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Briefing for the Incoming Biden Administration, 2020

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FOIA/Privacy Act Officer Mail Stop DK CGI-7

Bonneville Power Administration

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# **Department of Energy**

Bonneville Power Administration P.O. Box 3621 Portland, Oregon 97208-3621

FREEDOM OF INFORMATION ACT/PRIVACY PROGRAM

January 21, 2021

In reply refer to: FOIA #BPA-2021-00250-F

The Bonneville Power Administration (BPA) has received your request for records submitted to the agency under the Freedom of Information Act, 5 U.S.C. § 552 (FOIA). Your request was received January 4, 2021, and was assigned tracking number of BPA-2021-00250-F. Please use that number in any correspondence with the agency regarding your request. This communication is the agency's formal acknowledgment and final response to your request.

### Request

"A digital/electronic copy of the transition briefing document(s) (late 2020) prepared by the Bonneville Power Administration for the incoming Biden Administration."

#### Acknowledgement

BPA reviewed your request and determined that it fulfills all of the criteria of a proper request under the FOIA and the Department of Energy's (DOE) FOIA regulations at Title 10, Code of Federal Regulations, Part 1004.

#### Response

The agency collected 5 pages responsive records from knowledgeable personnel in the Regional Relations office. Those 5 pages accompany this communication and are being released to you in full, with no redactions applied.

#### Fees

There are no fees associated with the processing of your FOIA request.

#### Certification

Pursuant to 10 C.F.R. § 1004.7(b)(2), I am the individual responsible for the records search and records release described above. Your FOIA request BPA-2021-00250-F is now closed with the responsive agency information provided.

# Appeal

The adequacy of the search may be appealed within 90 calendar days from your receipt of this letter pursuant to 10 C.F.R. § 1004.8. Appeals should be addressed to:

Director, Office of Hearings and Appeals HG-1, L'Enfant Plaza U.S. Department of Energy 1000 Independence Avenue, S.W. Washington, D.C. 20585-1615

The written appeal, including the envelope, must clearly indicate that a FOIA appeal is being made. You may also submit your appeal by e-mail to OHA.filings@hq.doe.gov, including the phrase "Freedom of Information Appeal" in the subject line. (The Office of Hearings and Appeals prefers to receive appeals by email.) The appeal must contain all the elements required by 10 C.F.R. § 1004.8, including a copy of the determination letter. Thereafter, judicial review will be available to you in the Federal District Court either (1) in the district where you reside, (2) where you have your principal place of business, (3) where DOE's records are situated, or (4) in the District of Columbia.

Questions about this communication may be directed to BPA FOIA Public Liaison Jason E. Taylor at 503-230-3537 or <a href="mailto:jetaylor@bpa.gov">jetaylor@bpa.gov</a>. Additionally, you may contact the Office of Government Information Services (OGIS) at the National Archives and Records Administration to inquire about the FOIA mediation services they offer. The contact information for OGIS is as follows:

Office of Government Information Services National Archives and Records Administration 8601 Adelphi Road-OGIS College Park, Maryland 20740-6001 E-mail: ogis@nara.gov

Phone: 202-741-5770 Toll-free: 1-877-684-6448

Fax: 202-741-5769

Questions about this communication may be directed to Thanh Knudson, Flux Resources LLP, at email <a href="mailto:etknudson@bpa.gov">etknudson@bpa.gov</a>, or 503-230-5221.

Sincerely,

Candice D. Palen

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Freedom of Information/Privacy Act Officer

Responsive agency information accompanies this communication.

#### BONNEVILLE POWER ADMINISTRATION

**1.** <u>Supporting the DOE Mission</u> – Bonneville supports Objective 4: "Improve electric grid reliability and resilience" of Goal 1, Promote American Energy Dominance.

With Bonneville's responsibility to serve the majority of the Northwest region's high voltage needs, Bonneville's asset management strategy for transmission covers nine primary asset programs including alternating current substations, direct current substations, control centers, power system control, system telecommunications, system protection control, rights-of-way, wood pole lines and steel lines. The assets within these programs deliver electric power to more than 12 million people.

