BPA Focus 2028

Scoping Discussion
Nov. 18, 2015
8:30-10:30 a.m.
Phone Bridge: 1-713-353-7024   PASSCODE: 6337708#
Live Meeting
# Agenda

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<td><strong>8:30 – 8:50</strong></td>
<td>BPA Focus 2028</td>
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<td>• Overview and Objectives</td>
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<td>• Kickoff Meeting Recap</td>
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<td>• Draft topics for February Forum</td>
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<td><strong>8:50 – 10:15</strong></td>
<td>Open Discussion:</td>
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<td>• Topics nominations for February Forum</td>
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<td>• Scenarios to analyze or integrate</td>
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<td><strong>10:15 – 10:30</strong></td>
<td>Recap and Next Steps</td>
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Call Logistics

• Please do not place your phone on hold during this call.
• When not contributing, please mute your phone. To mute or unmute, press *6.
• We will use LiveMeeting to manage the queue of questions, comments, and suggestions.

1. Join the question or comment queue by raising your hand.
2. Exit the queue by lowering your hand.
BPA Focus 2028

- BPA is focused on being the low-cost energy provider of choice when new power sales contracts are offered in the next decade.
- There are many factors that are placing upward pressure on BPA’s long-term costs structure that could call into question BPA’s long-term cost competitiveness and financial health.
- Through Focus 2028, stakeholders will develop a shared understanding of the interplay between industry changes, program management, costs and long-term rates that BPA must balance.
- BPA Focus 2028 will identify opportunities, timing, and forums for future policy, program, and funding decisions.
BPA Focus 2028
Focus 2028 Process

October

November

December

January

February

March

April

Kickoff (11/4)

Tech Workshop, Reference Case (10/27)

Ongoing Collaborative Engagements

Forum Discussions (February)

Close-Out Document (March/April)

Close-Out Meeting (March)
Kick-off Recap

• Meeting Flow:
  – Administrator opening remarks
  – BPA Executive presentations on financial health and power/transmission cost structures
  – Industry panel exploration of future trends, opportunities, and threats BPA may face in the future
Kick-off Recap

- BPA’s vision of being an engine of economic prosperity and environmental sustainability remains strong.
- BPA’s goal is to be low cost provider to customers beyond 2028.
- There are significant risks and uncertainties.
- Significant choices to be made investing in programs and physical assets. BPA wants to ensure investments are made wisely.
- We need to think of the long-term when making decisions.
- Reference Case is a strong tool. Offers a basis for comparing alternatives. The Reference Case is not a forecast of 2030 rates.
What We Heard

• Speed and agility are critical to competitiveness in fast changing landscape.
• Competitiveness is a nuanced concept. BPA should consider differences among customers as it considers competitiveness.
• Implications of low load-growth projections.
• BPA should demonstrate rigorous cost control, careful prioritization, and sequencing of investments.
• Diversity of stakeholders is challenging. Will not agree on everything, but there is common ground.
• BPA’s view of success must go beyond financial health and encompass the environmental health of the Basin.
• Big changes are coming including market evolution, technology advancements, climate change regulations, and physical changes to the climate.
  – Consumers want renewables, low cost, and high reliability.
  – BPA needs to manage resources to meet the evolving environment.
  – The PNW needs to adjust to the world around us.
Draft Themes for February Forum

• Financial Health metrics and policies
• Cost Management practices
• Fish and Wildlife – performance-based environmental stewardship
• Energy Efficiency – optimizing program design for scale and flexibility
• Fed Hydro Investments – value and viability: a long-view approach to fed hydro stewardship
• Transmission – finding balance in business and builds
Discussion and Input

• Themes for February Forum
  – Additions? Subtractions? Alterations?
• Scenarios for context and discussion
  – Key landscape trends, opportunities, or threats to integrate into topics

Join the question or comment queue by raising your hand.
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What’s Next: Prepare for February

- Refine scope topics discussed today.
- Collaborative engagement for planning and implementation (incl. specific topics).
- Design February forum agenda and session approaches.
- Develop information and materials.
- Publish February meeting logistics and materials.
- Host forum.