

BPA Financial Reserves

March 29, 2016

9am-12pm

BPA Rates Hearing Room, 1201 Lloyd Blvd, Suite 200, Portland, OR

Phone Bridge: (877)-336-1828 Passcode: 2906902#

Live Meeting: <https://www.livemeeting.com/cc/bpa/join>

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Financial Reserves Context

- BPA adopted the first financial reserves-related requirement in 1993, the Treasury Payment Probability (TPP) standard. This standard had a single focus: to ensure BPA maintained sufficient financial reserves to achieve a 95% probability of making all year-end Treasury payments in the 2-year rate period. As of the end of 2015, BPA had made 32 consecutive year-end Treasury payments.
- Today, BPA's operating environment is more complex and thus the demands on, and objectives of, financial policies are different. There is an increased focus on Transmission rates, uncertainty in the future electric utility markets, and greater reliance on 3rd party debt to finance capital projects. These drivers in large part have renewed the conversation about BPA's financial policies, and in particular, financial reserves policies and practices.
- In prior rate cases, and again in BP-16, BPA and customers debated the approach to managing levels of financial reserves. The Administrator decided not to adopt new policies or practices on financial reserves in the BP-16 rate case, and to hold workshops after the rate case to discuss a financial reserves policy.

Current Policies Regarding Reserves

- BPA's TPP standard is the only major policy in place with respect to reserves levels.
- The TPP standard was set in the 10-Year Financial Plan adopted in the 1993 rate case:
 - “BPA will set rates in each 2-year rate period to maintain a level of reserves sufficient to assure a 95 percent probability of meeting its U.S. Treasury payments in full and on time.”
- Reserves are a key factor for determining TPP. The TPP policy defines a floor level of reserves, but there may be reasons for higher levels of reserves that are not reflected in any current policies.
- BPA identifies reserve levels separately for its two business lines and calculates TPP by business line in each rate case.

Other Reserves Policy Concerns

- Reserves targets and reserves policies looking over a longer time horizon are common among peer entities. BPA-supported non-federal debt often competes for investors with these entities' debt.
- Since the financial crisis (2007), rating agencies have been increasingly scrutinizing entities' financial positions and metrics, and in particular, cash positions (financial reserves positions).
- The security for BPA's non-federal debt is BPA contractual commitments for payment and related financial support. By law, all BPA revenues are available to pay all of BPA costs; therefore, the rating agencies rate BPA as a whole and do not separately rate Power Services and Transmission Services.
- It is in BPA's and customers' interests to review BPA's reserves practices in response to developments of the last few years, and perhaps to develop a policy on acceptable and desirable levels of reserves.

What Are BPA's Financial Reserves?

▪ Financial Reserves Defined

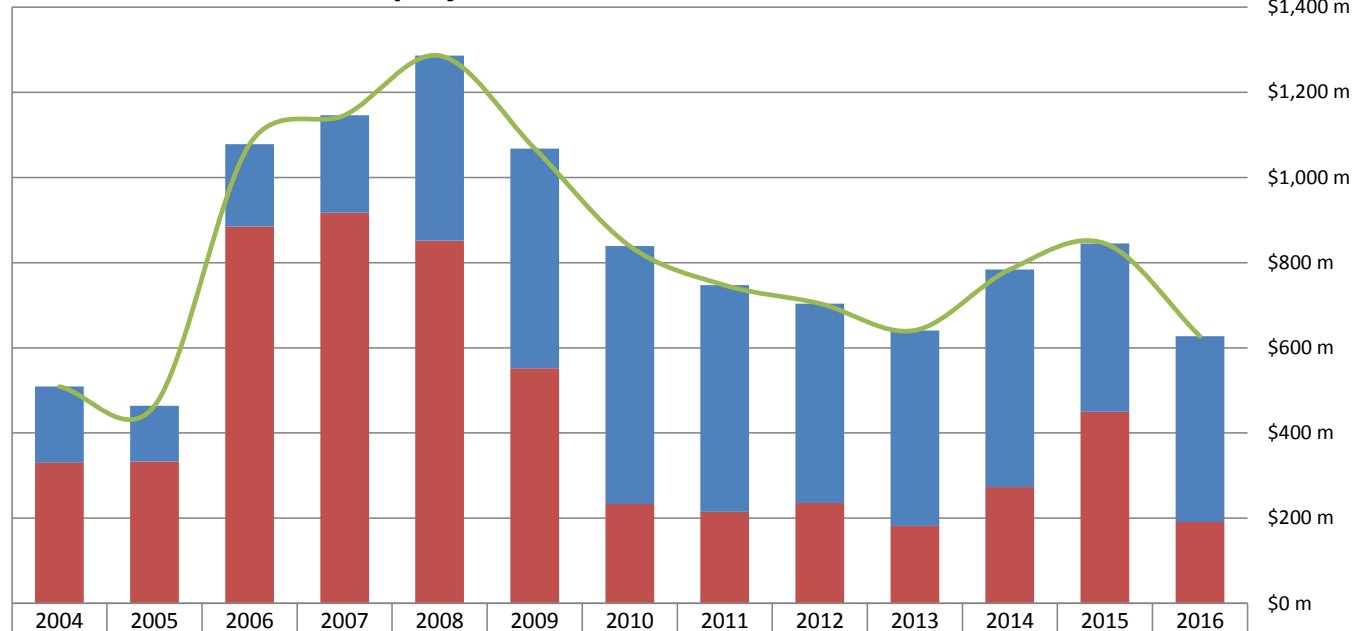
- 2006 and earlier:
 - Cash in the BPA Fund plus deferred borrowing (deferred borrowing: cash used for capital spending which qualifies for borrowing from the U.S. Treasury, but the borrowing hasn't taken place yet; convertible to cash very quickly);
- 2007 and later:
 - Cash and market-based special investments (U.S. Treasury investments) in the BPA Fund plus deferred borrowing.

How Has BPA Used Financial Reserves?

