October 2026	Recording the Fiscal Year End Slice True-Up Adjustment Accrual
End of October 2026	Final audited actual financial data is expected to be available
November 2026	Fourth Quarter Business Review and Technical Workshop Meeting Provide Slice True-Up Adjustment for the Composite Cost Pool (this is the number posted in the financial system; the final actual number may be different)
November 16, 2026	Mail notification to Slice Customers of the Slice True-Up Adjustment for the Composite Cost Pool
November 18, 2026	BPA to post Composite Cost Pool True-Up Table containing actual values and the Slice True-Up Adjustment
December 10, 2026	Deadline for customers to submit questions about actual line items in the Composite Cost Pool True-Up Table with the Slice True-Up Adjustment for inclusion in the Agreed Upon Procedures (AUPs) Performed by BPA external CPA firm (customers have 15 business days following the BPA posting of Composite Cost Pool Table containing actual values and the Slice True-Up Adjustment)
December 28, 2026	BPA posts a response to customer questions (Attachment A does not specify an exact date)
January 12, 2027	Customer comments are due on the list of tasks (The deadline can not exceed 10 days from BPA posting)
February 3, 2027	BPA finalizes list of questions about actual lines items in the Composite Cost Pool True-Up Table for the AUPs

# Composite Cost Pool True-Up Table

COMPOSITE COST POOL TRUE-UP TABLE				
		Q1 (\$000)	Rate Case forecast for FY 2026 (\$000)	Q1- Rate Case Difference
1	Operating Expenses			
2	Power System Generation Resources			
3	Operating Generation			
4	COLUMBIA GENERATING STATION (WNP-2)	\$ 368,402	\$ 348,985	\$ 19,417
5	BUREAU OF RECLAMATION	\$ 195,235	\$ 195,235	\$ 0
6	CORPS OF ENGINEERS	\$ 300,597	\$ 300,597	\$ (0)
7	CRFM STUDIES	\$ 12,510	\$ 12,510	\$ -
8	LONG-TERM CONTRACT GENERATING PROJECTS	\$ 28,239	\$ 30,482	\$ (2,243)
9	Sub-Total	\$ 904,983	\$ 887,809	\$ 17,174
10	Operating Generation Settlement Payment and Other Payments			
11	COLVILLE GENERATION SETTLEMENT	\$ 21,761	\$ 27,523	\$ (5,762)
12	SPOKANE LEGISLATION PAYMENT	\$ 5,440	\$ 6,881	\$ (1,441)
13	AMORTIZATION OF P2IP SETTLEMENT PAYMENTS	\$ 14,222	\$ 14,222	\$ (0)
14	Sub-Total	\$ 41,423	\$ 48,626	\$ (7,203)
15	Non-Operating Generation			
16	TROJAN DECOMMISSIONING	\$ 1,300	\$ 1,300	\$ -
17	WNP-1&3 DECOMMISSIONING	\$ 1,875	\$ 1,400	\$ 475
18	Sub-Total	\$ 3,175	\$ 2,700	\$ 475
19	Gross Contracted Power Purchases			
20	PNCA HEADWATER BENEFITS	\$ -	\$ -	\$ -
21	OTHER POWER PURCHASES (omit, except Designated Obligations or Purchases)	\$ -	\$ -	\$ -
22	Sub-Total	\$ -	\$ -	\$ -
23	Bookout Adjustment to Power Purchases (omit)			
24	Augmentation Power Purchases (omit - calculated below)			
25	AUGMENTATION POWER PURCHASES	\$ -	\$ -	\$ -
26	Sub-Total	\$ -	\$ -	\$ -
27	Exchanges and Settlements			
28	RESIDENTIAL EXCHANGE PROGRAM (REP)	\$ 287,051	\$ 287,051	\$ (0)
29	OTHER SETTLEMENTS	\$ -	\$ -	\$ -
30	Sub-Total	\$ 287,051	\$ 287,051	\$ (0)
31	Renewable Generation			
32	RENEWABLES (excludes Kill)	\$ 14,662	\$ 15,396	\$ (734)
33	Sub-Total	\$ 14,662	\$ 15,396	\$ (734)
34	Generation Conservation			
35	CONSERVATION ACQUISITION	\$ 74,157	\$ 65,385	\$ 8,773
36	CONSERVATION INFRASTRUCTURE	\$ 21,993	\$ 32,443	\$ (10,450)
37	LOW INCOME WEATHERIZATION & TRIBAL	\$ 5,805	\$ 6,005	\$ (200)
38	DISTRIBUTED ENERGY RESOURCES	\$ -	\$ 500	\$ (500)
39	MARKET TRANSFORMATION	\$ 14,000	\$ 15,000	\$ (1,000)
40	Sub-Total	\$ 115,956	\$ 119,333	\$ (3,377)
41	Power System Generation Sub-Total	\$ 1,367,250	\$ 1,360,914	\$ 6,335
42				

