

FOCUS 2028

Wednesday, Nov. 4, 2015

SHERATON PORTLAND AIRPORT HOTEL

AGENDA and PROFILES



FOCUS2028agenda

1:00–1:30 GATHER AND CONVENE

1:30–1:45 WELCOME AND OPENING REMARKS

Elliot Mainzer, Administrator, Bonneville Power Administration

BPA is focused on being the low-cost energy provider of choice when new power sales contracts are offered in the next decade. However, there are many factors that are placing upward pressure on BPA's long-term costs structure that could call into question BPA's long-term cost competitiveness and financial health. Through Focus 2028, stakeholders will develop a shared understanding of the interplay between industry changes, program management, costs and long-term rates that BPA must balance.

1:45–3:00 BPA FISCAL OVERVIEW AND LONG-TERM RATES ANALYSIS

Javier Fernandez, Deputy Chief Financial Officer, BPA

Mark Gendron, Senior Vice President of Power Services, BPA

Richard Shaheen, Senior Vice President of Transmission Services, BPA

Using a current-state view of the world and BPA's last-published cost figures, BPA has built a long-range rate analysis. This analysis and its results will help BPA and the region understand today's path forward and use this information as a basis for comparing varied actions and future scenarios. Javier, Mark and Richard share key details of BPA's current financial health and review the outcomes of the long-term rate analysis.

3:00–3:15 BREAK

3:15–5:15 INDUSTRY LANDSCAPE — THE FUTURE IS NOW

Tony Braun, President, Braun Blasing McLaughlin & Smith, P.C.

N. Kathryn “Kat” Brigham, Secretary, Board of Trustees for the Confederated Tribes of the Umatilla Indian Reservation (CTUIR) and Chairwoman, Columbia River Inter-Tribal Fish Commission

Tom Eckman, Director of the Power Planning Division, Northwest Power and Conservation Council

Lisa Grow, Senior Vice President of Power Supply, Idaho Power

Nancy Hirsh, Executive Director, Northwest Energy Coalition

Mark Johnson, General Manager, Flathead Electric Cooperative

Robert Pratt, Manager, Distribution and Demand Response Sector, Pacific Northwest National Laboratory

Debra Smith, General Manager and CEO, Central Lincoln PUD

This rapid-paced segment explores how the next couple of decades could differ from today, with special emphasis on how trends and drivers may create opportunities or present threats. It also will explore how opportunities or threats could challenge the picture painted by BPA's long-term rates projection.

This session will also set the stage for follow up engagements to identify the choices BPA may need to make to sustain financial health (given the uncertainties we are likely to face in coming years, such as the evolving electricity market, changes in the electricity policy landscape and technology advancements including distributed energy resources).

5:15–5:30 WRAP UP AND ADJOURN

FOCUS2028speakers

Elliot Mainzer, CEO and Administrator, BPA



Elliot Mainzer was named administrator in January 2014 and had served as acting administrator since July 2013. In this role, he is responsible for managing the nonprofit federal agency that markets carbon-free power from Columbia River hydroelectric dams and the region's one commercial nuclear plant. BPA also operates most of the high-voltage power grid across the Pacific Northwest, distributing wind and other energy to the region and beyond.

From February to July of 2013, Elliot served as BPA's acting deputy administrator, responsible for Finance, Strategy, Legal, Public Affairs, Risk Management, Compliance, Governance and Internal Audit functions. He also served as the principal policy and strategy adviser to the BPA administrator.

Elliot, who joined BPA in 2002, has held a variety of management positions within the agency's Power, Transmission and Corporate organizations, including trading floor manager and manager of Transmission Policy and Strategy. Most recently, as executive vice president of Corporate Strategy, he led the agency's strategic planning process and provided policy leadership and cross-agency coordination on renewables integration, market design, climate change and integrated planning.

He has provided leadership and coordination of significant regional initiatives, including the Northwest Wind Integration Action Plan in 2007 and the Northwest Power Pool Members' Market Assessment and Coordination Initiative. Prior to joining BPA, Elliot established and managed Enron's Renewable Power Desk out of its offices in Portland, Ore.

Elliot earned his bachelor's degree in geography from the University of California, Berkeley. He has an MBA and Master of Environmental Studies degree from Yale University.

An avid hiker and amateur jazz saxophonist, he lives in Portland with his wife and twin sons.

