

Financial Plan Refresh
 Public Comment Summary from public workshop
 January 12, 2022

Row #	Stakeholder	Comment	BPA Response
1	WPAG	Please confirm the list of Asset Categories subject to the Strategic Asset Management Plan process and any Asset Categories that are not?	<p>The following Asset Categories go through the SAMP process: Transmission, Federal Hydro, Facilities, EF&W, IT, Fleet, and Security.</p> <p>The Columbia Generation Station Asset Category does not participate in BPA’s SAMP process. Columbia Generation Station has its own, mature asset management program.</p>
2	WPAG	Please provide a list of prioritized assets for one of the Asset Categories subject to the Strategic Asset Management Plan and then a companion list of this same population of assets that made it into the Asset Plan and ultimately in to Integrated Program Review budgets.	<p>Our SAMPs discuss an overall strategy, and not a full list of projects/assets needed to implement that strategy. Asset Plans do identify specific projects to implement the SAMP’s strategy for assets, but do not contain a complete list of projects/assets that tie directly to the IPR budgets.</p> <p>In the February 9th workshop, managers for each Asset Category will discuss how they create the capital forecasts that are included in the SAMP and IPR budgets.</p>
3	WPAG	Please give an example of a change that happened to Integrated Program Review budgets because of customer feedback on Strategic Asset Management Plan or Asset Plan prioritization.	<p>SAMPs were first shared for BP-22, and we did not have specific customer feedback on the SAMP during the SAMP public workshops or IPR. BPA’s Asset Plans are internal documents on which BPA does not seek customer feedback.</p> <p>SAMPs are plans, not authorizing documents. These plans are an input to the IPR process where stakeholders can provide comments and suggestions, and such feedback can result in changes to IPR budgets. Most recently, during BP-22, BPA incorporated a Transmission capital lapse factor of \$73 million for rate setting purposes as a result of the IPR-2 process.</p>
4	WPAG	Give an example of an asset that was a priority in the BPA 2018-2023 Strategic Plan, went through the entire process and is now in service.	<p>The 2018-2023 Strategic Plan identifies high level organizational Strategic Goals and Objectives; it does not identify or prioritize specific assets or projects. For example, Strategic Goal 2 of the 2018-2023 Strategic Plan is to “Modernize Assets and System Operations,” with Objective 2b: “Modernize federal power and transmission system operations and supporting technology.” The Dworshak Tailrace Gantry Crane \$1.88 million (direct) project is an example of a project that supports this objective and is now in service. This project was identified in the 2018 Strategic Asset Plan with spend to start in FY19. The project was completed in October of 2021. The primary objective of this project was to provide a reliable tailrace gantry crane to support operations, maintenance, and emergency activities for units and other associated systems which require dewatering.</p>



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5	WPAG	Give an example of an asset that was not a priority in the BPA 2018-2023 Strategic Plan, went through the entire process and did not get ratepayer funding.	<p>The 2018-2023 Strategic Plan and SAMPs do not include a list of specific projects/assets. Rather, the Strategic Plan provides organizational strategy, and the SAMPs provide high-level, long-term actions plans. Individual assets or groupings of assets included in Asset Plans should align with the high-level guidance from the Strategic Plan and SAMPs.</p> <p>Inclusion in an Asset Plan does not mean a project has been approved. As discussed on slide 29 of the January 12th presentation, all capital projects require a business case and are approved by business unit executives. A recent example of a project that did not initially get approved is the Midway-Ashe double circuit line rebuild. It initially was not approved due to unfavorable economics. However, it was approved later when economics improved.</p>
6	NIPPC	Does BPA intend the SAMP to help anticipate future incremental demand for transmission capacity? If not, how does BPA incorporate that kind of anticipatory information, if at all, into its capital investment plans?	<p>At a high level, the SAMPs do reflect the anticipated future incremental costs and demand for transmission needs. However, such issues are addressed in more detail in our Transmission Plan, <i>available at</i> https://www.bpa.gov/transmission/CustomerInvolvement/TransmissionPlan/Pages/default.aspx.</p> <p>Acknowledging the many uncertainties that exist in the evolving energy industry, the Transmission Plan is a 10-year outlook, and is a robust yet flexible forecast of Transmission needs as stated in the Transmission Plan. The Transmission Plan is refreshed annually and documents Transmission needs from the annual reliability system assessment, transmission service requests, new generation, and line & load interconnection requests.</p>
7	NIPPC	NIPPC had previously asked how BPA was able to forecast its transmission capital requirements for 20 years out. BPA responded: The forecasted debt issuance aligns to the capital investment plans outlined in Strategic Asset Management Plans (10 year plan). For years 11 and beyond we apply an inflation assumption. Please provide the inflation assumption formula that BPA applies to	The inflation rates are from BPA's official interest rate forecast which was published in the BP-22 rate case. As for the inflation calculations, year 11 is based on the last year of the IPR capital forecast. Year 12 is inflated from Year 11, and so forth.

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		<p>the SAMP 10 year plan for years 11 to 20. Is the inflation assumption applied only to year 10 investment; or to the average investment for years 1 to 10. Or is there some other formula? Given the “lumpiness” of large new transmission assets (or other grid assets like the proposed Vancouver Control Center), NIPPC would be concerned about a formula that applies an inflation assumption to a single year’s capital requirement</p>	
8	NIPPC	<p>NIPPC is concerned that the sharing of draft Transmission SAMPs which outline transmission infrastructure maintenance, repair and replacement for the coming rate period may provide BPA’s marketing employees with early notice of transmission outages and line de-rates in violation of the Standards of Conduct rules. With this advance notice, BPA’s market function could have a head start over other market participants in making alternative transmission arrangements. Please explain how sharing the draft SAMP is consistent with, and does not violate, the Standards of Conduct</p>	<p>BPA will consult with its SOC compliance office to ensure that the internal distribution of draft Transmission SAMPs complies with SOC rules.</p>