# Composite Cost Pool True-Up Table

COMPOSITE COST POOL TRUE-UP TABLE				
		Q1 (\$000)	Rate Case forecast for FY 2026 (\$000)	Q1- Rate Case Difference
43	<b>Power Non-Generation Operations</b>			
44	<b>Power Services System Operations</b>			
45	INFORMATION TECHNOLOGY	\$ -	\$ -	\$ -
46	GENERATION PROJECT COORDINATION	\$ 6,284	\$ 4,501	\$ 1,784
47	ASSET MGMT ENTERPRISE SVCS	\$ 1,470	\$ -	\$ 1,470
48	SLICE IMPLEMENTATION	\$ 753	\$ 835	\$ (82)
49	<b>Sub-Total</b>	<b>\$ 8,508</b>	<b>\$ 5,336</b>	<b>\$ 3,172</b>
50	<b>Power Services Scheduling</b>			
51	OPERATIONS SCHEDULING	\$ 11,045	\$ 12,028	\$ (983)
52	OPERATIONS PLANNING	\$ 8,029	\$ 11,861	\$ (3,832)
53	<b>Sub-Total</b>	<b>\$ 19,074</b>	<b>\$ 23,889</b>	<b>\$ (4,815)</b>
54	<b>Power Services Marketing and Business Support</b>			
55	GRID MOD	\$ 25,033	\$ 324	\$ 24,709
56	EIM INTERNAL SUPPORT	\$ -	\$ -	\$ -
57	POWER INTERNAL SUPPORT (REP support costs included here)	\$ 17,747	\$ 23,323	\$ (5,576)
58	COMMERCIAL ENTERPRISE SVCS	\$ 8,047	\$ -	\$ 8,047
59	OPERATIONS ENTERPRISE SVCS	\$ 5,510	\$ -	\$ 5,510
60	POWER R&D	\$ 1,654	\$ 2,156	\$ (501)
61	SALES & SUPPORT	\$ 12,880	\$ 14,504	\$ (1,624)
62	STRATEGY, FINANCE & RISK MGMT	\$ -	\$ 4,385	\$ (4,385)
63	STRATEGIC PROJECTS COMM ACT	\$ -	\$ -	\$ -
64	EXECUTIVE AND ADMINISTRATIVE SERVICES	\$ -	\$ -	\$ -
65	CONSERVATION SUPPORT	\$ 9,475	\$ 9,555	\$ (80)
66	<b>Sub-Total</b>	<b>\$ 80,345</b>	<b>\$ 54,246</b>	<b>\$ 26,099</b>
67	<b>Power Non-Generation Operations Sub-Total</b>	<b>\$ 107,927</b>	<b>\$ 83,470</b>	<b>\$ 24,456</b>
68	<b>Power Services Transmission Acquisition and Ancillary Services</b>			
69	TRANSMISSION and ANCILLARY Services - System Obligations	\$ 2,304	\$ 2,304	\$ -
70	3RD PARTY GTA WHEELING	\$ 92,013	\$ 92,013	\$ -
71	POWER 3RD PARTY TRANS & ANCILLARY SVCS (Composite Cost)	\$ 3,300	\$ 3,300	\$ 0
72	TRANS ACQ GENERATION INTEGRATION	\$ 23,492	\$ 23,492	\$ 0
73	EESC CHARGES (Composite)*	\$ (1,663)	\$ -	\$ (1,663)
74	TELEMETERING/EQUIP REPLACENT	\$ -	\$ -	\$ -
75	<b>Power Services Trans Acquisition and Ancillary Serv Sub-Total</b>	<b>\$ 119,446</b>	<b>\$ 121,109</b>	<b>\$ (1,663)</b>
76	<b>Fish and Wildlife/USF&amp;W/Planning Council/Environmental Req</b>			
77	Fish & Wildlife	\$ 290,969	\$ 275,484	\$ 15,484
78	USF&W Lower Snake Hatcheries	\$ 33,756	\$ 33,777	\$ (21)
79	Planning Council	\$ 12,493	\$ 12,041	\$ 452
80	Long Term Funding Agreements	\$ -	\$ 18,403	\$ (18,403)
81	Fish & Wildlife RDC Funds	\$ 11,000	\$ -	\$ 11,000
82	Lower Snake Hatcheries RDC Funds	\$ 4,300	\$ -	\$ 4,300
83	<b>Fish and Wildlife/USF&amp;W/Planning Council Sub-Total</b>	<b>\$ 352,517</b>	<b>\$ 339,705</b>	<b>\$ 12,812</b>
84	<b>BPA Internal Support</b>			
85	Additional Post-Retirement Contribution	\$ 13,837	\$ 16,442	\$ (2,605)
86	Agency Services G&A (excludes direct project support)	\$ 111,744	\$ 141,885	\$ (30,141)
87	<b>BPA Internal Support Sub-Total</b>	<b>\$ 125,581</b>	<b>\$ 158,328</b>	<b>\$ (32,747)</b>

