

IPR Follow Up Questions

Does BPA plan to share its assessment of capital projects included in the IPR budget publicly? If not, please advise on when those may be viewed.

No, BPA does not plan to publicly share assessments of capital projects included in the IPR. Customer and compliance driven projects consume the majority of Transmission's capacity and therefore assessments are not a major prioritization factor at this time.

Please provide a detailed list of projects it expects to go into service between now and the end of 2021.

While we could provide a list of transmission projects likely to go into service by the end of FY21, discretionary projects are often deferred to make resources available to emergent customer and compliance driven projects. Because some discretionary projects will be deferred for emergent customer driven projects, such a list would provide an inaccurate picture within a few months of publication.

BPA treats projects that are customer requested and funded in advance as required projects; while they do not require BPA capital they do require BPA staff and crews to be completed. How are these projects prioritized?

Customer requested projects are prioritized in accordance with realistic need dates; for example, a line/load interconnection required to meet a customer utility's actual load growth, or a generation developer's interconnection request that is legitimized by signed power purchase and transmission service agreements.

Please provide the detail about BPA's Transmission "Action Plan?"

The reference on page 45 in the initial publication to an "Action Plan" is incorrect and should have been "Asset Plan". Transmission's initial Asset Plan in the Institute of Asset Management / ISO 55000 format is currently in development.

Has there been a cost-benefit analysis performed regarding pushing out Transmission "O&M flexibility" projects? If so, please share those results.

When deferring O&M flex projects cost-benefit factors are only one consideration. The availability of human resources to manage the projects based on the magnitude and type of emergent customer-driven and compliance projects, and urgent sustain (replacement) needs for reliability is the main factor considered.



BPA states that keeping the budget flat will create a larger backlog of sustain projects. Has BPA done an assessment of what that causes capital spending to look like long term? How does that impact the risk of significant outages?

Reference page 45 of the initial publication, in the last paragraph: “Transmission Services’ current and projected spending annual spending level is approximately \$300 million direct” This annual investment level, adjusted for inflation, is expected to continue for the next decade. As described in the middle of page 47, Transmission’s developing capability in risk and criticality assessment, to be substantially established by the end of FY21, will enable Transmission to make better informed equipment replacement decisions to maintain acceptable reliability levels at modest investment levels.

Please provide the annual spending detail for the projects on page 48 of the detailed report?

Annual spending projections for specific projects do not include unforeseen risks realized during project execution. When risks materialize and as the project managers deal with them, the financial projections are updated. For this reason, sharing annual projections for individual projects would provide a misleading picture. Cost growth, if any, is actively tracked and managed within Transmission Services and at the agency level for larger projects.

Although forecast direct transmission capital spending is reduced when comparing the 2016 IPR to the 2018 IPR for FY20-28, forecast transmission indirect capital costs increased by \$220 million. Please provide detail on why the forecast amount increasing?

The difference in the Transmission capital indirect FY20 – FY28 estimate increased because of a change in calculation methodology. During the FY16 IPR capital indirect costs were based on the asset prioritization modeling indirect assumptions. While this insured consistency for individual project comparison purposes, the modeling assumptions for indirect calculations proved to be too low. For the FY18 IPR we determined that basing the indirect costs on actual trending was more accurate.

