



June 5, 2023

Dan James and Jess Kincaid
Bonneville Power Administration
905 NE 11th Avenue
Portland, OR 97232

Re: Request to Exercise Five-Year Extension Clause for Contract No.11EO-40087
Between Bonneville Power Administration and Bonneville Environmental Foundation

Mr. James and Ms. Kincaid:

BEF has been privileged to work for over two decades in service to BPA. During this time, BEF has built dozens of utility relationships and provided essential expertise and capacity to address strategic and customer utility needs that are not met by current programs led by BPA or COUs. Importantly, BEF has successfully used funding from BPA to leverage millions of dollars annually to address emerging priorities that benefit BPA, utility customers, and tribes served by BPA. By continuing to capitalize on BEF's a) non-profit status; b) entrepreneurial and technical capacity; and c) ability to access private, state, and federal funding, BEF remains focused on delivering and expanding value to BPA and its customers.

Partnership Extension

Per the terms of Amendment #1 for contract No. 11EO-40087, BEF may request that BPA approve a five-year extension beyond the current contract's term. The current agreement stipulates that during the 3rd year (2023) of the agreement—and no later than November 23, 2023—BEF shall have the right to request that BPA activate a five-year extension clause. This letter serves as BEF's formal request that BPA approve the five-year extension for Agreement No. 11EO-40087.

To this end, the BEF staff and board respectfully request that BPA undertake the following steps with regard to contract No. 11EO-40087:

1. Initiate an internal review of this request and solicit public comment required to approve the five-year extension clause stipulated in Amendment #1 dated October 8, 2018.
2. In any amendment or new agreement between BEF and BPA, include an extension clause that may be granted or denied at the sole discretion of BPA.
3. Continue to explore with BEF where there are the greatest opportunities for BEF to deliver financial and strategic value to BPA through innovation, partnership, and leveraged funding.

Why Renewal is Important

BEF is an entrepreneurial and resilient non-profit organization operating a range of programs that deliver value to BPA customer utilities and communities across the BPA

service territory. Throughout BEF's history, our partnership with BPA has remained a focal point of our mission, and our current agreement with BPA allows BEF to intentionally focus important resources in service to BPA, customer utilities, and public power. BEF's ability to maintain a core emphasis on providing funding, leverage, and direct support for BPA mission activities and public power remains contingent upon our agreement and working partnership with BPA.

Financial Value Add and Leveraged Funding

BEF's legacy includes using funding from BPA to leverage, facilitate, and/or unlock financial resources that expand investment in projects, partnerships, and programs that support BPA-served utilities and reinforce the BPA mission. By capitalizing on grants, private sector partnerships, market-based products, and federal and state funding and incentives, BEF is a force multiplier: we leverage millions of dollars annually to maximize value provided to utilities, tribes, and communities served by BPA. Over the past three years, we conservatively estimate that BEF has facilitated and/or leveraged **more than \$20M** in state, federal, and private funding and incentives to deliver value to BPA and its utility customers.

With unprecedented federal funding available over the next 5 years for grid resilience, renewable energy, and community and tribal energy and watershed priorities, BPA-served utilities and communities are increasingly seeking BEF's assistance to gain access to federal funds and deliver projects and programs that reinforce public power benefits and priorities. During the past year, for example, BEF helped utilities and other partners align with multiple funding programs and proposals to access newly available federal funding—this has resulted in more **than \$10M in funding** requests already in place for FY 24 to support public power. Without BEF's active role as an intermediary, many utilities and underserved public power communities will lack access to federal funding programs available to support grid resilience, market transformation, and community energy benefits.

Growing Demand for BEF Service and Support

Over the past five years there has been steady and growing demand from COUs, tribes, and BPA-served communities for BEF's support to design, fund, advise, develop, and implement projects and programs that respond to the changing energy economy and growing customer demand for resilient energy systems, zero emission vehicles, and low carbon energy.

BEF's ability to directly serve public power communities and the BPA mission is facilitated through our agreement with BPA. Extending this agreement sets the stage for continued, focused efforts to provide direct funding, service, leverage, and technical support that serves BPA utility customers and increases public power resilience in a rapidly changing energy landscape.

On the Ground Impact

BEF focuses on projects and programs that support direct and positive on-the-ground impact for utilities and communities. As such, BEF is not a political advocacy organization, but is an advocate and agent supporting actions that benefit public power and the BPA mission. By establishing direct partnerships with utilities, communities, tribes, school districts, and others—and providing resources and direct program support to these entities—BEF strives to understand local needs and deliver tangible, on-the-ground impact that benefits utilities and their customers. A continued partnership

between BEF and BPA allows BEF to maintain a focus on direct service to public power interests across the region.

BEF Board Leadership

BEF has recruited and retained top public power professionals to lead the organization and ensure that BEF is effectively supporting the priorities of BPA and public power. The current BEF board of directors includes a rural utility general manager, a former BPA executive, and an ex-officio member that is a current BPA executive. Together, these leaders help steward, inform, and guide BEF's work to ensure alignment with BPA and its customers. Extending the current agreement ensures that BEF will retain board leadership that understands—and is focused on—value to BPA and customer utilities.

Cost Effective

BEF manages a lean, entrepreneurial, and cost-effective organization that maximizes services and benefits with a minimum of cost. As a result, BEF provides support to regional utilities and partners that in many cases minimizes the need to pay market rates for third-party consulting services. Exercising the extension clause in Contract No. 11EO-40087 ensures that high value and low-cost support services will continue to serve utilities and communities served by BPA. Replacing these services through another means would result in higher cost for many public power stakeholders.

A Legacy of Collaboration

BEF's board and staff are honored to have partnered with BPA for over 20 years. However, most important to our organization is the clear evidence that our collaboration generates measurable value and increased financial benefit for BPA and COU interests across the region. We remain acutely aware of the agency's commitment to sustain financial health, manage costs, and provide cost-competitive power products for the benefit of BPA-served communities and utilities. We assert that BEF's work directly reinforces this objective as BEF augments the value and impact of every BPA dollar—**with BEF routinely leveraging BPA funding on a more than 3:1 basis.** We remain at your service and stand ready to discuss and demonstrate how the extension of our agreement will support BPA's ongoing efforts to manage costs and improve the resiliency of public power.

We look forward to ongoing collaboration with BPA on this critical work, and we thank you for your consideration of this request.

Sincerely,



Todd Reeve
CEO

cc: Josh Warner