

Less water and dry weather weigh on BPA bottom line

Portland, Ore. – Higher power purchase expenses due to low stream flows and dry winter weather have resulted in BPA forecasting agency net revenues of negative \$44 million, \$114 million below the agency target of \$70 million. BPA shared this and other information about its financial results at the first-quarter quarterly business review public meeting of its fiscal year.

Power Services' net revenue forecast is negative \$15.6 million, which is \$92.8 million below target. The net revenue decrease is primarily driven by higher power purchase expenses due to higher prices, lower stream flows and dry weather conditions. Transmission Services' net revenues are forecast to be negative \$27.7 million, which is \$20.7 million below target. This is due to a decrease in Point-to-Point Long-Term, Network Integration and Ancillary and Control Area Service revenues.

The net revenue forecast has resulted in BPA forecasting to end the year at 58 days cash on hand with Power Services and Transmission Services forecasting 50 days and 78 days respectively. Power Services' forecast is below the 60-day lower threshold that triggers the [Financial Reserves Policy Surcharge](#). When financial reserves decline below established thresholds, the Surcharge automatically adjusts the following year's rates to increase BPA's financial reserves for risk to the target range. While there is a lot of uncertainty in our forecast for the rest of the year, we are prepared to implement our Financial Plan and the liquidity tools it provides actual Power Services' reserves.

"While there is a lot of uncertainty in BPA's forecast for the rest of the year, with respects to the potential Power surcharge, we are examining what financially prudent actions we can take to reduce the likelihood of a surcharge," said Veronica Wittig, BPA's acting Chief Financial Officer. "However, I want to emphasize that we feel confident that we have adequate within-year liquidity to make our full Treasury payment at the end of the year."

BPA continues to unleash American Energy through its capital execution. Agency direct capital expenditures are forecast to be \$1.2 billion, right in line with BPA's target and well above the rate case forecast of \$864 million. Included in this output are expenditures for BPA's Evolving Grid transmission projects.

BPA's first quarter results are available at <https://www.bpa.gov/about/finance/quarterly-business-review>.

About BPA The Bonneville Power Administration is a federal non-profit power marketing administration that delivers reliable, low-cost hydropower produced in the Columbia River Basin, as well as the output from the region's only nuclear plant, to communities across the Northwest. BPA also owns and operates more than 15,000 circuit miles of high-voltage transmission lines. More information about these and other activities is available on our [Media Relations page](#).

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