Power Marketing Administrations (PMAs)

Southeastern Power Administration
($K)

	FY 2025 Enacted	FY 2026 Enacted	FY 2027 Request	FY 2027 Request vs FY 2026 Enacted
Gross	94,468	105,030	105,030	-
Offsets	-94,468	-105,030	-105,030	-
Net Budget Authority	-	-	-	-

Proposed Appropriation Language

For expenses necessary for operation and maintenance of power transmission facilities and for marketing electric power and energy, including transmission wheeling and ancillary services, pursuant to section 5 of the Flood Control Act of 1944 (16 U.S.C. 825s), as applied to the southeastern power area, $9,285,000, including official reception and representation expenses in an amount not to exceed $1,500, to remain available until expended: Provided, That notwithstanding 31 U.S.C. 3302 and section 5 of the Flood Control Act of 1944, up to $9,285,000, collected by the Southeastern Power Administration from the sale of power and related services shall be credited to this account as discretionary offsetting collections, to remain available until expended for the sole purpose of funding the annual expenses of the Southeastern Power Administration: Provided further, That the sum herein appropriated for annual expenses shall be reduced as collections are received during the fiscal year so as to result in a final fiscal year 2027 appropriation estimated at not more than $0: Provided further, That, notwithstanding 31 U.S.C. 3302, up to $81,819,000 collected by the Southeastern Power Administration pursuant to the Flood Control Act of 1944 to recover purchase power and wheeling expenses shall be credited to this account as offsetting collections, to remain available until expended for the sole purpose of making purchase power and wheeling expenditures: Provided further, That for purposes of this appropriation, annual expenses means expenditures that are generally recovered in the same year that they are incurred (excluding purchase power and wheeling expenses).

Mission

Southeastern Power Administration (Southeastern or SEPA) markets and delivers Federal hydroelectric power at the lowest possible cost, consistent with sound business principles, to public bodies and cooperatives in accordance with Section 5 of the Flood Control Act of 1944 (16 U.S.C. 825s).

Overview

Southeastern strives to carry out the functions assigned by the Flood Control Act of 1944 in the southeastern United States in a professional, innovative, customer-oriented manner, while continuing to meet the challenges of an ever-changing electric utility environment through continuous improvement. Southeastern provides 471 public power customers with 3,392 megawatts of hydroelectric capacity from 22 Federal multipurpose projects, operated by the U.S. Army Corps of Engineers (Corps) at cost-based rates.

Annually, Southeastern produces an average of 7,717 gigawatt-hours of clean renewable hydroelectric energy. Southeastern maintains and upgrades its energy infrastructure to ensure reliable and efficient delivery of Federal power. Southeastern promotes sound management of the dispatch and distribution of Federal hydroelectric power resources in the southeastern United States while also meeting national utility performance standards and balancing the diverse interests of other water resource stakeholders. Federal hydropower supports the Nation's grid and complements other generation to create stability as the industry faces energy production changes, organized market evolution and increased threats to the grid. Hydroelectric power is a domestic energy source that helps America achieve energy dominance. This budget submission enables Southeastern to promote the

effective management of hydroelectric resources through two budget control lines fully offset through receipts from power sales.

Southeastern Power Administration
Funding by Budget Control ($K)

	FY 2025 Enacted	FY 2026 Enacted	FY 2027 Request	FY 2027 Request vs FY 2026 Enacted	
				$	%
Purchase Power and Wheeling (PPW)	86,019	95,745	95,745	-	-
Offsetting Collections, PPW	-71,850	-81,819	-81,819	-	-
Alternative Financing, PPW	-14,169	-13,926	-13,926	-	-
Program Direction (PD)	8,449	9,285	9,285	-	-
Offsetting Collections, PD	-8,449	-9,285	-9,285	-	-
Total, Southeastern Power Administration	**-**	**-**	**-**	**-**	**-**

Purchase Power and Wheeling

Overview

Purchase Power and Wheeling authority provides funding for acquisition of transmission and ancillary services, pumping energy for the Richard B. Russell and Carters Pumped Storage units, and replacement energy when required. Southeastern must purchase power on the open market when Federal generating assets cannot provide enough power. Southeastern does not own or operate any transmission infrastructure. Interconnected transmission service providers are used to deliver power from hydropower projects to power customers. The FY 2027 request uses customer receipts and net billing to pay for purchase power and wheeling expenses at no cost to the Federal Treasury. Some customers, acting independently or in partnerships, acquire transmission services directly from suppliers. Southeastern will continue to assist its customers by arranging transmission service, as needed.

