

# BPA's FISCAL YEAR 2016 Strategic Direction

BPA will achieve its mission by focusing on five priorities, guided by key strategic initiatives and measured by key performance indicators.

## Strategy Statement

BPA has a unique position as a major motivating force of the Pacific Northwest economy and way of life. Through the talent of **our people**, we are maintaining and enhancing the region's investments in federal **physical assets** that we own or in which we have a significant stake. As an economic engine, we understand that our actions have impacts to our customers and their communities, so we are striving to accomplish our overall mission while also delivering **sustainable finances and rates**. We also recognize that the dynamics of our industry are evolving faster than ever before, and so we continue to advance policies and investments that result in **reliable, efficient and flexible operations**. As well, **the natural environment** of the Northwest is inherently connected to both our economy and our way of life, and BPA remains committed to mitigation actions and environmental enhancements that will continue to add value for years to come.



# STRATEGIC DIRECTION

## Priorities

BPA will focus on achieving long-term success and improving our operating environment in five critical areas.



## Objective Statements

We provide a safe, positive and inclusive work environment that attracts and retains a diverse, highly skilled workforce with a deeply embedded commitment to delivering regional value and customer service.

We execute sustainable and affordable investment strategies to maintain and modernize clean and renewable power and transmission system infrastructure.

We ensure long-term financial strength by balancing reliability, low rates, cost-effective access to capital, responsible cost management and our other public purpose objectives.

We reliably operate the power and transmission assets and other business operations through highly efficient and effective systems and processes. We enhance our flexibility and interoperability to adapt to changes in supply mix and market design.

We protect and enhance the environment, fish and wildlife with a focus on good science, fiscal efficiency and on-the-ground results.

## Key Strategic Initiatives (KSIs)

Three-to-five year strategies or efforts to achieve BPA's objectives, desired outcomes or to close significant gaps.

### SAFETY & OCCUPATIONAL HEALTH STRATEGY

BPA's engaged employees and contractors are empowered to recognize job hazards and address safety and occupational health issues. Safety and occupational health are integrated into all aspects of work with a goal of zero injuries.

### WORKFORCE STRATEGY

BPA has a diverse workforce of the right size and composition, with the right skills and competencies, working in a positive work environment to deliver on its public responsibilities and strategic priorities.

### ASSET MANAGEMENT STRATEGY

Investments are created, selected and executed through leading practice-based portfolio and project management practices.

### LONG-TERM FINANCIAL & RATES STRATEGY ★

BPA delivers cost-based power and transmission services priced to fully subscribe FCRPS power among Northwest public preference customers, while balancing the goals of low rates, reliable operations, sustainable and affordable investment strategies and long-term financial health, while meeting its public purpose objectives and statutory obligations.

### COMMERCIAL OPERATIONS STRATEGY

BPA is fully enabled with the core functionality required to successfully participate in the management of a regional modernized electric grid.

### BUSINESS INFORMATION SYSTEMS STRATEGY ★

BPA's Business Information Systems optimize the value and reliability of agency decisions and enhance the accountability, integrity, insights and value of supported activities for our stakeholders and the region.

### FISH & WILDLIFE STRATEGY ★

BPA meets its Endangered Species Act, Northwest Power Act, and tribal responsibilities using a performance-based approach, including setting and achieving performance metrics to fully address its obligations through a combination of hydro, habitat, hatchery and predator-management actions.

Success Share awards for BPA employees are based on successful performance against KSIs and KPIs denoted with a ★. Success share awards are contingent on achieving the Treasury payment KPI and at least \$5 million in adjusted net revenue.

# Key Performance Indicators (KPIs)

Established annually to track and measure success.



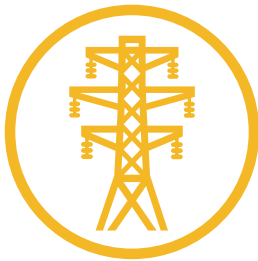
- ★ Safety
  - Demonstrate Diversity Leadership
  - Develop a Positive Work Environment
- ★ External Satisfaction Surveys
  - Employee Engagement
  - Performance Plans



- ★ Transmission System Infrastructure
- ★ Hydro Generation System Infrastructure
  - Energy Efficiency Achievements



- ★ Cost Management
  - Adjusted Net Revenue
  - Treasury Payment
  - Bond Rating



- ★ Transmission System Operations Performance
  - Cyber Security
  - Sustainable Compliance
  - Reliability Compliance Self-Reports
  - Reliability Compliance Mitigation Plan Milestones
- ★ Federal Hydro Performance
  - Violations of High Risk/High Severity Reliability Standards
- ★ Columbia Generating Station Performance and Cost

No KPIs align to the natural environment in FY2016.

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