# Composite Cost Pool True-Up Table

COMPOSITE COST POOL TRUE-UP TABLE				
		Q1 (\$000)	Rate Case forecast for FY 2026 (\$000)	Q1- Rate Case Difference
88	Bad Debt Expense	\$ -	\$ -	\$ -
89	Other Income, Expenses, Adjustments	\$ -	\$ -	\$ -
90	Depreciation	\$ 148,559	\$ 148,559	\$ (0)
91	Amortization	\$ 334,392	\$ 334,392	\$ (0)
92	Accretion (CGS)	\$ 42,607	\$ 42,607	\$ 0
93	<b>Total Operating Expenses</b>	<b>\$ 2,598,278</b>	<b>\$ 2,589,084</b>	<b>\$ 9,194</b>
94				
95	<b>Other Expenses and (Income)</b>			
96	Net Interest Expense	\$ 169,684	\$ 180,472	\$ (10,789)
97	Irrigation assistance	\$ 21,933	\$ 20,662	\$ 1,271
98	LDD	\$ 42,035	\$ 42,155	\$ (121)
99	Irrigation Rate Discount Costs	\$ 22,029	\$ 22,034	\$ (5)
100	<b>Sub-Total</b>	<b>\$ 255,680</b>	<b>\$ 265,323</b>	<b>\$ (9,643)</b>
101	<b>Total Expenses</b>	<b>\$ 2,853,958</b>	<b>\$ 2,854,407</b>	<b>\$ (449)</b>
102				
103	<b>Revenue Credits</b>			
104	Generation Inputs for Ancillary, Control Area, and Other Services Revenues	\$ 116,029	\$ 115,267	\$ 761
105	Downstream Benefits and Pumping Power revenues	\$ 20,937	\$ 21,193	\$ (256)
106	4(h)(10)(c) credit	\$ 113,907	\$ 124,911	\$ (11,004)
107	PRSC Net Credit (Composite)	\$ (4,067)	\$ -	\$ (4,067)
108	Colville and Spokane Settlements	\$ 4,600	\$ 4,600	\$ -
109	NR Revenues from ESS (Capacity)	\$ 9,389	\$ 9,502	\$ (113)
110	FPS Real Power Losses (Capacity)	\$ 32,241	\$ 44,745	\$ (12,504)
111	Miscellaneous revenues	\$ 12,291	\$ 12,952	\$ (661)
112	Renewable Energy Certificates	\$ -	\$ -	\$ -
113	Net Revenues from other Designated BPA System Obligations (Upper Baker)	\$ 485	\$ 485	\$ (0)
114	RSS Revenues	\$ 3,416	\$ 3,416	\$ -
115	Firm Surplus and Secondary Adjustment (from Unused RHHM)	\$ 94,894	\$ 94,894	\$ -
116	Balancing Augmentation Adjustment	\$ 834	\$ 834	\$ -
117	Transmission Loss Adjustment	\$ 35,579	\$ 35,579	\$ -
118	Tier 2 Rate Adjustment	\$ 8,243	\$ 8,243	\$ -
119	NR Revenues (Firm Energy)	\$ 706	\$ 706	\$ -
120	<b>Total Revenue Credits</b>	<b>\$ 449,483</b>	<b>\$ 477,327</b>	<b>\$ (27,845)</b>
121				
122	<b>Augmentation Costs (not subject to True-Up)</b>			
123	Tier 1 Augmentation Resources (includes Augmentation RSS and Augmentation RS	\$ 11,347	\$ 11,347	\$ -
124	Augmentation Purchases (including Other Augmentation)	\$ 7,021	\$ 7,021	\$ -
125	<b>Total Augmentation Costs</b>	<b>\$ 18,368</b>	<b>\$ 18,368</b>	<b>\$ -</b>
126				
127	<b>DSI Revenue Credit</b>			
128	Revenues 12 aMW @ IP rate	\$ 4,490	\$ 4,393	\$ 96
129	<b>Total DSI revenues</b>	<b>\$ 4,490</b>	<b>\$ 4,393</b>	<b>\$ 96</b>
130				

