

BPA Policy 140-1

Delegations of Authority to Bind the Bonneville Power Administration

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1. Purpose & Background

This document sets forth policies governing delegations of authority within the Bonneville Power Administration (BPA) and documents "static" delegations of authority for certain positions.

The BPA Administrator's authorities are derived from BPA's organic statutes, as well as other Federal statutes, regulations, Department of Energy Directives, rules, policies, and delegations. In exercising his/her authority, the Administrator may elect to delegate discrete areas of responsibility and authority to BPA executives and individual employees. The Administrator may permit further delegation of such authorities by BPA executives and individuals to whom he/she has delegated authority.

The policy of the federal government is to document lines of authority that bind the government to third parties.

2. Policy Owner

The BPA Administrator is the owner of this policy. The Chief Compliance Officer and the Compliance and Governance organization have overall responsibility for implementing, monitoring, reporting, evaluating, and proposing revisions to this policy.

3. Applicability

BPA employees with delegated authorities to bind BPA to third parties. This policy does not include Administrative Designations which are covered in BPA policy 140-2.

4. Terms & Definitions

- A. **Delegation of Authority:** The specific transfer of authority from one official (Delegator) to another official (Delegate) to bind BPA to a third party.
- B. **Binding:** Actions taken that legally obligate BPA.
- C. **Customer Contract Management (CCM) system:** The official BPA system repository of record for creating, assigning, approving, and rescinding Delegations of Authority.
- E. **Delegator:** An individual with appropriate authorities who delegates any or all of those authorities to another individual (Delegate), usually a subordinate.
- F. **Delegate:** An individual to whom authority is delegated.
- G. **Delegation of Authority Reviewing Official:** A designated individual that serves as reviewer of all Non-Standard Delegations of Authority.
- H. **Non-Standard Delegation of Authority:** A Delegation of Authority that is not standardized and automatically generated in the CCM system based on a proposed delegate's title and organization. This type of delegation must be manually entered in CCM and requires approval in the CCM system workflow from the Delegation of Authority Reviewing Official before being fully executed.

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5. Policy

- A. It is BPA’s policy to explicitly delegate authority from one individual to another for the purposes of binding BPA. No authorities to bind BPA may be implied. All authorities must be documented as a static delegation and/or an individual delegation.
- B. The two types and methods of delegating authority are:
 1. **Static Delegations of Authority:** Broad and position-specific Delegations of Authority to bind BPA that may also require an accompanying Individual Delegation of Authority. Static delegations are typically assigned to the BPA Administrator by an outside entity or other Federal agency. The Administrator, in turn, further delegates such authorities to specific positions/job titles or individuals within BPA. Static Delegations of Authority currently in place at BPA are documented in this policy.
 2. **Individual Delegations of Authority:** Delegations issued by the Administrator directly to individuals within the BPA who may, in turn, issue further delegations to bind the BPA based upon business need. Individual Delegations of Authority are created using an online data management system and stored as Federal records in the Delegations of Authority application within the Customer Contract Management (CCM) system.
- C. A Delegation of Authority does not relieve the Delegator of responsibility for actions taken pursuant to the delegation. Nor does a delegation divest the Delegator of the authority delegated.
- D. A Delegator may rescind any of the authority he/she has delegated at any time; and all Individual Delegations of Authority must be rescinded using the CCM system.
- E. Upon a Delegator’s permanent change of position within BPA, rescission of a Delegator’s authorities, or upon separation, all delegations issued by that Delegator are grandfathered and remain in place unless otherwise rescinded.
- F. Except where noted in this policy for the line of succession for the Administrator’s Delegations of Authority to other members of the executive office, in the temporary absence of a Delegate, regardless of the duration, a designated “acting” individual does not assume the Delegation of Authority of the temporarily absent Delegate. A Delegator may either choose to issue a new delegation for the acting individual using the CCM system, or retain the delegated responsibilities of the absent Delegate.
- G. Actions taken in good faith to bind BPA to a third party by an individual without the appropriate Delegated Authority may be ratified in writing by a Delegate with the appropriate authority.
- H. Actions contrary to the Delegations of Authority provided to a Delegate may be grounds for disciplinary action, including removal.