In its 2018 – 2023 Strategic Plan, Bonneville adopted a more flexible, scalable, economical and operationally efficient approach to managing its transmission system. To ensure right-sized asset investments, Bonneville is increasing its reliance on advanced technology, robust regional planning, industry standard commercial practices and coordinated system operations. Bonneville is committed to taking a forward-looking approach with its investment decisions and is improving its capital investment program through the systematic incorporation of criticality, health and risk into investment prioritization.

- **2.** <u>Mission Statement</u> The Bonneville Power Administration's mission as a public service organization is to create and deliver the best value for our customers and constituents as we act in concert with others to assure the Pacific Northwest:
  - An adequate, efficient, economical and reliable power supply;
  - A transmission system that is adequate to the task of integrating and transmitting power from federal and non-federal generating units, providing service to Bonneville's customers, providing interregional interconnections, and maintaining electrical reliability and stability; and
  - Mitigation of the impacts on fish and wildlife from the federally owned hydroelectric projects from which Bonneville markets power.
  - Bonneville is committed to cost-based rates, and public and regional preference in its marketing of power. Bonneville sets its rates as low as possible consistent with sound business principles and the full recovery of all of its costs, including timely repayment of the federal investment in the system.

#### 3. Budget -

Fiscal Year	Budget
FY 2019 enacted	4,410,452
FY 2020 enacted	4,133,669
FY 2021 requested	4,245,831

**4. Human Resources** - FY 2020 authorized full-time equivalents (FTEs): 3,000

5. <u>History</u> – The Bonneville Project Act of 1937 provides the statutory basis for Bonneville's power marketing responsibilities and authorities. In 1974, passage of the Federal Columbia River Transmission System Act (Transmission Act) applied provisions of the Government Corporation Control Act (31 U.S.C. §§ 9101-9110) to Bonneville. The Transmission Act provides Bonneville with "self-financing" authority, establishes the Bonneville Fund (a permanent, indefinite appropriation) allowing Bonneville to use its revenues from electric power and transmission ratepayers to fund all programs without further appropriation, and authorizes Bonneville to sell bonds to the U.S. Treasury. As of the end of FY 2019, Bonneville has revolving U.S. Treasury borrowing authority of \$7.7 billion of which approximately \$2.4 billion remains available to be drawn.

The 1980 enactment of the Pacific Northwest Electric Power Planning and Conservation Act (Northwest Power Act) expanded Bonneville's authorities, obligations, and responsibilities. The purposes of the act include the following: to encourage electric energy conservation to meet regional electric power loads placed on Bonneville; to develop renewable energy resources within the Pacific Northwest; to assure the Northwest an adequate, efficient, economical, and reliable power supply; to promote regional participation and planning; and to protect, mitigate, and enhance the fish and wildlife of the Columbia River and its tributaries. The Northwest Power Act also established a revised statutory framework for Bonneville's administrative rate-setting process and established judicial review of Bonneville's final actions in the U.S. Court of Appeals for the Ninth Circuit.

- <u>Functions</u> Bonneville provides electric power services, transmission services, and acquires energy efficiency throughout the Pacific Northwest. Bonneville serves a 300,000 square mile area including Oregon, Washington, Idaho, western Montana, and small parts of eastern Montana, California, Nevada, Utah, and Wyoming with a population of about 14 million people. Bonneville markets the electric power produced from 31 federal hydro projects in the Pacific Northwest owned by the U.S. Army Corps of Engineers and the Bureau of Reclamation. In addition, Bonneville acquires power from non-federal generating resources, including the power from a nuclear power plant, Columbia Generating Station (CGS). Bonneville uses the power from its non-federal purchases and the federal projects, collectively the Federal Columbia River Power System (FCRPS), primarily to meet the Administrator's long term firm power sales contract obligations. Bonneville currently maintains and operates 15,197 circuit miles of transmission lines, 262 substations, and associated power system control and communications facilities over which this electric power is delivered. Bonneville also supports the protection and enhancement of fish and wildlife, and promotes conservation and energy efficiency, as part of its efforts to preserve and balance the economic and environmental benefits of the FCRPS.
- 7. Recent Organization Accomplishments –

**Cost Management:** In September, Bonneville completed its public process to review proposed program funding levels before filing its initial rates proposals for power and transmission services in Fiscal Years 2022 and 2023. In its Integrated Program Review, Bonneville concluded it will hold its program funding levels for power services below the rate of inflation, a key part of its strategic plan.