- BPA has for many years relied on reserves for liquidity (the availability of cash on hand to meet current obligations)
 - Reserves are BPA's primary tool for mitigating financial risk. BPA establishes rates for cost recovery, so that expected net cash flow is zero unless Planned Net Revenue for Risk (PNRR) is required or reserves are used to finance capital or reduce rates. However, because BPA establishes rates prospectively, actual costs and revenues can vary from rate case forecasts. In some rate periods, reserves can increase and in some rate periods reserves can decrease.
 - Within each year, BPA needs reserves for liquidity in situations when disbursements outpace receipts, receipts are lower than anticipated, or disbursements are higher than anticipated.
- Since 2006, BPA has also used reserves
 - As a source of funding transmission capital projects (\$15 million per year from FY 2006 through present). This use reduces future interest expense by avoiding capital projects borrowing for capital projects.
 - To eliminate or moderate Transmission rate increases for the 2010-2011, 2012-13, and 2014-15 rate periods. Use of reserves in this way, provides an immediate, one-time rate effect.

Levels of Financial Reserves over Time

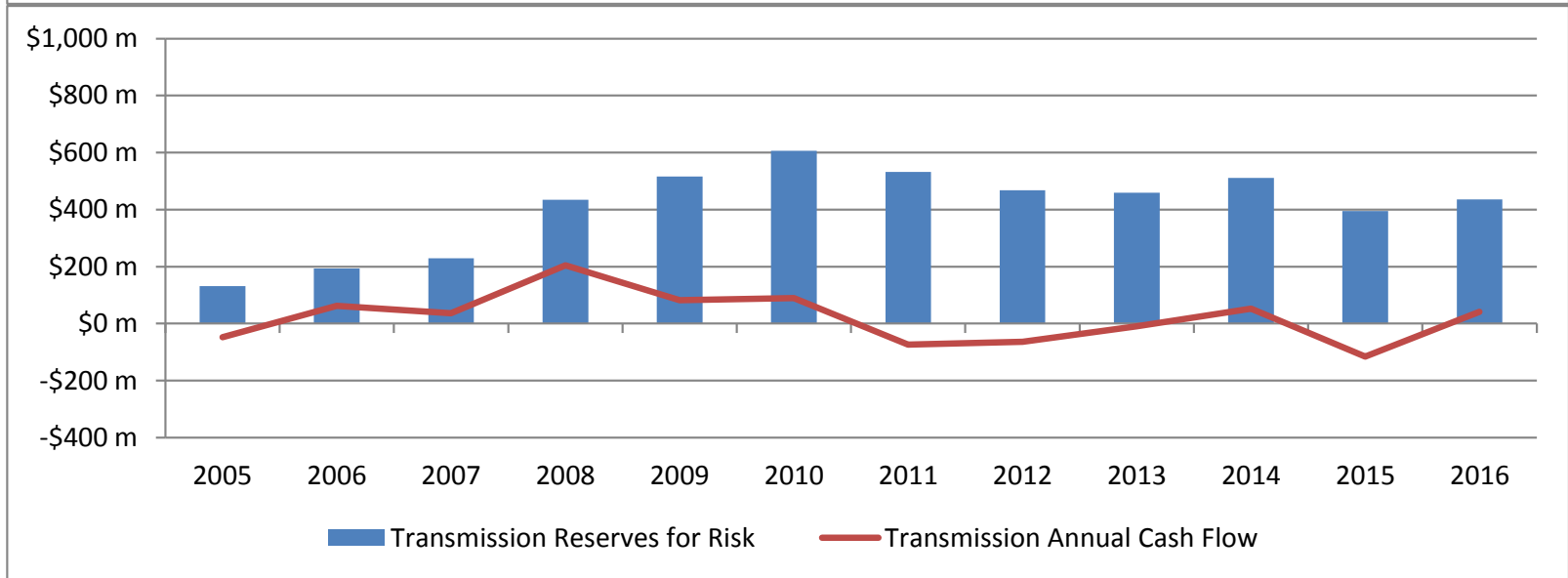
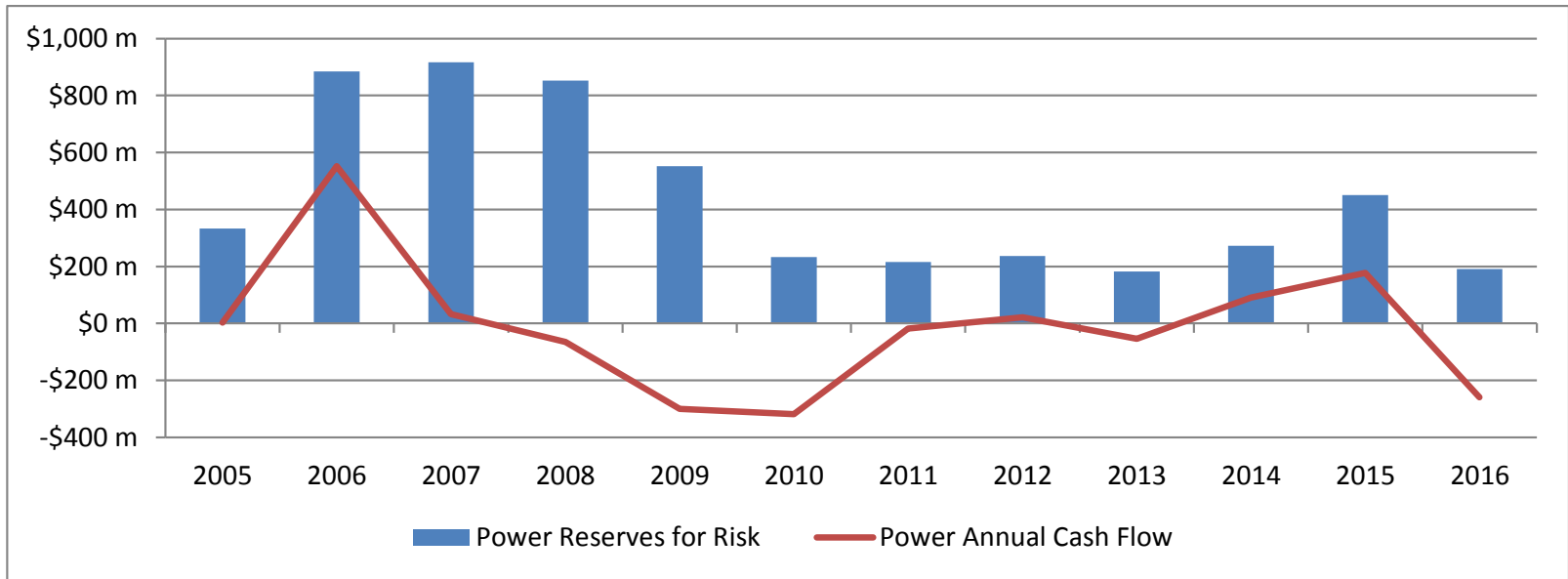
Historical and FY16 projected Reserves Available for Risk