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- I. In the event of an emergency rendering the Administrator unable to execute his/her authorities, the following executives shall succeed the Administrator in the order indicated.

Emergency Line of Succession:

1. Deputy Administrator
2. Chief Operating Officer (COO)
3. Chief Administrative Officer (CAO)
4. Executive Vice President and General Counsel
5. Executive Vice President/Chief Financial Officer
6. Senior Vice President, Transmission Services
7. Senior Vice President, Power Services
8. Chief Information Officer
9. Transmission Chief of Staff
10. VP Transmission Systems Operations
11. VP Transmission Field Services
12. VP Transmission Planning and Asset Management
13. VP Transmission Engineering and Technical Services
14. VP Transmission Marketing and Sales
15. Western Area Power Administrator
16. Account Executive Spokane

Except for the Deputy Administrator, COO and the CAO, all other executives acting as Administrator shall appoint an individual to act in their executive position while such executive is acting as Administrator.

The acting Administrator shall perform the duties and exercise the powers of the Administrator except where otherwise provided by Federal law or regulation. Any person exercising the functions of the Acting Administrator shall sign documents as “Acting Administrator.”

J. Static Delegations of Authority to Bind BPA

1. Administrator

- a. The BPA Administrator’s delegations of authority are derived from and documented in statute; in regulations; from the Secretary of the Department of Energy; and, in some instances, from other Federal agencies.

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- b. In a non emergency situation, the Deputy Administrator, Chief Operating Officer (COO), and Chief Administrative Officer (CAO) may, in the Administrator’s absence or lack of availability, act with the full authority of the Administrator in the following order:
- i. Deputy Administrator
 - ii. Chief Operating Officer
 - iii. Chief Administrative Officer
 - iv. The Deputy Administrator, Chief Operating Officer (COO), and Chief Administrative Officer (CAO) may also act in the absence or lack of availability of each other in the order identified above in sub section 2, J 1 of this subsection.
2. **Deputy Administrator:** The Administrator delegates all authority related to the areas of responsibility as documented in BPA Policy 130-4, Functional Statement of the Office of the Deputy Administrator. Deputy Administrator delegations are documented in an Individual Delegation of Authority located in the CCM system.
 3. **Chief Operating Officer (COO):** The Administrator delegates all authority related to the areas of responsibility as documented in BPA Policy 130-6, Functional Statement of the Office of the Chief Operating Officer. COO delegations are documented in an Individual Delegation of Authority located in the CCM system.
 4. **Executive Vice President, Chief Administrative Officer (CAO):** The Administrator delegates all authority related to the areas of responsibility as documented in BPA Policy 130-7, Functional Statement of the Office of the Chief Administrative Officer. CAO delegations are documented in an Individual Delegation of Authority located in the CCM system.
 5. **Executive Vice President, Chief Financial Officer (CFO):** The Administrator delegates the following authorities to the EVP, CFO:

Execution of third-party financing transactions (including, but not limited to, leases and other similar agreements) and related construction contracts. This authority is limited by the *Non-Federal Debt Delegation*¹ attached to this Policy. Additionally, the designation of a specific person in this position for this authority must be documented in the CCM system as a Delegation of Authority from the Administrator.
 6. **Head of Contracting Activity (HCA) aka the Purchasing/Property Governance Officer:** The Administrator delegates the following authorities to the Purchasing/Property Governance Officer:

¹ This document will be stored in the BPA Internal Policy Library and is included as a reference to any individual delegations in the CCM system

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- a. Issuance and promulgation of BPA procurement policy as outlined in the Bonneville Purchasing Instructions (BPI) and the Federal Acquisition Institute (FAI).
- b. Execution and termination of procurement contracts.
- c. Settlement of all claims associated with procurement contracts. All settlement authority shall be exercised in consultation with the BPA Office of General Counsel.
- d. Authority to make and issue all protest decisions.

