

Reservation Fee Analysis Follow-Up

June 15, 2012



Additional Analysis Requests from May 23, 2012 Workshop

1. Show MW – on slides 3, 4 & 5 total deferred MW are shown.
 2. Extend forecast – the forecast now shows analysis through 2020.
 3. Identify deferrals by project – see slide 4
 4. Show how much of the deferred revenues are related to customers that would be receiving transmission credits and how much are related to revenues where BPA would receive cash – see slide 5
 5. Show the average deferral – see slide 7
 6. List assumptions – see slide 8
 7. How much is mitigated by competitions?
 8. How much is mitigated by short term sales?
- BPA is still developing analysis items 6 & 7 and plan to share them before Reservation Fees are discussed at the August 22 Workshop.



Actual and Forecast Deferrals

Actual (for FY 2010-2011) and Forecast (for FY 2012-2020)
Deferred Revenues (in \$M)

	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
	Actuals		Forecast								
	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
1	Non-NOS Requests	\$ 16.07	\$ 13.51	\$ 6.34	\$ 0.94	\$ 0.81	\$ 0.39	\$ 0.05	\$ -	\$ -	\$ -
2	NOS - No Build Required (includes CF)	\$ 3.96	\$ 8.73	\$ 7.38	\$ 5.78	\$ 4.54	\$ 3.46	\$ 1.41	\$ 0.19	\$ 0.09	\$ 0.10
3	NOS - Build Required	\$ -	\$ -	\$ 1.58	\$ 1.44	\$ 24.11	\$ 44.36	\$ 40.76	\$ 36.88	\$ 32.26	\$ 14.76
4	Total	\$ 20.03	\$ 22.24	\$ 15.30	\$ 8.16	\$ 29.46	\$ 48.22	\$ 42.22	\$ 37.07	\$ 32.35	\$ 14.86

Actual (for FY 2010-2011) and Forecast (for FY 2012-2020) Deferred MW

	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
	Actuals		Forecast								
	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
1	Non-NOS Requests	12,379	10,411	4,883	724	624	304	42	-	-	-
2	NOS - No Build Required	3,049	6,725	5,685	4,452	3,504	2,670	1,085	145	70	77
3	NOS - Build Required	-	-	1,220	1,110	18,576	34,179	31,399	28,416	24,852	11,368
4	Total	15,428	17,136	11,788	6,286	22,704	37,153	32,526	28,562	24,921	11,445



Deferrals and NOS Projects

Revenue Deferred On NOS Builds Due to Deferrals

	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
1 John Day - McNary	\$ 1.58	\$ 1.44	\$ 0.99	\$ 0.92	\$ 0.03	\$ 0.00	\$ 0.00	\$ -	\$ -
2 Big Eddy - Knight	\$ -	\$ -	\$ 23.13	\$ 38.07	\$ 33.67	\$ 29.87	\$ 25.51	\$ 10.44	\$ 0.37
3 Central Ferry - LoMo	\$ -	\$ -	\$ -	\$ 5.37	\$ 7.06	\$ 7.01	\$ 6.74	\$ 4.31	\$ 0.80
4 Total	\$ 1.58	\$ 1.44	\$ 24.11	\$ 44.36	\$ 40.76	\$ 36.88	\$ 32.26	\$ 14.76	\$ 1.17

MW Deferred On NOS Builds

	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
1 John Day - McNary	1,220	1,110	759	709	20	1	0	-	-
2 Big Eddy - Knight	-	-	17,817	29,330	25,941	23,012	19,655	8,046	284
3 Central Ferry - LoMo	-	-	-	4,140	5,439	5,403	5,196	3,322	616
4 Total	1,220	1,110	18,576	34,179	31,399	28,416	24,851	11,368	900



Cash Revenue Forecasted to be Deferred and Revenue that Would Receive Transmission

Credits Forecasted to be Deferred

Actual (for FY 2010-011) and Forecast (for FY 2012-2020) Deferred Revenues Related to Cash and Transmission Credits

	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
	Actuals		Forecast								
	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
1 Cash	\$ 4.68	\$ 6.87	\$ 2.02	\$ 0.69	\$ 0.25	\$ 0.10	\$ 0.03	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
2 Credits	\$ 15.34	\$ 15.37	\$ 13.28	\$ 7.47	\$ 29.21	\$ 48.12	\$ 42.19	\$ 37.07	\$ 32.35	\$ 14.86	\$ 1.18
3 Total	\$ 20.03	\$ 22.24	\$ 15.30	\$ 8.16	\$ 29.46	\$ 48.22	\$ 42.22	\$ 37.07	\$ 32.35	\$ 14.86	\$ 1.18