Transmission Reserves for Risk	\$179 m	\$131 m	\$193 m	\$229 m	\$434 m	\$516 m	\$606 m	\$532 m	\$468 m	\$459 m	\$511 m	\$395 m	\$436 m
Power Reserves for Risk	\$330 m	\$333 m	\$885 m	\$917 m	\$852 m	\$552 m	\$233 m	\$215 m	\$236 m	\$182 m	\$273 m	\$450 m	\$191 m
Agency Reserves for Risk	\$509 m	\$464 m	\$1,078 m	\$1,146 m	\$1,286 m	\$1,068 m	\$839 m	\$747 m	\$704 m	\$641 m	\$784 m	\$845 m	\$627 m

- Agency reserves for risk have declined since 2008.
- Reserves for risk attributed to Power have decreased.
- Declining reserves for risk have been identified by certain bond ratings agencies as a credit strength issue.
- It may be appropriate for Transmission Services and Power Services to have different levels of reserves for risk given the different levels of financial uncertainty they face.

Historical Power and Transmission Reserves Volatility



Recent Developments in TPP & Liquidity

- 2007 rate case: BPA and the U.S. Treasury agreed to establish a \$300 million line of credit (the Treasury Facility) that BPA can access to pay certain FCRPS operating expenses. Amounts drawn can have a term up to one year and can be extended one year. BPA concluded that for TPP purposes, the Treasury Facility is equivalent to reserves. Use of the Treasury Facility counts against BPA's statutory borrowing authority cap; BPA maintains, at a minimum, an amount of Borrowing Authority equal to the Treasury Facility to ensure that the Treasury Facility could be used if needed.
- BP-10 rate case: the Treasury Facility was increased to \$750 million in 2009; that remains the limit.
- Availability of the Treasury Facility has reduced the need for reserves to support TPP in Power rate cases.
- Market prices for electricity have been trending downwards, reducing the magnitude of the financial risk BPA faces from the natural variability of its supply of hydro power.
- Power TPP has been above 95% since the 2007 supplemental rate case.
- Transmission TPP has been above 99% since 2002.
- Because TPP has been above 95%, the TPP standard has not required that downward deviations due to change in reserves attributed to Power be counteracted with PNR (Planned Net Revenue for Risk). Had TPP been below 95%, PNR would have been required to replenish reserves for risk.
- BPA has not had any other policy that required replenishing reserves for risk.

The Rating Agency Perspective

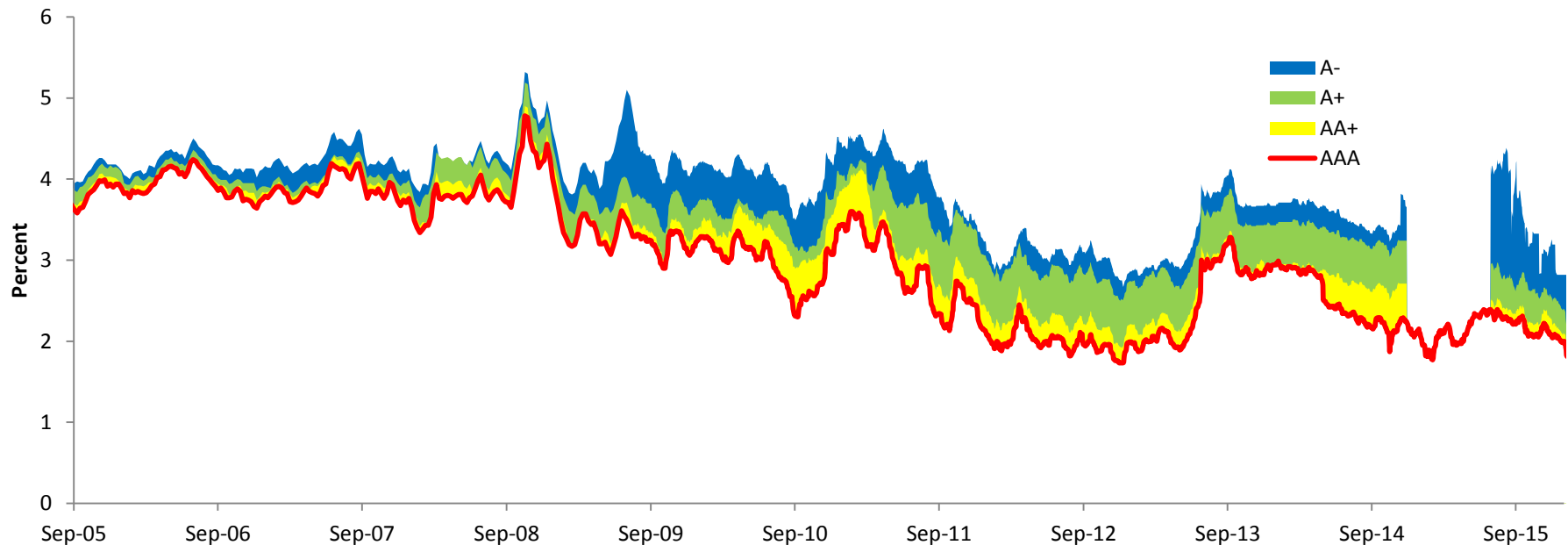
Rating agencies consider many factors, but do not reveal their relative weights:

- Management's commitment to financial integrity;
- Days' cash on hand (a metric used in rating all entities): the number of days' worth of operating expenses that could be covered by an entity's cash on hand (financial reserves). BPA's total reserves available for risk do not provide the number of days' cash on hand that other AA rated entities typically hold;
- The Treasury Facility is a credit positive but is not considered cash on hand;
- Reserves Available for Risk (reserves not accrued or derived to meet specific costs): the rating agencies understand that some of BPA's reserves are not available for risk and in effect are held for specific costs or uses;
- BPA's total reserves for risk have been declining since 2008; and
- Use of reserves to reduce short-term rates in light of "low" or declining reserve levels is viewed negatively.