COVID-19 Response: Beginning in March, 2020, Bonneville responded to the expanding COVID-19 pandemic by instructing all non-mission critical operating personal to telework for an indefinite period of time. Bonneville suspended transmission construction projects and limited field operations to critical work. As local health directives permitted, Bonneville resumed construction and maintenance activities. In June, 2020, Bonneville completed an expedited rate proceeding to suspend its Financial Reserve Policy surcharge to provide its public power preference customers about \$3 million per month of rate relief for the remainder of FY 2020 and a \$30 million for FY 2021.

**Wildfire Mitigation:** The threat of wildfires is a threat for transmission providers in the western United States. In 2020, Bonneville completed a Wildfire Mitigation Plan to prevent Bonneville transmission lines and other assets from sparking wildfires, and to protect Bonneville lines and assets from the threat of wildfires. During the 2020 fire season, Bonneville deployed an Incident Management Team to coordinate its response to wildfires.

Columbia River System Operations Review (CRSO): In September, Bonneville and its partner Federal agencies completed the four-year CRSO. The CRSO produced an environmental impact statement covering the operations of the Federal Columbia River Power System and the associated effects on fish, wildlife, and cultural resources. The CRSO included extensive public involvement and engagement with Pacific Northwest states and tribal governments.

**Grid Modernization:** Bonneville continues a cross-agency grid modernization initiative. Bonneville's strategic objective is to modernize federal power and transmission systems and their supporting technology. Grid modernization involves improving transmission and generation system visibility and controls, and increasing the electricity market skills of Bonneville employees. Part of the grid modernization scope is Bonneville's evaluation of joining the Western Energy Imbalance Market (EIM) and enabling Federal and non-federal resources in its service area to access that market. Bonneville expects that joining the EIM will optimize the day-to-day operation of the power system and leverage hydropower in a market increasingly driven by intermittent renewable resources.

**Integrated Regional Transmission Planning:** In 2020, Bonneville began participation in the newly formed NorthernGrid regional planning organization under FERC Order 1000. Order 1000 requires transmission owning utilities to participate in regional planning organizations to guide transmission resource development and optimize grid operations. In the Pacific Northwest, regional planning had been divided under two planning

organizations. Bonneville's 2018-2023 Strategic Direction included the objective of pursuing a single entity to combine planning efforts and reduce duplication. The regional parties responding to this initiative included utilities subject to FERC jurisdiction and non-jurisdictional entities. The parties developed the functional structure of NorthernGrid and completed a funding agreement in 2019. The parties selected a project coordinator and began implementation in 2020.

# **8.** Leadership Challenges – None.

## 9. Critical Events and Action Items –

The Columbia River Treaty: The U.S. Government reached consensus on a high level position for negotiations of the post-2024 future of the Columbia River Treaty in June 2015, and received authorization to negotiate with Canada on the Columbia River Treaty in October 2016. Government Affairs Canada notified the United States State Department in December 2017 of Canada's mandate to negotiate the Columbia River Treaty with the United States. Negotiations began in spring 2018 and continue to date. Both the U.S. Department of State and Canadian negotiators have discussed shared objectives and exchanged information on flood risk management, hydropower and ecosystem considerations.

**Regional Electric System Reliability:** Recent regional forecasts have shown that the Pacific Northwest as a whole is nearing periods of times of the year when regional power supplies may not be adequate to meet demand. In early 2021, Bonneville will continue to work other regional utilities through the Northwest Power Pool on an initiative to develop a voluntary, but enforceable, program to ensure that the region maintain a balance of supplies and demand in a very high percentage of likely conditions.

**Power and Transmission Rates:** In November, 2020, Bonneville will file a Federal Register Notice for its initial proposal for power and transmission service rates for Fiscal Years 2022 and 2023. During the first part of 2021, Bonneville will conduct formal rate proceedings with rate case parties, leading to the Administrator's Record of Decision for final rates to be in effect on October 1, 2021.

# 10. Organizational Chart -