Southeastern has access to a continuing fund for emergency expenses necessary to ensure continuity of service. Southeastern has implemented a plan to repay any Purchase Power and Wheeling expenditures made through the Continuing Fund within one year, if used.

Highlights of the FY 2027 Budget Request

The PPW subprogram supports Southeastern's mission to market and deliver reliable, cost-based hydroelectric power and related services. PPW enables Southeastern to wheel Federal power to preference customers, purchase replacement power, and acquire pumping energy to maximize the efficiency and benefits of Southeastern's hydropower resources. Power and services are marketed at rates designed to provide recovery of expenses and Federal investment, as established by law.

Purchase Power and Wheeling
($K)

	FY 2025 Enacted	FY 2026 Enacted	FY 2027 Request
Replacement Power	*115*	*145*	*145*
Russell Project pumping power	*13,405*	*15,180*	*15,180*
Carters Project pumping power	*12,303*	*15,165*	*15,165*
Total, Purchase Power	25,823	30,490	30,490
Wheeling charges	*55,456*	*60,155*	*60,155*
Ancillary Services	*4,740*	*5,100*	*5,100*
Total, Wheeling	60,196	65,255	65,255
Subtotal, Purchase Power and Wheeling	**86,019**	**95,745**	**95,745**
Net Billing	-14,169	-13,926	-13,926
Offsetting Collections Realized	-71,850	-81,819	-81,819
Total, Purchase Power and Wheeling	-	-	-

Explanation of Changes for Purchase Power and Wheeling

None

Program Direction

Overview

Program Direction (PD) provides resources for the Federal staffing and facilities required to provide overall direction and execution of Southeastern. Provision is made for negotiation and administration of transmission and power contracts, collections of revenues, accounting and budget activities, development of wholesale power rates, amortization of the Federal power investment, investigation and planning of proposed water resources projects, scheduling and dispatch of power generation, scheduling storage and release of water, administration of contractual operation requirements, and determination of methods of operating generating plants individually and in coordination with others to obtain maximum allowable utilization of resources.

Highlights of the FY 2027 Budget Request

The FY 2027 Budget Request provides for the continuation of Southeastern's activities related to PD at the level necessary to meet mission requirements.

Program Direction Funding
($K)

	FY 2025 Enacted	FY 2026 Enacted	FY 2027 Request
Salaries and Benefits	6,075	6,390	6,390
Travel	120	130	130
Support Services	0	70	70
Other Related Expenses	2,254	2,695	2,695
Subtotal, Southeastern Power Administration	**8,449**	**9,285**	**9,285**
Offsetting Collections (annual expenses)	-8,449	-9,285	-9,285
Total, Program Direction	-	-	-
Federal FTEs	**44**	**44**	**44**

Program Direction
Activities and Explanation of Changes
($K)

FY 2026 Enacted	FY 2027 Request	Explanation of Changes FY 2027 Request vs FY 2026 Enacted
Program Direction		
9,285	**9,285**	**-**
Salaries and Benefits		
6,390	*6,390*	-
The funding supports Federal salaries and benefits for 44 FTEs who market Federal hydropower, administrative support, and workloads in cyber-security and operational reliability.	The funding supports Federal salaries and benefits for 44 FTEs who market Federal hydropower, administrative support, and workloads in cyber-security and operational reliability. These estimates are derived from the current year budgeted salaries, plus cost-of-living adjustments, promotions, within-grade increases, overtime, DOE-cascading performance awards, retirement payouts for unused leave, and newly hired FTEs.	None
Travel		
130	*130*	-
Funding supports transportation and per diem expenses incurred for preference customer meetings, relocation expenses for new FTEs, contract negotiations, rate forums, Congressional hearings, site visits, and operations meetings with industry organizations.	Funding supports transportation and per diem expenses incurred for preference customer meetings, relocation expenses for new FTEs, contract negotiations, rate forums, Congressional hearings, site visits, and operations meetings with industry organizations.	None
Support Services		
70	*70*	-
Advisory and assistance services contract to support SEPA market operations.	Advisory and assistance services contract to support SEPA market operations.	
Other Related Expenses		
2,695	*2,695*	-