Credit Rating and Cost of Borrowing Over Time

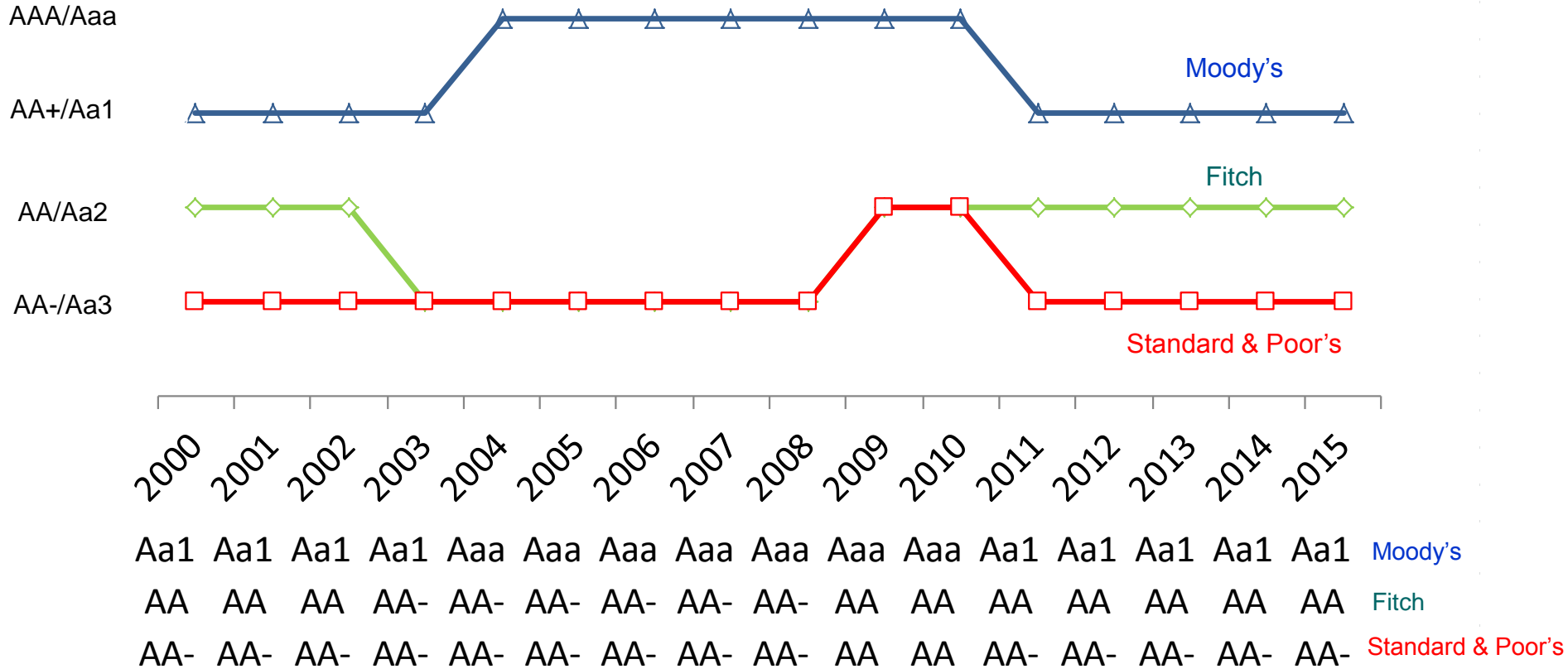
- The value of a higher credit rating in terms of cost of borrowing is greater than before the recession. BPA-supported non-Federal debt continues to be issued, leading to frequent ratings of BPA's creditworthiness.
- Prior to the financial crisis, the average spread between "AA" and "A" rated 20 year tax-exempt municipal debt was 0.17%. Now it is 0.63%, even though borrowing costs are now lower.

Tax Exempt Municipal Market Database Index by Credit Type
(10-year maturity)



There is a gap in interest rate data from November 2014 – June 2015 (except for the AAA curve). This is because Bloomberg discontinued their municipal market indexes and created new ones.

BPA's Credit Rating



How Much Does BPA’s Credit Rating Matter?

- BPA has direct and indirect responsibility for paying debt service on \$16.1 billion of principal outstanding.
- \$7.5 billion of such debt has been issued by third parties in the municipal bond market and carry BPA’s underlying credit rating (non-federal debt).
- Over the next 10 years, up to ~\$6.4 billion of non-federal debt could be issued, carrying BPA’s underlying credit rating. Of this, \$2.2 billion will be attributed to Transmission and \$4.2 billion will be attributed to Power.
- A 55 basis point^{1/} interest rate increase (+0.55%) today would result in ~\$340 million^{2/} PV increase in interest costs on the ~\$6.4^{3/} billion Non-Federal Debt forecast to be issued over the next 10 years. This equates to an average annual interest expense increase of ~\$19 million per year over the next 30 years
- *Supporting BPA’s credit rating by adhering to additional financial metrics (reserves, debt ratio, & coverage ratio) may be worth the investment and be an advantage for both Power and Transmission.*

Comparison of Debt Outstanding to Credit Rating^{4/} for U.S. Public Power Utilities with Generation Ownership Exposure		
# of Entities	Avg. Debt Outstanding	Average Credit Rating
4	1.9B	AA+
14	2.0B	AA
28	2.4B	AA-
37	0.8B	A+
21	1.2B	A
17	1.3B	A-
5	0.5B	BBB+

- The table above shows the average debt outstanding for all U.S. Public Power Utilities with Generation Ownership Exposure grouped by credit rating.
- On average, utilities with more debt have a higher credit rating likely because of their reliability on debt repayment, size of their economic base and their increased focus on maintaining credit ratings.