Authorities outlined in section J may be further delegated.

6. Policy Exceptions

Administrative Designations as defined in BPA Policy 140-2.

7. Responsibilities

A. Delegator:

- 1. Further delegates his/her authority, if appropriate, using the online CCM system for Delegations of Authority records.
- 2. Implements, documents and assures compliance with any controls for the execution of the delegated authorities, either in a separate procedural document, in an A-123 process control document, in the delegate’s position description and performance plan, or separate assignment of responsibility documents.
- 3. Rescinds, using the CCM system, any authority he/she has delegated if a delegate is no longer authorized to exercise the authority, or if a delegate leaves a position.

B. Delegate:

- 1. Exercises delegated authorities in compliance with the delegation, this policy and any additional procedures and controls.
- 2. Accepts a delegation, indicating that the delegate understands the Delegation and this policy.

C. BPA Chief Compliance Officer:

- 1. Acts as BPA’s Delegation of Authority Reviewing Official.
- 2. Reviews and sign off on all Non-Standard Delegations of Authority.

D. Customer Support Services:

- 1. Operates and maintains the Customer Contract Management (CCM) system for creation and lifecycle management of Delegation of Authority records.
- 2. Provides a controls reference documents library for restricted internal access and use by Delegation of Authority preparers, Delegators and Delegates.
- 3. Provides technical training and support for Delegation of Authority preparers.

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E. **Agency Compliance and Governance:** Manages and leads the Delegations of Authority Working Group.

F. **Delegations of Authority Working Group (DAWG):**

1. Ensures delegations are prepared using consistent standards and are implemented according to BPA policies and the discretion of the Administrator.
2. Works collaboratively to ensure Delegations of Authority comport with this policy, other BPA policies and with BPA's internal controls policy and program; group members serve as liaisons with business organization management and delegates for all matters related to Delegations of Authority; and to communicate changes to appropriate audience and stakeholders.
3. Continuously improves Delegations of Authority development, documentation and lifecycle management.
4. Resolves Delegations of Authority issues as they arise, recommending appropriate actions for approval by BPA executive management, the Internal Controls Oversight Team (ICOT), and the Audit, Compliance and Governance Committee (ACGC).
5. Discusses, interprets and resolves issues regarding the application of Delegations of Authority against contract execution and other responsibilities. Consults with the office of General Counsel, subject matter experts and higher level decision makers as appropriate.
6. Updates this policy based upon BPA business requirements.

8. Standards & Procedures

Procedures to execute a Delegation of Authority are outlined in BPA Procedures No. 130-1-1. To request/initiate or modify a Delegation of Authority (static or individual), contact your Delegation of Authority Working Group member. For a list of members visit the Agency Compliance & Governance / Delegation of Authority Working Group Sharepoint site.

9. Performance & Monitoring

Ongoing monitoring and review of the CCM Delegations of Authority records system by CCM staff and members of the DAWG to determine appropriate application of this policy and CCM system requirements. Such monitoring will include, but is not limited to: number of ratifications requested and review of delegation repository to assure appropriate rescissions are in place due to employee separations.

10. Authorities & References

- A. Department of Energy Delegation Order No. 00-033-00B, Delegation of Authority to the Administrator and Chief Executive Officer of the Bonneville Power Administration.
- B. Bonneville Project Act, 16 USC Chapter 12 B, August 20, 1937.

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- C. Federal Columbia River Transmission System Act of 1974, 16 USC Chapter 12G.
- B. Customer Contract Management (CCM), Delegations of Authority.
- C. BPA Delegation of Authority Procedures 140-1-1.

11. Review

This policy will be reviewed every five years starting in 2020.