FY 2026 Enacted	FY 2027 Request	Explanation of Changes FY 2027 Request vs FY 2026 Enacted
Funding provides administrative support for headquarters office, emergency control center, communications, maintenance, utilities, contract services, supplies, materials, training, equipment and support for cyber and physical security. Training expenses for power operator certification and support for installation of electronic hardware and software for the operations center which provides maintenance to integrate real-time data from the control area and provides the data to other transmission operators and NERC.	Funding provides administrative support for headquarters office, emergency control center, communications, maintenance, utilities, contract services, supplies, materials, training, equipment and support for cyber and physical security. Training expenses for power operator certification and support for installation of electronic hardware and software for the operations center which provides maintenance to integrate real-time data from the control area and provides the data to other transmission operators and NERC.	None

DEPARTMENT OF ENERGY
Funding by Site Detail
TAS_0302 - Southeastern Power Administration (SEPA) - FY 2027
(Dollars in Thousands)

	FY 2025 Enacted	FY 2026 Enacted	FY 2027 Request
Undesignated LPI			
Purchase Power and Wheeling - SEPA	86,019	95,745	95,745
Program Direction - SEPA	8,449	9,285	9,285
Total Undesignated LPI	**94,468**	**105,030**	**105,030**
Total Funding by Site for TAS_0302 - Southeastern Power Administration (SEPA)	**94,468**	**105,030**	**105,030**

Southwestern Power Administration
($K)

	FY 2025 Enacted	FY 2026 Enacted	FY 2027 Request	FY 2027 Request vs FY 2026 Enacted
Gross	189,737	201,887	196,158	-5,729
Offsets	-178,297	-191,487	-185,758	+5,729
Net Budget Authority	**11,440**	**10,400**	**10,400**	**-**

Proposed Appropriation Language

For expenses necessary for operation and maintenance of power transmission facilities and for marketing electric power and energy, for construction and acquisition of transmission lines, substations and appurtenant facilities, and for administrative expenses, including official reception and representation expenses in an amount not to exceed $1,500 in carrying out section 5 of the Flood Control Act of 1944 (16 U.S.C. 825s), as applied to the Southwestern Power Administration, $61,798,000 to remain available until expended: Provided, That notwithstanding 31 U.S.C. 3302 and section 5 of the Flood Control Act of 1944 (16 U.S.C. 825s), up to $51,398,000 collected by the Southwestern Power Administration from the sale of power and related services shall be credited to this account as discretionary offsetting collections, to remain available until expended, for the sole purpose of funding the annual expenses of the Southwestern Power Administration: Provided further, That the sum herein appropriated for annual expenses shall be reduced as collections are received during the fiscal year so as to result in a final fiscal year 2027 appropriation estimated at not more than $10,400,000: Provided further, That notwithstanding 31 U.S.C. 3302, up to $80,000,000 collected by the Southwestern Power Administration pursuant to the Flood Control Act of 1944 to recover purchase power and wheeling expenses shall be credited to this account as offsetting collections, to remain available until expended for the sole purpose of making purchase power and wheeling expenditures: Provided further, That for purposes of this appropriation, annual expenses means expenditures that are generally recovered in the same year that they are incurred (excluding purchase power and wheeling expenses).

Mission

Southwestern Power Administration's (Southwestern) mission is to market and reliably deliver Federal hydroelectric power, with preference to public bodies and cooperatives. This is accomplished by maximizing the use of Federal assets to repay the Federal investment, participating with other water resource users to balance diverse interests with power needs within broad parameters set by the U.S. Army Corps of Engineers (Corps), and implementing public policy.