^{1/} Possible impact of taxable and tax-exempt interest rate increase between AA and A credit since the financial crisis. Estimate based on municipal market data from 12/7/2007 to 1/12/2015

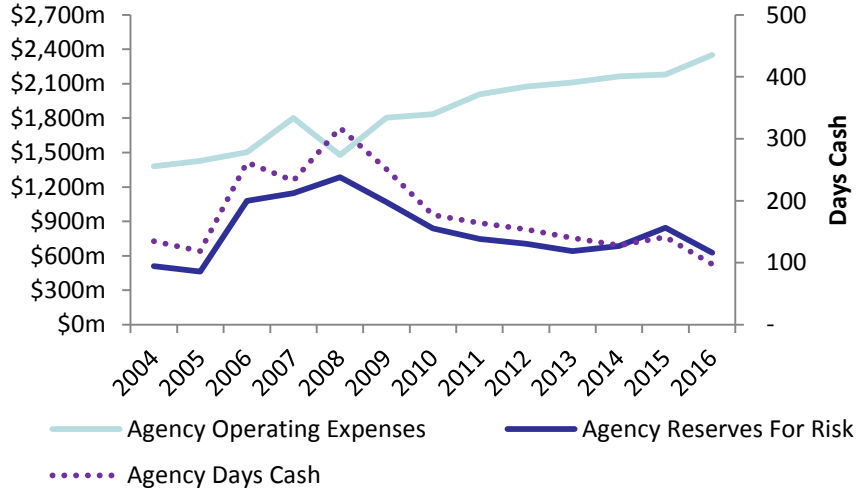
^{2/} Discounted at BPA’s weighted average cost of capital (4.1% as of 9/30/2015). At a 9% discount rate, PV is \$193m.

^{3/} Estimate is \$3.0 billion issued taxable (\$800 million for P & \$2.2 billion for T) and \$3.4 billion tax-exempt (all P).

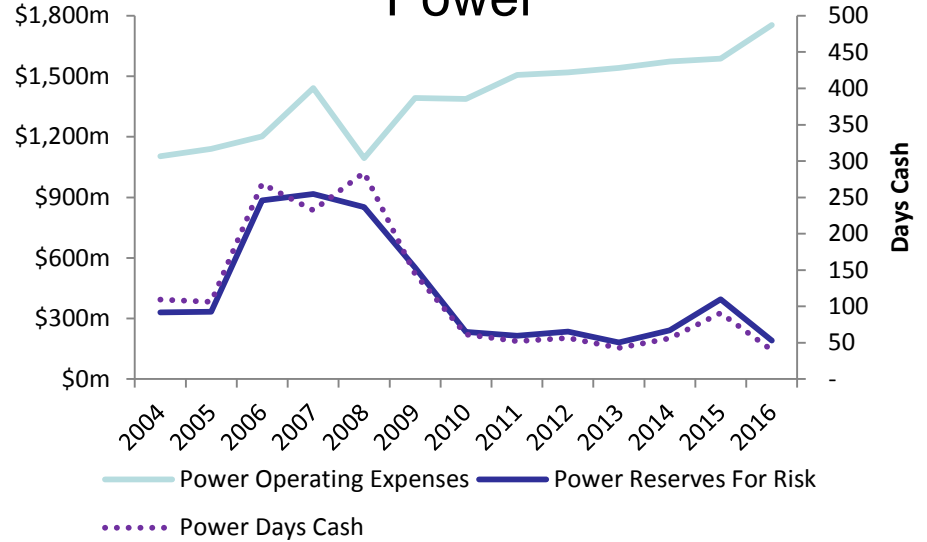
^{4/} Source: Fitch U.S. Public Power Peer Study, July 2015

Historical Reserves Relative to Operating Expenses

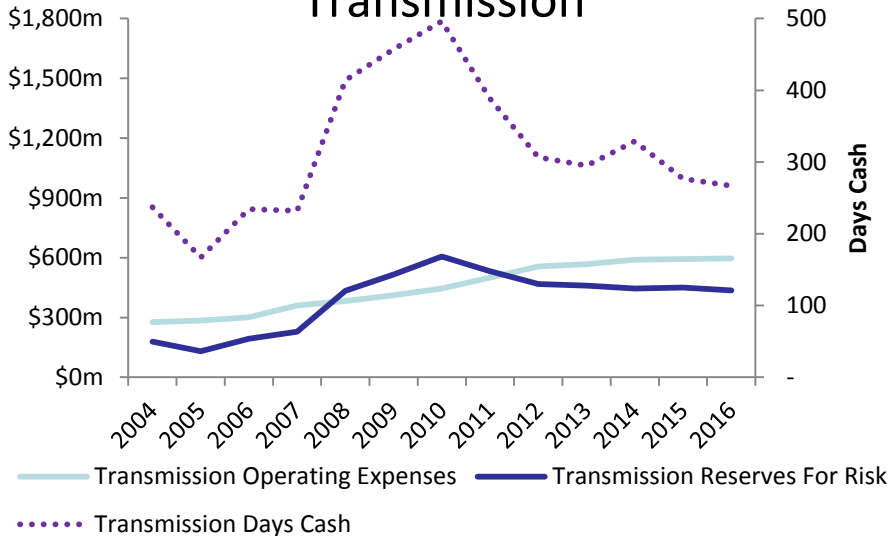
Agency



Power



Transmission



- Graphs show reserves for risk and approximate operating expenses for the Agency and by business line.
- This view does not reflect any values for revenue or expense uncertainty, which differ by business line.
- This view is a common liquidity measure used by the rating agencies.

