

BPA Evaluation of EIM Participation

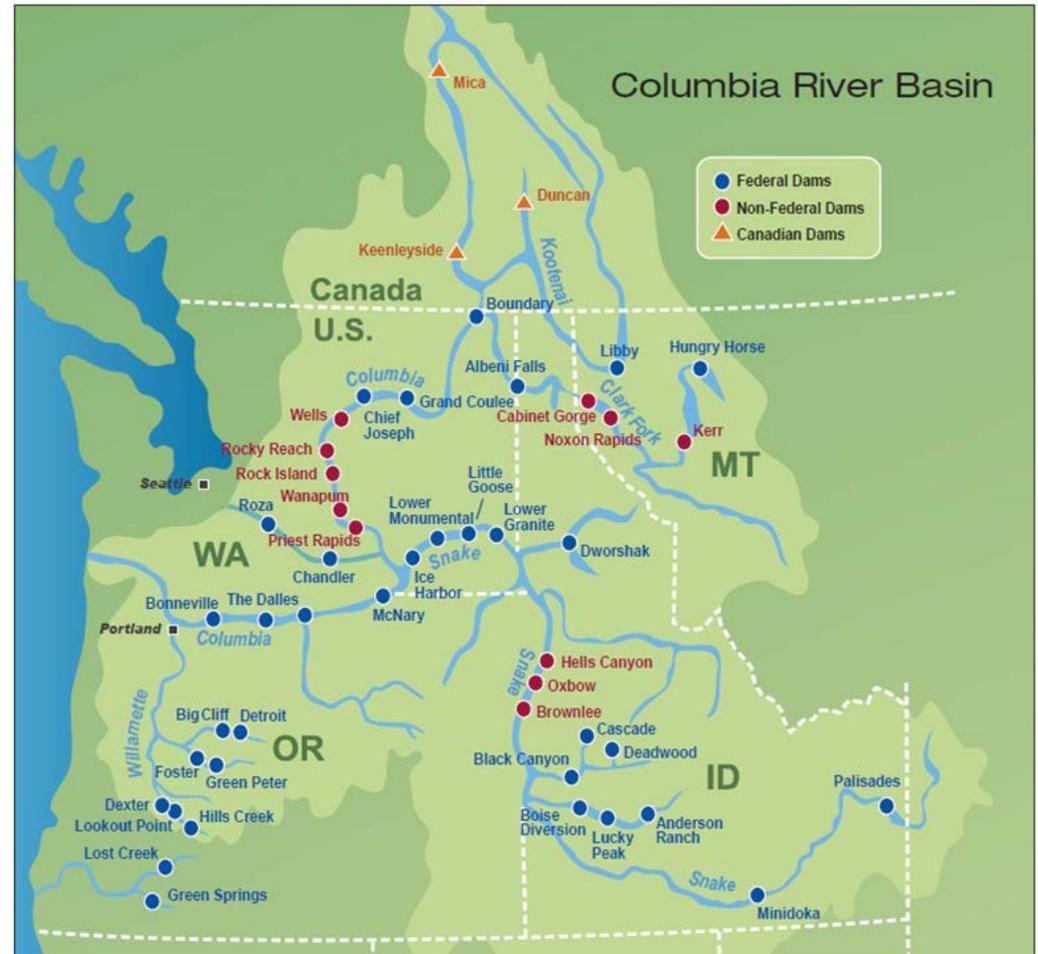
**Presentation to the EIM Governing Body
November 29, 2018**

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BPA Profile

- BPA is a federal power marketing administration headquartered in Portland.
- BPA is part of the U.S. Department of Energy, but it is self-funded.
- Congress created BPA in 1937.
- BPA markets power from 31 Federal dams, 1 nonfederal nuclear plant, and several small nonfederal generators.
- BPA operates and maintains 15,000 circuit miles of transmission line.