Overview

Southwestern markets and delivers power at wholesale rates to 78 municipal utilities, 33 rural electric cooperatives, and 3 military installations in the six states of Arkansas, Kansas, Louisiana, Missouri, Oklahoma, and Texas. In turn, these customers distribute that power to approximately 10 million end users in the six-state area. To integrate the operation of the Federal hydroelectric generating plants and to transmit power from 24 multi-purpose Corps dams to customers, Southwestern operates and maintains 1,381 miles of high-voltage transmission lines, 26 substations/switchyards, and 51 microwave and very high frequency (VHF) radio sites. Southwestern is headquartered in Tulsa, Oklahoma, and has maintenance facilities in Gore, Oklahoma; Jonesboro, Arkansas; and Springfield, Missouri. In addition, around-the-clock power scheduling and dispatching are conducted by staff in Southwestern's Operations Centers located in southwest Missouri.

- Southwestern markets Federal hydropower to customers at-cost and provides full repayment of the taxpayer investment. Southwestern's marketing services and delivery capability provide for recovery of all annual operating costs, including the Corps' hydropower related costs, and for repayment of taxpayer investment in all assets and facilities that support the Federal hydropower program. Hydropower is an important part of the Nation's domestic energy portfolio, providing capacity, energy, and critical ancillary services. Federal hydropower supports the Nation's grid and complements other generation to create stability as the industry faces energy production changes, organized market evolution and increased threats to the grid. Southwestern markets an average of 5,570 gigawatt-hours of hydroelectric energy annually.

- Southwestern delivers Federal hydropower safely and securely. Southwestern's construction and operation and maintenance programs ensure ongoing maintenance and replacement of aging transmission infrastructure while balancing changing and increasing demands for availability. The potential for malicious physical and cyber-attacks on Southwestern's assets remains a primary concern. These attacks on a utility's operation would threaten electric system reliability and potentially result in large scale power outages. Southwestern bolsters grid resilience and its cyber and physical security postures using best-available technologies, in cooperation with Department of Energy (DOE) and industry partners, to protect the Federal transmission system and the Nation's power grid. Ongoing assessments, investments in the cyber and physical security programs, and infrastructure protection improvements enable Southwestern to continue to provide a safe and reliable product. Southwestern will continue to emphasize security, both cyber and physical, as an agency priority.

- Southwestern provides stability and reliability of the Nation's electric grid. Southwestern participates in the Southwest Power Pool (SPP) Regional Transmission Organization (RTO) and the Midcontinent Independent System Operator (MISO) RTO, which reinforces Southwestern's role as part of the Nation's interconnected generation and transmission system. In participation with the RTOs, Southwestern works on regional and interregional transmission initiatives in response to the evolution of the electric utility industry. Furthermore, Southwestern coordinates its varied utility activities in conjunction with a broader group of stakeholders. As the demand for energy capacity and the transmission of power increases across regional and interregional footprints, maintaining and improving the Nation's energy infrastructure through improvements, replacements, interconnections, and coordination with the RTOs in Southwestern's marketing area has become more critical than ever. Southwestern assures the efficient and reliable delivery of Federal hydropower, thus serving a critical role in fulfilling the Nation's energy security for the present as well as for future generations.

- Southwestern ensures preparedness for challenges. Southwestern is increasingly challenged by a changing and complex transmission and energy industry, and the additional requirements those changes bring to its workforce. Southwestern must compete with the rest of the electric utility industry to attract and retain the quality workforce needed to provide a reliable power supply and transmission service. The Corps water resources projects from which Southwestern markets the hydropower are all multi-purpose. As the demand for water for other purposes increases, energy generation and operating capacity of the hydropower units can be impacted by loss of water storage and availability as well as required operational changes. Additionally, extreme regional weather events have demonstrated increased price volatility for potential replacement energy purchases necessary to meet contractual power delivery obligations. Southwestern utilizes forecasting, modeling, and other resource management tools, as well as employes purchase power strategies daily and long-term, to ensure optimized use of resources and funds to fulfill the Federal hydropower contractual obligations.