Actual (for FY 2010-2011) and Forecast (for FY 2012-2020) Deferred MW

	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
	Actuals		Forecast								
	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
1 Cash	3,606	5,293	1,560	582	220	79	21	47	70	77	7
2 Credits	11,822	11,843	10,228	5,704	22,484	37,073	32,505	28,515	24,851	11,368	900
3 Total	15,428	17,136	11,788	6,286	22,704	37,153	32,526	28,562	24,921	11,445	907



Actual and Forecast Reservation Fees

Actual (for FY 2010-2011) and Forecast (for FY 2012-2020)
Reservation Fees (in \$M)

	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
	Actuals		Forecast								
	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
1 Non-NOS Requests	\$ 0.35	\$ 1.46	\$ 0.73	\$ 0.03	\$ 0.03	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
2 NOS - No Build Required	\$ 0.55	\$ 1.12	\$ 0.53	\$ 0.26	\$ 0.25	\$ 0.23	\$ 0.10	\$ 0.01	\$ 0.01	\$ 0.00	\$ 0.00
3 NOS - Build Required	\$ 0.00	\$ 0.00	\$ 0.13	\$ 0.09	\$ 3.50	\$ 3.54	\$ 2.86	\$ 2.51	\$ 2.06	\$ 0.27	\$ 0.00
4 Total	\$ 0.90	\$ 2.57	\$ 1.39	\$ 0.38	\$ 3.78	\$ 3.77	\$ 2.95	\$ 2.51	\$ 2.08	\$ 0.27	\$ 0.00

Forecast Reservation Fees Related to NOS Projects

	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
1 John Day - McNary	\$ 0.13	\$ 0.09	\$ 0.08	\$ 0.01	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
2 Big Eddy - Knight	\$ 0.00	\$ 0.00	\$ 3.42	\$ 2.93	\$ 2.27	\$ 1.92	\$ 1.65	\$ 0.01	\$ 0.00
3 Central Ferry - LoMo	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.60	\$ 0.58	\$ 0.58	\$ 0.41	\$ 0.26	\$ 0.00
4 Total	\$ 0.13	\$ 0.09	\$ 3.50	\$ 3.54	\$ 2.86	\$ 2.51	\$ 2.06	\$ 0.27	\$ 0.00

Forecast Reservation Fees Related to Service Paid with Cash or Credits

	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
1 Cash	\$ 0.36	\$ 0.49	\$ 0.17	\$ 0.01	\$ 0.01	\$ 0.01	\$ 0.00	\$ 0.01	\$ 0.01	\$ 0.00	\$ 0.00
2 Credits	\$ 0.54	\$ 2.09	\$ 0.42	\$ 0.37	\$ 3.74	\$ 3.63	\$ 2.86	\$ 2.51	\$ 2.06	\$ 0.27	\$ 0.00
3 Total	\$ 0.90	\$ 2.57	\$ 0.58	\$ 0.38	\$ 3.74	\$ 3.63	\$ 2.86	\$ 2.51	\$ 2.08	\$ 0.27	\$ 0.00



FY 2010 – 2020 Deferral Statistics

	(A) Average # of Deferrals ¹	(B) Average Deferral Length (years) ¹
1	4	3.79
2	2	2.13
3	4	3.47
4	4	3.42

	(A) % of MW offered expected to defer	(B) % of MW offered expected to defer 2 or more years
1	46%	21%
2	92%	70%
3	82%	82%
4	80%	62%

¹Note: Averages are weighted by MW



Assumptions

- For FY 2014 – FY 2020 assumed current rates.
- Risk analysis was performed to produce an expected value. The assessed risk was based on BPA's Wind Interconnection Forecast and Account Executive input based on customer discussions.
- Reservation fees are assumed to be received in the first month of deferral.
- Does not reflect potential terminations.
- Deferrals only forecast for current offers. No assumptions are made about requests currently in the queue.

- Forecast NOS Project Start Dates
 - Big Eddy – Knight: March 2014
 - Central Ferry – LoMo: January 2015