Objectives of a Reserves Policy

- BPA's use of financial reserves and application of financial risk mitigation have been the topic of much discussion in the past several rate cases, and have been a topic of much discussion internally at BPA.
- Any reserves policy should strive to meet two of BPA's primary financial objectives, maintain sufficient liquidity and maintain BPA's credit rating. Proposed objectives are shown below.
- Additionally, a policy needs to be formulated from an Agency perspective, because by law all financial reserves are available for the Administrator to meet obligations and because BPA is rated as a whole, not by individual business line. However, a policy also must consider business line specific issues, for example financial risk.
- Finally, a policy needs to be compatible with BPA's TPP standard.
- BPA is proposing these objectives for a policy framework:
 1. Assure adequate cash flow for liquidity
 2. Support BPA's current credit rating
 3. Take an Agency view, while remaining sensitive to business line-specific issues
 4. Be compatible with the Treasury Payment Probability standard

Scope of Reserves Policy Discussion

- BPA's proposed draft scope (applies to both power and transmission):
 - a) Target level of reserves
 - b) Action when reserves are above the target
 - c) Action when reserves are below the target
 - d) Use of the Treasury Note for rate-making
- Within each of the 4 key areas, BPA and stakeholders will explore in the what actions to take and why, and how those actions might support the objectives of the reserves policy.
- In the final workshop, BPA and stakeholders can discuss the merits of combinations of each key area and make recommendations.
- Today's discussion addresses the target level of reserves.

Scope: Target Level of Reserves

- Develop a methodology for determining the appropriate target level or target range of financial reserves for each business line.
 - The target should support the reserve policy objectives:
 1. Assure adequate cash flow for liquidity
 2. Support BPA's current credit rating
 3. Take an Agency view, while remaining sensitive to business line-specific issues
 4. Be compatible with the Treasury Payment Probability standard
 - Example methodologies and rationale for target
 - Days cash metric with a target of 150 days cash because average AA rated utility has 150 days cash.
 - TPP analysis with a target that is the minimum necessary to meet 95% TPP standard without use of the Treasury Facility.

Scope: Action when Reserves are Above the Target

- Develop a methodology for what to do when reserves are above the target level and how far above the target they need to be before something is done.
- The method should support the reserve policy objectives.
- Possible uses of reserves that are above the target level:
 - Reduce rates
 - Repay high interest debt
 - Fund additional high value capital spending
 - Other?
- Possible trigger levels determining when to decrease reserves:
 - Status Quo - \$750 million in reserves for Power
 - Some percentage above the target

Scope: Action when Reserves are Below the Target

- Develop a methodology for what to do when reserves are below the target level and how far below the target they need to be before something is done.
- The method should support the reserve policy objectives.
- Possible actions to increase reserves:
 - Cost Recovery Adjustment Clause based on business line reserve levels
 - Other?
- Possible trigger levels determining when to increase reserves:
 - Status Quo - \$0 in reserves for Power
 - Some percentage below the target
 - Other?

Scope: Use of the Treasury Facility for Rate-making

- What is the appropriate use of the Treasury Facility for rate-making?
- Currently all of the Facility is used to support the TPP standard for power rates.
- Currently, Transmission does not need to use the Facility to meet the TPP standard.
- Options to consider:
 - Status quo, use Facility as needed by each business line
 - Allocate as a function of reserve levels, or assessed financial risk
 - Allocate for within year liquidity need only
 - Do not use the Facility in rate setting

Topic 1: Reserves Target Alternatives

- Develop a methodology for determining the appropriate target level or range of financial reserves for each business line.

- The target should support the reserve policy objectives:
 1. Assure adequate cash flow for liquidity
 2. Support BPA's current credit rating
 3. Take an Agency view, while remaining sensitive to business line-specific issues
 4. Be compatible with the Treasury Payment Probability standard

Reserve Target Alternatives

Reserve Target Alternatives						
Alternative	Reserves Target	Summary of Target	Target in \$	Benefits of Alternative	Support for Objectives	
Status Quo	Minimum reserves for TPP	The target results from calculating, for each business line individually, the minimum amount of reserves they can carry while still meeting the 95% TPP standard assuming the current allocation of the Treasury Note (\$750m to Power, \$0 Transmission). The Agency reserves target is the sum of the business line targets.	Agency: \$200m Power: \$0m Trans: \$200m	cash flow support	Assure Adequate Cash Flow For Liquidity Support BPA's current credit rating Take an Agency view, BL equity Compatible with TPP	+ +/- +/- +
1a	150 Days Cash	Calculate the amount of reserves necessary for each business line to meet 150 days cash on hand. 150 days is the bottom end of the the threshold for AA rate utilities according to Moody's. The Agency target is the sum of the business line targets	Agency: \$950m Power: \$700m Trans: \$250m	strong cash flow support, strong credit rating support, standard industry metric, equitable between business lines	Assure Adequate Cash Flow For Liquidity Support BPA's current credit rating Take an Agency view, BL equity Compatible with TPP	+ ++ + +
1b	90 Days Cash	Calculate the amount of reserves necessary for each business line to meet 90 days cash on hand. 90 days is the bottom end of the threshold for A rated utilities according to Moody's. The Agency target is the sum of the business line targets	Agency: \$600m Power: \$450m Trans: \$150m	same as 1a with slightly less cash flow and credit rating support	Assure Adequate Cash Flow For Liquidity Support BPA's current credit rating Take an Agency view, BL equity Compatible with TPP	+ + + +
2	TPP w/out Note	The target results from a calculating, for each business line, the minimum amount of reserves they can carry while still meeting the TPP standard w/out aid from the Treasury Note (excludes w/in year need). The Agency reserves target is the sum of the business line targets.	Agency: \$630m Power: \$500m Trans: \$130m	strong cash flow support, strong credit rating support, equitable between business lines	Assure Adequate Cash Flow For Liquidity Support BPA's current credit rating Take an Agency view, BL equity Compatible with TPP	+ + + +
3	Other					

