

# BPA NEWS

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BONNEVILLE POWER ADMINISTRATION

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## **BPA lowers average power rates for fiscal years 2022-2023**

*BPA sets rates for power and transmission and makes changes to its tariff  
that will enable a future decision on potentially joining an energy imbalance market*

**Portland, Oregon** – The Bonneville Power Administration will decrease power rates by an average of 2.5% and slashed its proposed transmission rate increase in half to an average of 6.1%. The new rates were announced as BPA released the final record of decision for its BP-22 power and transmission rate case as well as the TC-22 tariff proceeding.

The TC-22 tariff proceeding adopted new language in BPA’s open access transmission tariff that will enable the power marketer to participate in the Western Energy Imbalance Market if BPA chooses to do so. The decision of whether to join the Western EIM is a separate process outside of the TC-22 proceeding and is anticipated to be made by the end of the fiscal year.

Under the settlement adopted by the BP-22 Record of Decision, the firm power tier 1 rates will decrease by 2.5% for fiscal years 2022 and 2023. Looking back over the previous decade, BP-22 will cap a 10-year period during which BPA’s power rate trajectory increased by less than 2 percent annually, which is in line with historical inflation rates.

“Rates that have matched inflation – not just in a single rate case, but over a sustained period – is proof of BPA’s commitment to bending the cost curve and driving down rate pressures on our power rates,” said BPA Administrator John Hairston. “Today’s announcement demonstrates we are financially strong, competitive and responsive to our customers’ needs.”

With Transmission, the settlement provided for a 6.1% average effective rate increase across the rate period – a number roughly half of what was proposed in the BP-22 Initial Proposal.

“We’ve landed in a spot where BPA will be able to continue to keep its transmission commitments and re-invest in the value of BPA’s transmission infrastructure in a fiscally sound and responsible manner,” Hairston said.

Beyond rates, the BP-22 Record of Decision also establishes revenue financing for up to \$40 million for both the Power and Transmission business lines. This financing will allow BPA to issue



less debt and decrease upward rate pressures in subsequent rate cases. The ROD also established the implementation of the Short-Distance Discount in the point-to-point Transmission rate and addressed the equitable treatment of fish and wildlife costs.

As part of the settlement, BPA has committed to holding workshops on various topics of interest to customers, including revenue financing, EIM costs and benefits, balancing services, the Eastern Intertie, and transmission losses.

### **TC-22 changes to tariff enable potential EIM participation**

The TC-22 tariff proceeding updated language in BPA's tariff, including addressing the terms and conditions that will apply to transmission service if BPA decides to participate in the Western Energy Imbalance Market. The adoption of this language enables the potential participation of BPA in the Western EIM without committing BPA to that path.

The TC-22 proceeding also addressed Southern Intertie studies, transmission planning process, real power loss return, the removal of an exception for designation of Seller's Choice agreements, ministerial edits to service agreement templates, generator interconnection procedures and requirements, and credit standards.

"We appreciate the work customers and stakeholders did with us during the tariff case," said Hairston. "Confronting and solving these issues demonstrates that BPA, its customers and the region benefit from a tariff designed by the Northwest for the Northwest."

The changes captured by the final RODs for BP-22 and TC-22 will be effective October 1. Specific to rates, BPA will file the case with the Federal Energy Regulatory Commission, requesting interim approval to start on that date while awaiting final FERC approval.

BPA initiated both the BP-22 power and transmission rate case and the TC-22 proceeding in December 2020. The final RODs as well as Information on meetings and publications are available on the [BP-22 rate case website](#) and the [TC-22 proceeding website](#).

### **About BPA**

*The Bonneville Power Administration, headquartered in Portland, Oregon, is a nonprofit federal power marketer that sells wholesale, carbon-free hydropower from 31 federal dams in the Columbia River Basin. It also markets the output of the region's only nuclear plant. BPA delivers this power to more than 140 Northwest electric utilities, serving millions of consumers and businesses in Washington, Oregon, Idaho, western Montana and parts of California, Nevada, Utah and Wyoming. BPA also owns and operates more than 15,000 circuit miles of high-voltage power lines and 261 substations, and provides transmission service to more than 300 customers. In all, BPA provides nearly a third of the power generated in the Northwest. To mitigate the impacts of the federal dams, BPA implements a fish and wildlife program that includes working with its partners to make the federal dams safer for fish passage. It also pursues cost-effective energy savings and operational solutions that help maintain safe, affordable, reliable electric power for the Northwest. [www.bpa.gov](http://www.bpa.gov)*