12. Revision History

Version	Issue Date	Description of Change
1	8/6/2015	Sunset Review, updated to reflect only binding delegations policy and reformatted to new policy template.
2	7/31/2018	Added WAPA Administrator to the line of succession.
2.1	10/29/2018	Current template
2.2	12/31/2018	Updated emergency line of succession per John Nguyen

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BPA Policy 140-1 Appendix A

Non-Federal Debt Financing Delegation of Authority Memorandum to Executive Vice President and Chief Financial Officer from the Administrator and Chief Executive Officer of Bonneville Power Administration

The intention underlying this Delegation of Authority Memorandum is to delegate to the Executive Vice President (EVP) and Chief Financial Officer (CFO) authority on the behalf of the Administrator and Chief Executive Officer of Bonneville Power Administration (Administrator) to execute documents (with the exception of Letters of Representation described in this Part II below) in connection with the issuance and sale of Third Party Debt Obligations (as described in Part I below). Nothing in this Delegation shall be interpreted to enable BP A to transact the issuance and sale of a Third Party Debt Obligation to closing without the knowledge and approval thereof by the Administrator as evidenced by the execution by the Administrator of (i) a Letter of Representation (as described in Part II below) or (ii) another document designated by the Administrator as evidencing his or her knowledge and approval of the issuance and sale of the related Third Party Debt Obligation.

The Administrator hereby delegate to the EVP and CFO, the authorities outlined below:

For bonds, notes, or other debt obligations (which, for purposes of this Delegation shall include, but shall not be limited to, notes issued to a lending bank or financial institution) that are (a) issued by an entity (Issuer) other than BPA, (b) the debt service of which is secured by payments and/or net billing or similar bill crediting commitments by BP A, and (c) carried on or will be carried on Federal Columbia River Power System (FCRPS) Audited Financial Statements as Non-Federal Debt or Liabilities or an equivalent designation (such obligations are referred to herein as Third Party Debt Obligations), I hereby delegate to the EVP and CFO authority to execute the documents described in this Part I that are required of BPA by entities to transact the issuance and sale of Third Party Debt Obligations to closing and to administer the same. These entities

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include, but are not limited to, underwriters, counsel to underwriters, Issuers, bond counsel to Issuers, tax counsel opining on the exclusion from income tax of the interest of Third Party Debt Obligations, banks or financial institutions acting as lenders under Third Party Debt Obligations, counsel to banks or financial institutions acting as lenders under Third Party Debt Obligations, and bond insurers or letter of credit providers.

For absence of doubt, Third Party Debt Obligations include bonds, notes or other debt obligations for any purpose that are issued by (x) Energy Northwest and are secured by BPA's commitment to purchase project capability under net billing agreements in respect of the related projects, (y) an owner of transmission facilities that leases such facilities to BPA under a master lease-purchase agreement and related lease commitments, or under a similar lease-purchase agreement for a single facility or project (collectively, Lease-Purchase Agreements, as further defined below) and are secured by BPA's commitment to make lease payments in respect of the related facilities, and (z) an entity from whom BPA is acquiring or has acquired a "resource" as defined in 16 U.S.C. 839(19) and are secured by BPA's commitment to acquire the related conservation or electric power resource on a project capability basis.

Part I. Specific Documents and Actions

With the exception of Letters of Representation described in Part II below, these documents include, but are not limited to:

1. Tax certificates or tax compliance agreements under which BPA certifies to certain statements of fact and enters into certain covenants upon which tax counsel relies in rendering an opinion to the effect that interest on the related Third Party Debt Obligations is exempt from income tax by certain taxing authorities, including the United States; and Powers of Attorney (on Internal Revenue Service Form 2848) authorizing outside legal counsel to represent BPA before the Internal Revenue Service (IRS) in connection with future audits or Voluntary Closing Agreement Program proceedings associated with debt issued for the benefit of BPA - or, if called upon, to respond directly to IRS questions about any such debt instruments;
2. Certificates, apart from Letters of Representation as described in Part II below, to the effect that the agreements by BPA providing security for Third Party Debt Obligations have not been challenged and remain in full force and effect;
3. Continuing disclosure agreements under which BPA commits to provide information to investors periodically in accordance with Rule 15c2-12 of the Securities Exchange Act of 1934 (the Rule) and the promulgation or the submission of such information for promulgation in accordance with the Rule;
4. Limited letters of representation (so-called 'bring-down' letters) to the effect that prior securities disclosure relating to BP A in an Official Statement or other offering document