# Composite Cost Pool True-Up Table

COMPOSITE COST POOL TRUE-UP TABLE				
		Q1 (\$000)	Rate Case forecast for FY 2026 (\$000)	Q1- Rate Case Difference
131	<b>Minimum Required Net Revenue Calculation</b>			
132	Principal Payment of Fed Debt for Power*	\$ 517,000	\$ 437,000	\$ 80,000
133	Repayment of Non-Federal Obligations (EN Line of Credit)	\$ -	\$ -	\$ -
134	Repayment of Non-Federal Obligations (CGS, WNP1, WNP3, N. Wasco, Cowlitz Falls)	\$ 56,170	\$ 36,161	\$ 20,009
135	<b>Sub-Total</b>	<b>\$ 573,170</b>	<b>\$ 473,161</b>	<b>\$ 100,009</b>
136	Depreciation	\$ 148,559	\$ 148,559	\$ (0)
137	Amortization	\$ 334,392	\$ 334,392	\$ (0)
138	Accretion	\$ 42,607	\$ 42,607	\$ 0
139	Capitalization Adjustment	\$ (45,937)	\$ (45,937)	\$ 0
140	Amortization of Refinancing Premiums/Discounts (MRNR - Reverse Sign)	\$ (42,053)	\$ (42,053)	\$ -
141	Amortization of Cost of Issuance (MRNR-reverse sign)	\$ 208	\$ 208	\$ -
142	Gains/Losses on Extinguishment	\$ -	\$ -	\$ -
143	Payments for Litigation Stay Agreements	\$ (10,600)	\$ (10,600)	\$ -
144	Amortization of P2IP Settlement Payments	\$ 14,222	\$ 14,222	\$ (0)
145	Non-Cash Expenses	\$ -	\$ -	\$ -
146	Prepay Revenue Credits	\$ (30,600)	\$ (30,600)	\$ -
147	Non-Federal Interest (Prepay)	\$ 3,329	\$ 3,329	\$ -
148	Contribution to decommissioning trust fund	\$ (15,700)	\$ (15,700)	\$ -
149	Gains/losses on decommissioning trust fund	\$ (16,849)	\$ (16,849)	\$ -
150	Interest earned on decommissioning trust fund	\$ -	\$ -	\$ -
151	Revenue Financing Requirement	\$ (39,000)	\$ (39,000)	\$ -
152	Capital Financing (RCD)	\$ -	\$ -	\$ -
153	Other Adjustments	\$ -	\$ -	\$ -
154	<b>Sub-Total</b>	<b>\$ 342,578</b>	<b>\$ 342,578</b>	<b>\$ (0)</b>
155	Principal Payment of Fed Debt plus Irrigation assistance exceeds non cash expenses	\$ 230,592	\$ 130,583	\$ 100,009
156	Minimum Required Net Revenues	\$ 230,592	\$ 130,583	\$ 100,009
157				
158	Annual Composite Cost Pool (Amounts for each FY)	\$ 2,648,945	\$ 2,521,638	\$ 127,308
159				
160	<b>SLICE TRUE-UP ADJUSTMENT CALCULATION FOR COMPOSITE COST POOL</b>			
161	TRUE-UP AMOUNT (Diff. between Rate Case and Forecast)	127,308		
162	Sum of TOCAs	0.9439553		
163	Adjustment of True-Up Amount when actual TOCAs < 100 percent	134,866		
164	TRUE-UP ADJUSTMENT CHARGE BILLED (11.74505 percent)	15,840		