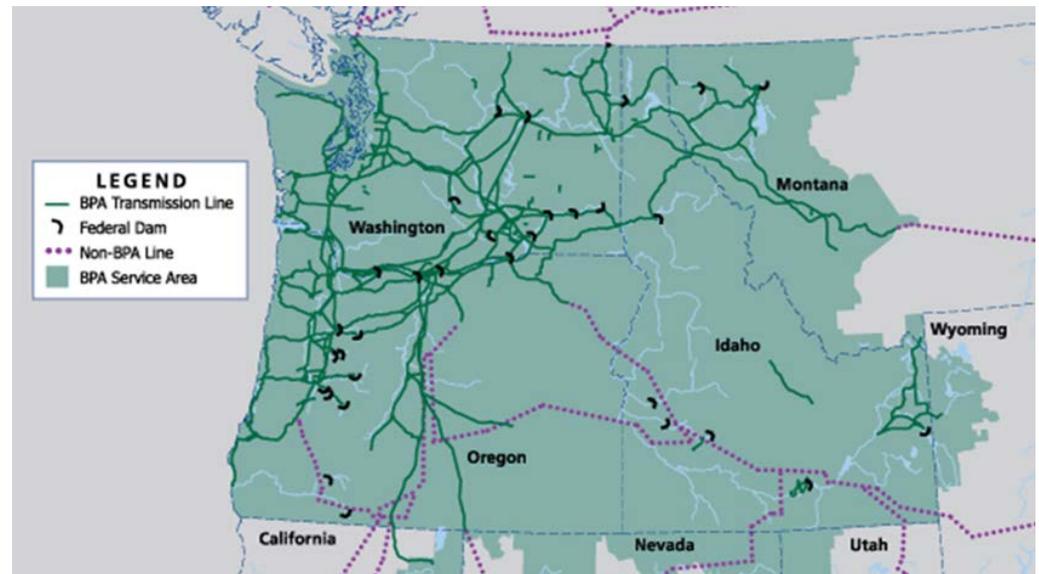


BPA Customers

BPA's customers include:

- Consumer-Owned Utilities
electric cooperatives,
municipal utilities,
people's utility districts
- Tribal Governments
- Federal Agencies
- Investor-Owned Utilities
- Direct Service Industries
- Power Marketers
- Resource Developers

BPA Transmission System and Federal Dams



BPA also sells or exchanges power with utilities in Canada, California and other parts of the Western United States

2018-2023 Strategic Plan

BPA 2018–2023 Strategic Goals

#1

**STRENGTHEN
FINANCIAL HEALTH**

#2

**MODERNIZE
ASSETS &
SYSTEM OPERATIONS**

#3

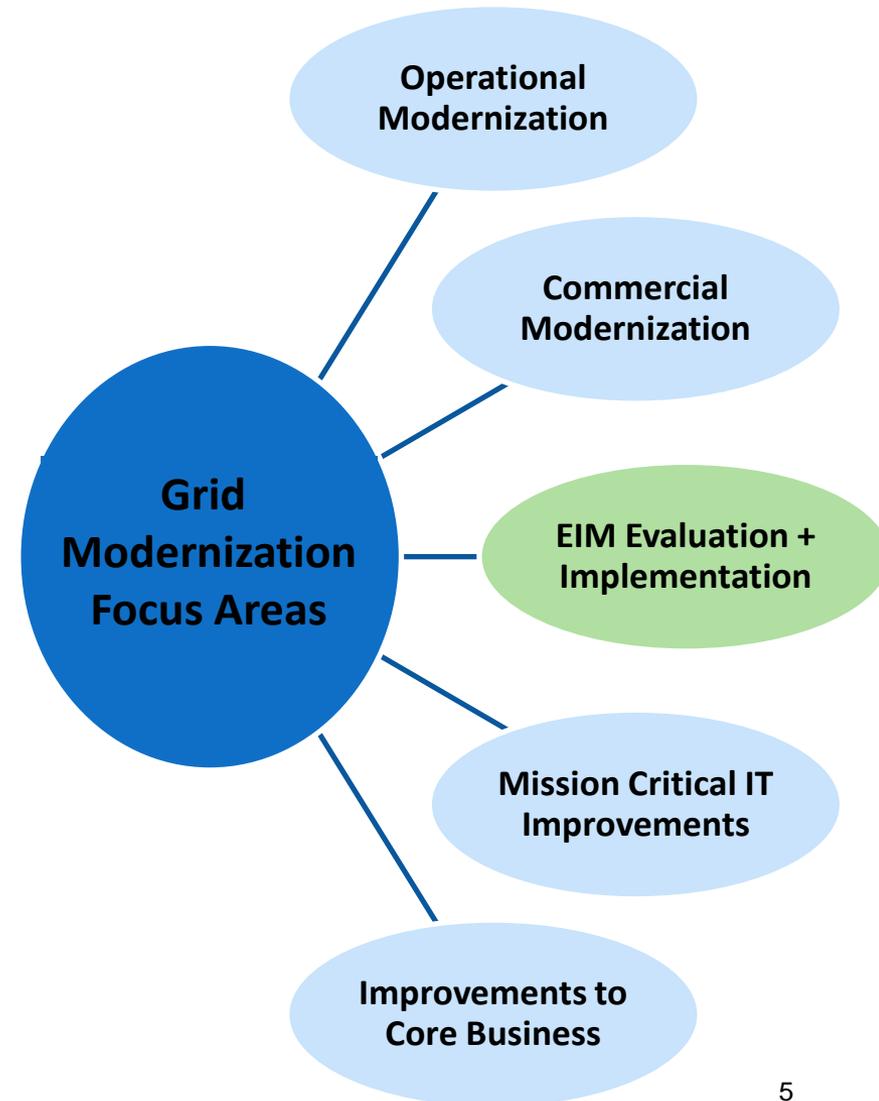
**PROVIDE
COMPETITIVE
PRODUCTS & SERVICES**

#4

**MEET
CUSTOMER NEEDS
EFFICIENTLY & RESPONSIVELY**

Grid Modernization Initiative

- **Grid Modernization Portfolio:**
 - support a more reliable, flexible and efficient system,
 - help reduce future costs and
 - create new market opportunities.
- Grid Modernization projects bring value to BPA and its customers independent of the EIM.
- If BPA chooses not to participate in the EIM, then the EIM Implementation projects will not be pursued.