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with respect to specified Third Party Debt Obligations (which securities disclosure had theretofore been approved by the BP A Administrator in a Letter of Representation as described in Part II below) remains not materially misleading as of the date of closing for the issuance of the Third Party Debt Obligations;

5. Letters or certificates approving the issuance and sale by an Issuer of Third Party Debt Obligations, any indenture or resolution of an Issuer authorizing the issuance and sale of Third Party Debt Obligations, or any action of the Issuer for which the indenture or resolution requires the approval of BPA;
6. Construction agreements (or similar documents) providing for BP A to construct transmission facilities that are to be lease-purchased by BPA and financed through Third Party Debt Obligations (Construction Agreements). The authority provided in this section 6 includes authority to indemnify and hold harmless Issuers from liability arising from their participation in the related facilities and the issuance of Third Party Debt Obligations and/or in connection with their participation in such Construction Agreements;
7. Lease-Purchase Agreements through which BPA commits to make lease payments for designated transmission facilities, which commitments and payments are security for Third Party Debt Obligations. The authority provided in this section 7 includes authority to indemnify and hold harmless Issuers from liability arising from their participation in the related facilities and the issuance of Third Party Debt Obligations and/or in connection with their participation in the Lease-Purchase Agreements;
8. Agreements, amendments or supplements to existing agreements, approvals, acknowledgments, consents, representations, certificates, and any other documents which may be necessary or appropriate:
 - a. To enable the transfer of the ownership of lease-purchase transmission facilities by an Issuer to another owner (including but not limited to transfers in which new Third Party Debt Obligations with respect to the transferred facilities will be issued by the new owner) or to BPA;
 - b. To terminate or enable the termination of Construction Agreements and Lease Purchase Agreements (including any related lease commitments) securing Third Party Debt Obligations, whether or not new Third Party Debt Obligations in respect of the related facilities will be issued at all or by the same Issuer under a new or amended and restated Lease-Purchase Agreement or by another Issuer under a Lease-Purchase Agreement between such Issuer and BP A;
 - c. To enable the payment, cancellation, retirement, defeasance or termination, at or prior to final maturity, of Third Party Debt Obligations, and any agreement entered into by the Issuer in connection with such Third Party Debt Obligations (including but not limited to Credit Agreements and Custodial and Security Agreements between the Issuer and a lending bank or financial institution) and

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- any agreements between the Issuer and a fund or account trustee in connection with such Third Party Debt Obligations;
- d. To assign to another entity BPA's option in a Lease-Purchase Agreement to purchase transmission facilities covered thereunder or to extend the lease term; and
 - e. To provide for the use and application of funds during the term of or upon termination or expiration of a Lease-Purchase Agreement, a Construction Agreement, or any agreement entered into by BP A and or the Issuer in connection with Third Party Debt Obligations (including but not limited to Credit Agreements and Custodial and Security Agreements between the Issuer and a lending bank or financial institution in respect of a note).

The authority provided in this section 8 includes authority to indemnify and hold harmless fund and account trustees and Issuers arising from their participation in the issuance of Third Party Debt Obligations and in their performance in connection with Lease-Purchase Agreements and Construction Agreements, and in connection with the termination of the foregoing;

- 9. Any document necessary or appropriate to the exercise by BPA of any right or option in a Lease-Purchase Agreement, Construction Agreement, or any agreement entered into by BPA or the Issuer in connection with Third Party Debt Obligations (including but not limited to Credit Agreements and Custodial and Security Agreements between the Issuer and a lending bank or financial institution in respect of a note) (such a right or option includes but is not limited to the exercise by BPA of an option to purchase transmission facilities and any document to assign such an option from one Issuer to another Issuer to enable the latter Issuer to acquire such specified facilities in connection with the issuance and sale by it of Third Party Debt Obligations for such facilities); and
- 10. Where BPA employees are otherwise properly delegated authority to perform specified duties in connection with ongoing operations relating to Third Party Debt Obligations and under related agreements such as Lease-Purchase Agreements, resource acquisition agreements, Credit Agreements, Custodial and Security Agreements, Construction Agreements, bond resolutions and indentures, certifications to the effect that the signatures of such BPA employees are true and correct and may be relied on by funds and accounts trustees, Issuers, and lending banks and financial institutions in connection with Third Party Debt Obligations.