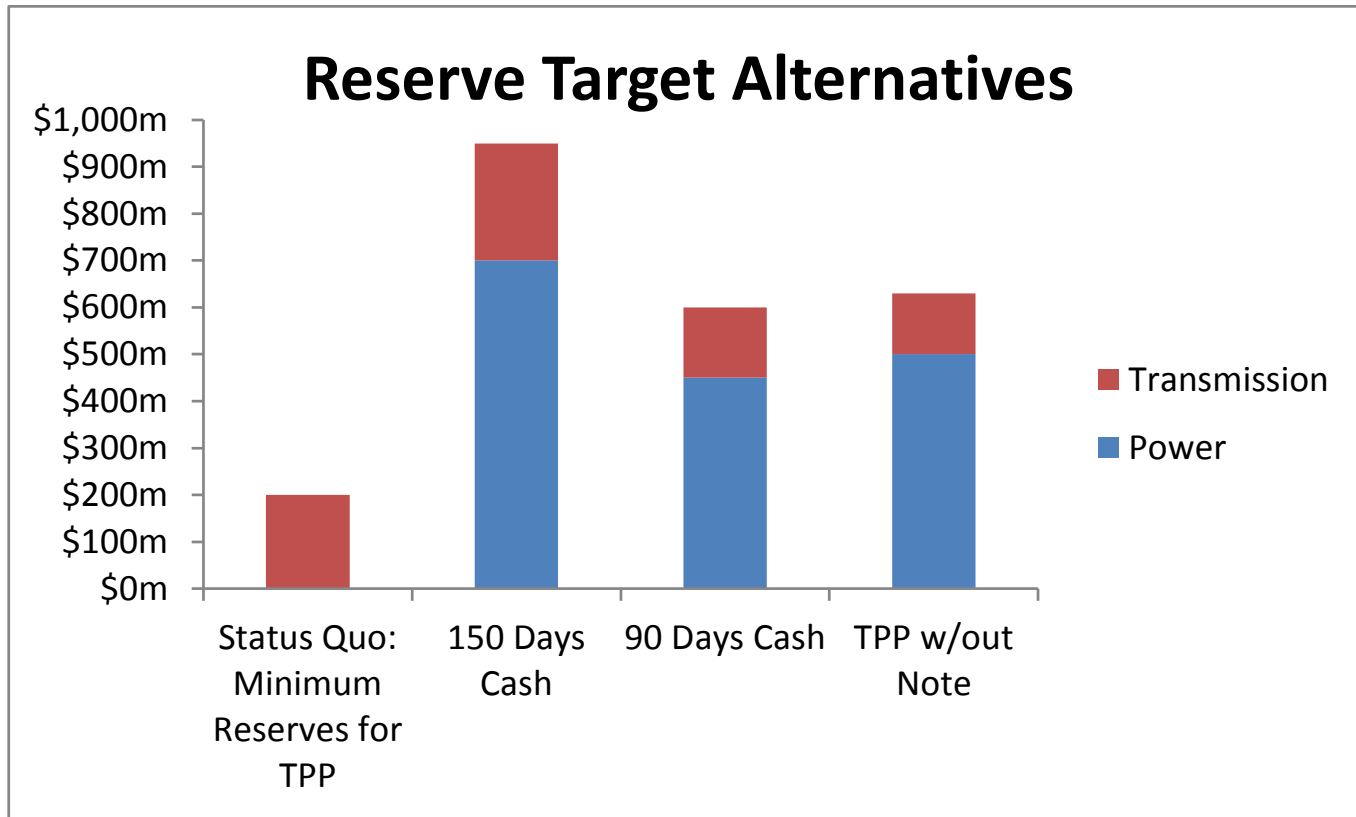
- The table reflects alternatives for setting business line and Agency reserves targets. Details of each alternative are discussed on the following slides.

Reserve Target Alternatives Summary

- Status Quo reflects the minimum amount of reserves that both Power and Transmission could have held going into BP-16 and still have met the 95% TPP standard assuming the allocation of the Treasury Note and Power CRAC and DDC did not change.
- The Days Cash on Hand metric is a common industry metric that measures the amount of cash compared to the amount of annual operating expenses.
- TPP without the Note is a measure of the amount of reserves each business line would have to hold to meet the TPP standard with Reserves alone.
- TPP without the Note differs from the Days Cash on Hand metric in that it measures the necessary amount of reserves as a function of financial uncertainty whereas Days Cash on Hand measures the necessary amount reserves as a function of the business's size measured in annual operating expenses.
- A simple way to differentiate the two is to think of TPP without the Note as a measure of Reserves relative to forecast uncertainty of reserves (standard deviation) and Days Cash on Hand is a measure of Reserves relative to the forecast outflow of reserves (annual operating expenses).

Draft Reserve Target Alternatives

- Graphical representation of previous slide



Status Quo

- BPA does not have an explicit financial reserves target.
- The TPP standard does imply a target: \$0 million for Power, \$230 million for Transmission.
- These are the reserve amounts Power and Transmission could have had going into BP-16 and still have met the 95% TPP standard.

- How does the alternative meet policy objectives?
 - Assure Adequate Cash Flow For Liquidity
 - TPP adopted in 1993, BPA has made all treasury payments on time and in full every year while TPP has been in existence.
 - Support BPA's current credit rating
 - Positive support because of track record of meeting all obligations.
 - Negative pressure because allows for very low levels of reserves relative to the amount of financial risk and size of BPA's business.
 - Take an Agency view while remaining sensitive to business line specific issues
 - Limited support
 - Compatible with TPP
 - Yes, because the Status Quo is solely based on TPP

Days Cash on Hand

- Days cash on hand calculation
 - Days cash on hand captures the relationship between the amount of cash and the amount of average daily expenses required to operate the business.
 - Days cash on hand is a measure of the number of days a business could conceptually continue to operate using it's own cash on hand, if revenue stopped coming in.
 - Some adjustments need to be made to total expenses so they reflect the true operating expenses that would be required to operate the business.
 - Days Cash on Hand: Power
 - Data
 - Reserves available for risk attributed to Power
 - Total Power Expenses
 - Power Depreciation and Amortization
 - Power Interest Expense
 - Power Non-Federal Debt Service (because it is included on the income statement and should be removed from Total Power Expenses)
 - Secondary Purchases
 - Calculation

Power Days Cash on Hand = Power Reserves Available for Risk / ((Power Total Expenses – (Power Depreciation & Amort. + Power Interest Expense + Power NonFed Debt Service + Power Purchases) / 365)

How to Calculate Days Cash on Hand

- Days cash on hand calculation: Transmission

- Data

- Reserves available for risk attributed to Transmission
 - Total Transmission Expenses
 - Transmission Depreciation and Amortization
 - Transmission Interest Expense

- Calculation

Trans Days Cash on Hand = Trans Reserves Available for Risk / ((Trans Total Expenses – (Trans Depreciation & Amort. + Trans Interest Expense) / 365)

- Days cash on hand calculation: Agency

Agency Days Cash on Hand = (Power Reserves For Risk + Transmission Reserves for Risk) / ((Power Total Expenses + Trans Total Expenses – (Power Depreciation & Amort. + Power Interest Expense + Power NonFed Debt Service + Power Purchases + Trans Depreciation & Amort. + Trans Interest Expense) / 365)

- Calculating the Target for the Initial and Final Proposals:

- For rate setting, the target for each business line would be calculated based on:
 1. The last year of the rate period forecast ending expected value reserves for risk
 2. The last year of the rate period forecast expected value total operating expenses (per the definition of operating expenses above)

Example Calculation: Days Cash on Hand

- Example calculation using real numbers based on the first quarter forecast of end of year FY 2016.