Mark Gendron, Senior Vice President of Power Services, BPA



Mark Gendron was appointed senior vice president for Power Services in Spring 2014. He is responsible for BPA's power scheduling functions, generation asset management, power contracts and rates, energy efficiency programs, power purchases and acquisitions and business relationships with BPA's retail utility customers. Power Services provides power products and services in all markets that are designed to meet customer needs, in addition to providing customers with the benefits of the highest quality and the most competitively priced electricity. Power Services produces revenues of nearly \$3 billion per year from the sale of about 11,000 average megawatts of power.

Prior to his current role, Mark served as BPA's vice president of Northwest Requirements Marketing in Power Services. In that capacity he was responsible for marketing and contracting the sale of requirements power to BPA's power customers. Mark played key roles in implementing BPA's long-term Regional Dialogue power contracts and the Residential Exchange Program settlement.

Mark has worked in the electric utility industry for 33 years, in both engineering and management capacities. Prior to joining BPA, he worked for 20 years at the City of Idaho Falls; he held the position of chief engineer for 10 years and the general manager of Idaho Falls Power for an additional 10 years.

He has served on a variety of public power organization committees and boards, including the Public Power Council, Idaho Consumer-Owned Utilities Association, Idaho Energy Authority, and Utah Associated Municipal Power Systems.

Mark has a Bachelor of Science degree in electrical engineering from the University of Colorado and is a licensed professional engineer in Idaho.

Mark is married, has four children and four grandchildren.

Richard Shaheen, Senior Vice President of Transmission Services, BPA



Richard has over 29 years of leadership and technical experience in the electric utility industry and joined BPA in 2013. He is currently Senior Vice President of Transmission for BPA. He previously served as Vice President of the BPA Engineering and Technical Services organization. Richard has responsibility over System Operations, Planning and Asset Management, Engineering and Technical Services, Field Services, Marketing and Sales, Transmission Internal Operations and Aircraft Services.

Additionally, Richard serves on the Electric Power Research Institute, Transmission Executive Committee, is a US Board member for International Conference on Large High Voltage Electrical Systems, a member on the Western Electricity Coordinating Council and is a member of the Peak Reliability Member Advisory Committee. His career also included work with Florida Power and Light in areas of operations, engineering, technology, technical services, construction management, and customer/commercial/regulatory arenas. Richard holds a bachelor's degree in electrical engineering from the University of Florida and a Master's in Business Administration from Florida Atlantic University. He holds a professional engineering license in the state of Florida and a Six Sigma Black Belt certification.

Javier Fernandez, Deputy Chief Financial Officer, BPA



Javier Fernandez became the deputy CFO this past October. He shares, with the executive vice president and chief financial officer, full authority and responsibility for providing direction and leadership in the planning, development and administration of programs, systems and work processes which are necessary to perform the critical mission and support activities required of the organization. He also leads Bonneville's capital portfolio management.

Prior to this role, Fernandez served as BPA's treasurer directing financial planning and investment for BPA and exercising authority for receipt, disbursement, banking, custody of funds and financial instruments. Before BPA, he served for three years as senior vice president with D.A. Davidson & Company and seven years with Seattle-Northwest Securities, performing public finance banking and financial advisory services to municipal jurisdictions primarily in Oregon. Fernandez holds a Bachelor of Science degree in economics from ITAM in Mexico City and an MBA from Yale University.

Tony Braun, President, Braun Blasing McLaughlin & Smith, P.C.



For two decades, Tony Braun has provided counsel to California public agencies on all manner of regulatory, commercial and legislative issues associated with the electric utility industry. From restructuring of the utility industry, establishment of the California Independent System Operator Corporation, implementation of the new market design, reformation of transmission planning processes, development of resource adequacy requirements, renewable integration and formation of the new Energy Imbalance Market, Tony has counseled publicly-owned utilities as they sought to navigate ever-changing new market rules and shape these rules to fit their consumer-owned business model.

Tony routinely participates in proceedings before the Federal Energy Regulatory Commission, the California Public Utilities Commission, CAISO, and California Energy Commission on a wide array of energy policy issues, including:

- Consideration of resource adequacy rules, including possible formation of a central capacity market and efforts to expand CAISO backstop procurement authority.
- Formation of an Energy Imbalance Market. Tony has recently been appointed by the CAISO board to serve on the transitional committee advising the CAISO board on EIM matters.
- Efforts to develop new products and establish more stringent requirements supporting flexible grid operations needed to integrate renewable resources.