This delegation includes authority to amend, amend and restate or supplement, or to consent to the amendment, amendment and restatement, or supplementation of, the foregoing documents (including without limitation changing the definition or description of a project as described under a related Lease-Purchase Agreement), and, to the extent such a document provides BP A with a right of termination, to terminate such document in accordance with its terms, or to the

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extent it provides BP A with an option or any other right, to exercise such option or right in accordance with its terms, or to the extent it provides BP A a right or obligation to approve or consent to actions under agreements to which BP A is or is not a party, to provide such approvals or consents.

Part II. Exclusions for Letters of Representation

This delegation specifically does not include authority to execute certain "Letters of Representation" to be delivered by BPA:

1. To the Issuer and/or underwriters at the time of and to enable the sale of Third Party Debt Obligations, and which Letters of Representation represent and/or warrant that, among other things:
 - a. Information provided by or about BP A in final Official Statements (or similar offering statements) in connection with the issuance and sale of Third Party Debt Obligations is not materially misleading;
 - b. BPA agreements securing the related Third Party Debt Obligations remain in full force and effect and are valid and binding obligations of BPA enforceable in accordance with their terms;
 - c. Information provided by or about BP A in connection with Preliminary Official statements (or similar preliminary offering statements) was not materially misleading as of the date such document was made available to the investing public; and
 - d. BPA will assist in providing updated securities disclosure prior to the of end of a defined period that is beyond the "end of the underwriting period" as required under Securities Exchange Commission rules applicable to underwriters;

2. To the Issuer and/or a financial institution, bank or other lender at the time of and to enable the issuance by the Issuer of one or more Third Party Debt Obligations, and which Letters of Representation represent and/or warrant that, among other things that:
 - a. Information provided by or about BPA in prior final Official Statements (or similar offering statements) in connection with the issuance and sale of Third Party Debt Obligations together with other information provided by BP A, is fair and accurate, or that there has been no material adverse change in BP A's financial condition since the date of the prior final Official Statement (or similar offering statement); and/or

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- b. BPA agreements securing the related Third Party Debt Obligations are or remain in full force and effect and are valid and binding obligations of BPA enforceable in accordance with their terms;

The assumption underlying the reservation of authority in this Part II is that a Letter of Representation is required to transact the issuance and sale of Third Party Debt Obligations to closing. In no event shall the issuance and sale of any Third Party Debt Obligation occur unless the Administrator's knowledge and approval has been obtained by means of the execution by the Administrator of a Letter of Representation or another document designated by the Administrator as providing such knowledge and approval;

For purposes of this delegation, a certificate of the kind referred to in Part I, section 2 above, or a bring-down letter as referred to in Part I, section 4 are not Letters of Representation as provided in this Part II;

- 3. To BPA's external auditors to enable the inclusion of BPA's Annual Report and/or other financial information in Preliminary Official Statements or Official Statements (or similar offering statements), and which Letters of Representation represent and/or warrant that, among other things:
 - a. No information has come to light that would require modifications to management representations previously given in connection with the issuance of the Annual Report;
 - b. No events have occurred subsequent to the previous fiscal year end that would require adjustment to or disclosure in the Annual Report; and
 - c. BPA management is responsible for the completeness and accuracy of all information supplied to BPA's external auditors.

Part III. Scope and Limitations/Further Delegations

During your absence, this authority may be delegated to another individual acting in your absence. Prior to further delegating of this authority, you shall consult with me.

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