- Power

Power Days Cash on Hand = Power Reserves Available for Risk / ((Power Total Expenses – (Power Depreciation & Amort. + Power Interest Expense + Power NonFed Debt Service + Power Purchases) / 365)

$$40 \text{ days} = \$191m / ((\$2,493m - (\$226.5m + \$193.6 + \$219.2m + \$100.2m)) / 365)$$

- Transmission

Trans Days Cash on Hand = Trans Reserves Available for Risk / ((Trans Total Expenses – (Trans Depreciation & Amort. + Trans Interest Expense) / 365)

$$267 \text{ days} = \$436m / ((\$967m - (\$240m + \$130.6m)) / 365)$$

- Agency

Agency Days Cash on Hand = (Power Reserves for Risk + Transmission Reserves for Risk) / ((Power Total Expenses + Trans Total Expenses – (Power Depreciation & Amort. + Power Interest Expense + Power NonFed Debt Service + Power Purchases + Trans Depreciation & Amort. + Trans Interest Expense) / 365)

$$96 \text{ days} = \$628m / ((\$2,493m + \$967m - (\$226.5m + \$193.6m + \$219.2m + \$100.2m + \$240m + \$130.6m)) / 365)$$

Days Cash on Hand

- How does the alternative meet policy objectives?
 - Assure Adequate Cash Flow For Liquidity
 - Same as the status quo, the reserves target by itself does not increase adequacy of cash flow for liquidity.
 - Support BPA's current credit rating
 - Positive support because it would set a higher reserves target than the status quo (assuming BPA uses the target to determine when reserves are sufficient to use for purposes other than to hold for liquidity).
 - Take an Agency view while remaining sensitive to business line specific issues
 - Positive support because reserve targets for each business line would be set based on each business lines operating expenses and aggregate to the Agency reserves target.
 - Compatible with TPP
 - Yes. Days Cash on Hand would be complimentary to TPP. For rate setting purposes, the TPP standard would need to be met, and the reserves target would also need to be met in order to consider using reserves for purposes other than holding for liquidity.

Reserves Target based on TPP without the Facility

- The Toolkit and TRAM models could be used to calculate a reserves target for both Power and Transmission. The targets calculated for each business line could be summed, resulting in the Agency target.
- The target would be calculated on a forecast basis, for example over a forecast rate period.
- Any use of the note would be removed from the calculation (with exception for within year use of the note).
- CRAC and DDC mechanism turned off.
- Year prior to the rate period uncertainty removed and cash flow fixed to \$0 so that the calculation captures the required reserves over the rate period to make the Treasury payment 95% of the time.
- Starting reserves would be toggle to a point where TPP is exactly 95%.
- Using the BP-16 Toolkit model for Power and BP-16 TRAM model for Transmission to resulted in reserves targets of:
 - Power
 - \$500 million
 - Transmission
 - \$130 million

Reserves Target based on TPP without the Facility

- How does the alternative meet policy objectives?
 - Assure Adequate Cash Flow For Liquidity
 - Same as the status quo, the reserves target by itself does not increase adequacy of cash flow for liquidity.
 - Support BPA's current credit rating
 - Positive support because it would set a higher reserves target than the status quo (assuming BPA uses the target to determine when reserves are sufficient to use for purposes other than to hold for liquidity).
 - Take an Agency view while remaining sensitive to business line specific issues
 - Positive support because reserve targets for each business line would be set based on each business lines anticipated financial uncertainty. The business line reserves targets aggregate to the Agency reserves target.
 - Compatible with TPP
 - Yes. The reserves target based on TPP without the Facility would be complimentary to TPP. For rate setting purposes, the TPP standard would need to be met, and the reserves target based on TPP without the Facility would also need to be met in order to consider using reserves for purposes other than holding for liquidity.

Other Alternatives?

- Discussion about other alternatives for calculating the reserves target for each business line and the Agency.
- Possible Discussion topics for other alternatives
 1. Summary of the Alternative
 2. Calculation
 3. Application to Power, Transmission and Agency
 4. How alternative meets policy objectives

Looking Ahead

- BPA would like stakeholder feedback to help shape the development of the financial reserves policy. BPA specifically seeks written suggestions:
 - Preference for reserve target alternatives, with supporting explanation and rationale;
 - Please submit comments/suggestions by June 30 to [the BPA Comment webpage](#) under 2016 Financial Reserves Workshop
- Following this first workshop BPA will:
 - Hold 2 more workshops covering all areas that have been identified to be within scope (see next slide for dates).
 - In the last workshop, BPA and stakeholders will have an opportunity to present draft positions.
 - BPA will accept comments on draft positions up to June 30, 2016.
 - BPA encourages stakeholders to submit comments early so that BPA has sufficient time to consider them.
 - BPA will consider comments and post BPA's final reserve policy position by July 31, 2016.
- Questions/Comments?

Workshop Schedule

Date	Task
3/29	Reserves Workshop #1 Discuss background, objectives, and scope as well as target level of financial reserves
5/10	Reserves Workshop #2 Discuss use of the Treasury Note for rate making and action when reserves are above/below target
6/7	Reserves Workshop #3 BPA to share draft reserve position and proposed implementation timing
6/7-6/30	Comment Period*
August	Publish final reserve position
	*Customers can send requests/questions informally to BPAFinance mailbox between workshops

Financial Disclosure

- This information has been made publicly available by BPA on March 25, 2016 and contains information not reported in agency financial statements.