Tony's practice extends beyond strictly California market matters, as he counsels public agency clients on the formation of the newly constituted Peak Reliability Corporation to serve as the reliability coordination for the western interconnection. Tony is also actively involved in commercial and market development in the Pacific Northwest as he represents publicly-owned utilities participating in the Northwest Power Pool. These advocacy efforts on behalf of publicly-owned utilities reflect the growing regionalization of energy markets and the supporting regulatory structure.

Prior to founding BBMS, Tony worked in the General Counsel's Office of the Sacramento Municipal Utility District, the law firm of Duncan, Weinberg, Miller & Pembroke, P.C., and the office of U.S. Senator Paul S. Trible. Tony received his Bachelor of Arts in economics in 1985 from the University of Virginia, and his law degree in 1991 from the College of William and Mary. Tony is a member of the Commonwealth of Virginia and the State of California Bar organizations.

N. Kathryn “Kat” Brigham, Secretary, Board of Trustees for the Confederated Tribes of the Umatilla Indian Reservation (CTUIR) and Chairwoman, Columbia River Inter-Tribal Fish Commission



First elected to the board of trustees in 1995, Kat Brigham has spent 18 years as a board member. She is currently the board secretary and serves as chair of the Fish and Wildlife Commission. Kat is currently the chair of the Columbia River Inter-Tribal Fish Commission, or CRITFC. She is a passionate advocate for salmon and the protection of tribal treaty fishing rights.

Appointed to the CTUIR Fish and Wildlife Commission in August 1976, Kat was one of the initial commissioners to CRITFC when it was created in 1977. As a CRITFC commissioner, she has been a strong advocate for cleaner water, working to secure a fish consumption rate in Oregon that protects tribal members and those who eat fish.

Kat has been widely recognized for her dedication to her various causes. The League of Women's Voters of Oregon, Pacific Salmon Commission, Environmental Protection Agency, CRITFC and her own tribe have honored her for her work.

The Confederated Tribes of the Umatilla Indian Reservation is a union of three tribes: Cayuse, Umatilla and Walla Walla. The CTUIR has 2,965 tribal members. Nearly half of those tribal members live on or near the Umatilla Reservation. Tribal affairs are governed by the elected board of trustees, consisting of a chairman and eight other members who set policy and make final decisions on tribal affairs.

The Columbia River Inter-Tribal Fish Commission coordinates management policy and provides fisheries technical services for the Yakama, Warm Springs, Umatilla and Nez Perce tribes. CRITFC's mission is "to ensure a unified voice in the overall management of the fishery resources, and as managers, to protect reserved treaty rights through the exercise of the inherent sovereign powers of the tribes."

Tom Eckman, Director of the Power Division, Northwest Power and Conservation Council



Tom Eckman joined the Council in 1982. Prior to his current position, he served as the Council's manager of conservation resources. He has over 35 years of experience in integrated resource planning and energy efficiency and has conducted multiple comprehensive assessments of the energy efficiency potential in the Pacific Northwest region as well as assisted in the assessments prepared by and for utilities. Tom has represented the Council in federal efficiency standards proceedings and negotiations as well as state energy code development processes. He is also chair of the Council's Regional Technical Forum which

develops standardized savings estimates and evaluation protocols for Pacific Northwest utilities and system benefits administrators.

Prior to joining the Council, Tom was a senior energy analyst with Mathematical Sciences Northwest in Bellevue, Wash.. He was on the faculty of Central Washington University and an adjunct professor of environmental studies for Western Washington University. He was involved in the development of the Northwest Power Act while chairing the energy committee of the Washington Environmental Council and the Washington state chapter of the Sierra Club. He received a Master of Science Degree in environmental studies and environmental education and a Bachelor of Science in forestry from Southern Illinois University.

About the Northwest Power and Conservation Council: The 1980 Northwest Power Act authorized Idaho, Montana, Oregon and Washington to develop a regional power plan and fish and wildlife program to balance the Northwest's environmental and energy needs. The heart of the Council's mission is to preserve the benefits of the Columbia River for future generations.



Lisa Grow, Senior Vice President of Power Supply, Idaho Power

Lisa Grow assumed this role in October 2009. Her responsibilities include overseeing operations and maintenance of the generation fleet (including the jointly owned coal plants and Bridger coal mine), Power Plant Engineering and Construction, Environmental Affairs, Water Management, Power Supply Planning, Sustainability and wholesale electricity and gas operations.

Lisa began her career at Idaho Power in 1987 and held many engineering positions before moving into management. This broad background allowed her to gain valuable experience in many areas of the company. In 2005, Lisa was named vice president of Delivery Engineering and Operations.