EIM Relationship



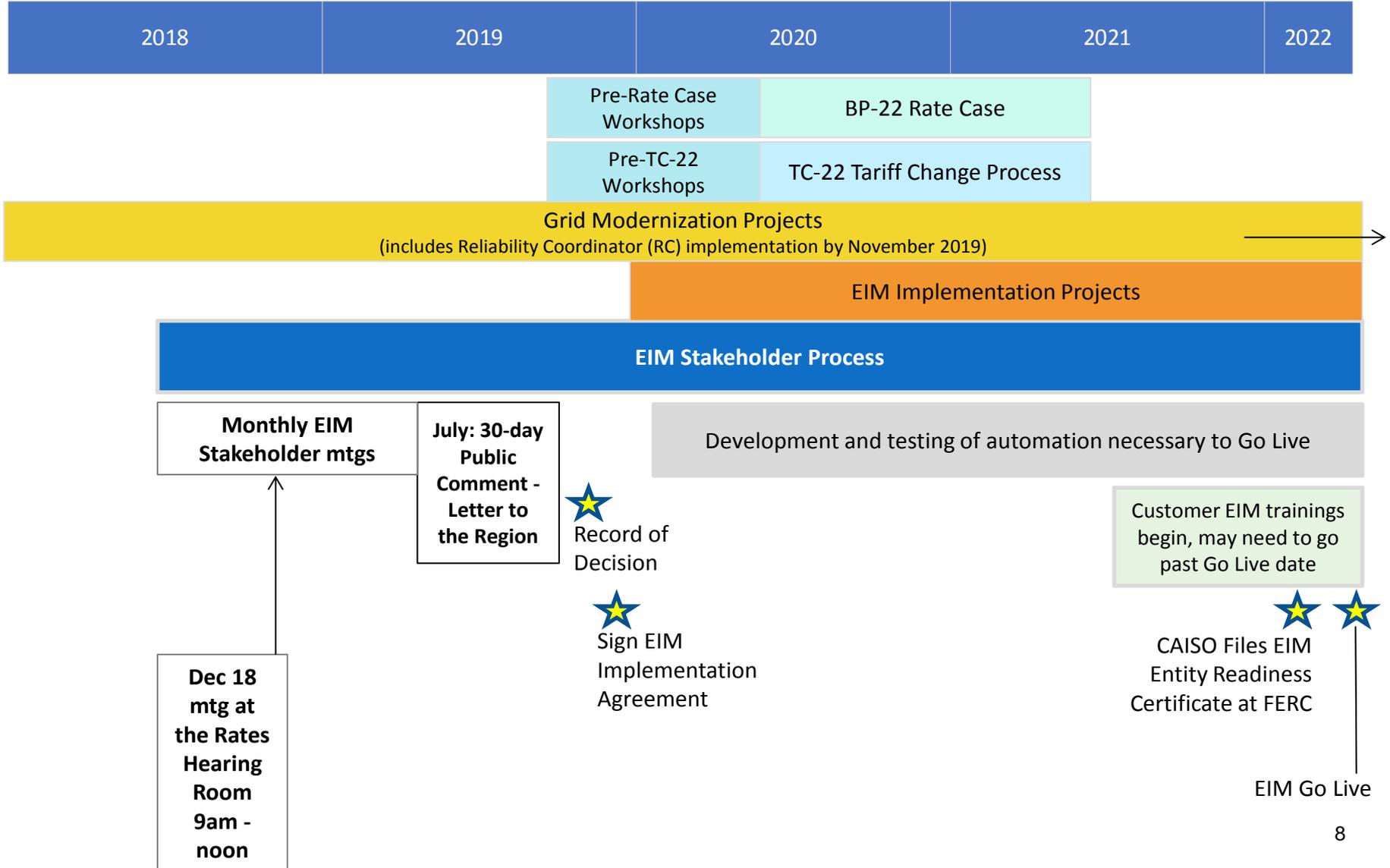
BPA Balancing Authority shown in grey

- EIM Entities use BPA transmission
- Coordinated Transmission Agreement with CAISO
- Serve load in EIM Entity Balancing Authorities
- Currently evaluating how and under what conditions BPA could join the EIM.

Principles for EIM Evaluation

1. Participation is consistent with statutory, regulatory, and contractual obligations.
2. Maintain reliable delivery of power and transmission to our customers.
3. Resource participation in the EIM is and always will be voluntary.
4. BPA's decision to participate in the EIM will be based on a sound business rationale.

High Level Timeline



QUESTIONS