Lisa graduated with a Bachelor of Science in electrical engineering from the University of Idaho in 1987 and received her Executive Masters of Business Administration degree from Boise State University in May 2008. She is on the College of Engineering Advisory Boards at Boise State and the University of Idaho. She also chairs the University of Idaho's Executive Course Advisory Board.

With headquarters in Boise, Idaho, and an employee base of approximately 2,000 people, Idaho Power is an electric utility engaged in the generation, transmission, distribution, sale and purchase of electric energy. Idaho Power was created in 1916 when five companies combined assets, including water rights and hydroelectric facilities on the Snake River.

Nancy Hirsh, Executive Director, Northwest Energy Coalition



Nancy Hirsh directs the NW Energy Coalition's efforts to enhance investments in energy efficiency, renewable resources and low-income energy services through work with utilities, commissioners, regulators and legislators. She serves on the board of Renewable Northwest and the Washington Environmental Council. From 1996 through 2014, she served as the NW Energy Coalition's policy director. Before joining the Coalition, she spent 12 years in Washington, D.C., working on national energy policy issues for the Environmental Action Foundation and the National Wildlife Federation. She lives in Seattle, Wash.

with her husband, children and dog. When not advocating clean energy solutions, she is an avid backpacker and hiker.

The NW Energy Coalition is an alliance of more than 100 environmental, civic, and human service organizations, progressive utilities, and businesses in Oregon, Washington, Idaho, Montana and British Columbia. It promotes development of renewable energy and energy conservation, consumer protection, low-income energy assistance and fish and wildlife restoration on the Columbia and Snake rivers.

Mark Johnson, General Manager, Flathead Electric Cooperative



Mark Johnson's responsibilities include the overall operations of the cooperative as well as a particular focus on generation resources and power supply. He is the chairman of the Public Power Council's Executive Committee and a board member of the Pacific Northwest Utilities Conference Committee. He is also a member of the National Rural Electric Cooperative Association's Strategic Technology Advisory Council. Mark has worked for Flathead Electric since 1999.

Before joining Flathead Electric, Mark worked as a certified public accountant for Deloitte & Touche in Portland, Ore., as well as Jordahl & Sliter in Kalispell, Mont. Mark has a degree in accounting from the University of Oregon and an M.B.A. from the University of Montana.

Mark is the current president of the Flathead Food Bank board of directors, a board member of the Kalispell Chamber of Commerce and has supported multiple nonprofit organizations over the years.

He is married with a son and daughter and spends most of his free time watching his children play sports, woodworking and playing golf.

Robert Pratt, Manager, Distribution and Demand Response Sector, Pacific Northwest National Laboratory



Robert Pratt is one of the early thought leaders behind the smart grid, focused on an information-rich future for the power grid. He manages Pacific Northwest National Laboratory's GridWise™ program activities for the U.S. Department of Energy. He leads a team studying communications architecture, advanced control technology and simulation of the combined engineering and economic aspects of the future grid, including the effect of plug-in hybrid electric vehicles.

Robert's research interests include smart grid technology and business cases, demand response, dynamic pricing, transactive control, home energy management, smart appliances, energy efficiency, fault detection and diagnostics, simulation and renewables integration.

Pacific Northwest National Laboratory is located in Richland, Wash., and is one of 10 U.S. Department of Energy national laboratories managed by DOE's Office of Science. Its research strengthens the U.S. foundation for innovation. And it helps find solutions for not only DOE, but for the U.S. Department of Homeland Security, the National Nuclear Security Administration, other government agencies, universities and industry.

Unlike others, the Pacific Northwest National Laboratory's multidisciplinary scientific teams are brought together to address their problems focusing on four areas: science, energy, the earth and national security.

Debra Smith, General Manager and CEO, Central Lincoln PUD



Debra Smith has almost 20 years of industry experience and has worked in virtually all aspects of utility management, including electric and water operations, power generation and trading, customer service, finance and administrative support. Since joining Central Lincoln, her efforts have focused on increasing the value delivered through people, planning, process and projects. Debra joined Central Lincoln PUD in 2013 after 17 years at the Eugene Water and Electric Board. She holds a bachelor's degree in finance from Arizona State University.

Central Lincoln PUD is a community-owned utility on Oregon's central coast. The district service territory includes 700 square miles along 120 miles of coastline and has 38,500 residential, commercial and industrial customers in parts of four counties.

For more information visit:
www.bpa.gov/goto/Focus2028

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BONNEVILLE POWER ADMINISTRATION
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