Southwestern Power Administration
Funding by Budget Control ($K)

	FY 2025 Enacted	FY 2026 Enacted	FY 2027 Request	FY 2027 Request vs FY 2026 Enacted	
				$	%
Operation and Maintenance (O&M)	16,759	19,590	20,734	+1,144	+6%
Construction (CN)	8,048	14,879	6,950	-7,929	-53%
Purchase Power and Wheeling (PPW)	120,000	120,000	120,000	-	-
Program Direction (PD)	44,930	47,418	48,474	1,056	+2%
Subtotal, Operation and Maintenance	**189,737**	**201,887**	**196,158**	**-5,729**	**-3%**
Offsetting Collections (Annual Expenses), O&M	-8,884	-10,373	-11,193	-820	+8%
Offsetting Collections (Annual Expenses), PD	-32,002	-38,993	-40,205	-1,212	+3%
Offsetting Collections “up to”, PPW	-80,000	-80,000	-80,000	-	-
Alternative Financing, O&M	-4,388	-6,103	-5,649	+454	-7%
Alternative Financing, CN	-8,048	-10,953	-3,050	+7,903	-72%
Alternative Financing, PPW	-40,000	-40,000	-40,000	-	-
Alternative Financing, PD	-4,975	-5,065	-5,661	-596	+12%
Net Budget Authority, Operation and Maintenance	**11,440**	**10,400**	**10,400**	**-**	**-**

Operations and Maintenance

Overview

The activities of the Operations and Maintenance (O&M) subprogram are critical components in maintaining the reliability of the Federal power system, which is part of the Nation's interconnected generation and transmission system. By marketing and delivering hydroelectric energy, Southwestern makes a meaningful contribution of reliable and secure energy to our Nation. Given Southwestern's important role in meeting electricity demand by supplying hydroelectric energy to its customers, there is a critical need to repair, maintain, and improve transmission and generation facilities to ensure safety, security, resilience, and reliability of the Nation's energy infrastructure. Southwestern must maintain constant preparedness to ensure response and recovery from natural disasters and extreme weather events. Southwestern's planned operation and maintenance projects are subject to change due to unanticipated equipment failure, customer needs, and weather conditions. The realities of maintaining a complex interconnected electric power system periodically require unforeseen reprioritizations of planned projects. All projects share the commonality of maintaining, repairing, and improving the aging infrastructure to ensure the resilience and reliability of the Federal power system.

Highlights of the FY 2027 Budget Request

- **Power Marketing.** The Power Marketing activity funds technical and economic studies to support Southwestern's transmission planning, water resources management, and communication functions. Technical and economic studies provide data to analyze and evaluate the impacts of proposed operational changes and decision-making based on cost-benefit analysis. Funding is also required for Southwestern's coordination with the RTOs and to provide regional power restoration assistance to other non-hydropower generation sources during electric power grid emergencies. Studies to identify any constraints on Southwestern's system will continue to be conducted. These studies show how the marketing and delivery of power is operationally impacted. The funding level for this activity is derived from Southwestern's engineering plan and the number of studies required per year.

- **Operations**. The Operations activity funds communication functions associated with the dispatch and delivery of power; environmental, safety, and health activities; and other transmission activity costs such as physical security, cybersecurity, and day-to-day power dispatch functions. The Operations activity includes three subactivities:

    - Communications. This subactivity funds telemetering improvements, technical support to protect cyber infrastructure, an e-tagging system that electronically schedules power for customers, load forecasting, digital test equipment, the radio frequency spectrum fee, and supplies and materials. The telemetering improvements include replacement of obsolete power and energy accounting equipment and modification of existing remote terminal units that improve the reliability of the power system, specifically in the areas of monitoring and control. Funding is required for upgrades that enable Southwestern to meet the goals of the Energy Policy Act (EPACT) and North American Energy Reliability Corporation (NERC) by replacing aging infrastructure while assuring reliability and continuing to coordinate with the RTOs in its marketing area. Southwestern will continue to strengthen cyber and physical security postures using strong and proven technologies that are part of the Continuous Diagnostics and Mitigation (CDM) program. In addition to CDM, Southwestern continues to look for other technologies that can be leveraged to ensure compliance with applicable laws and standards to protect the Federal transmission system and the Nation's power grid.

- Environmental, Safety, and Health. This subactivity funds environmental activities including waste disposal and clean-up of transformers, grounding and drainage, cultural resource reviews, and environmental assessments for threatened and endangered species such as the American Burying Beetle, various endangered bats, and the Leopard Darter. Additionally, Southwestern may have environmental activities it performs as a Consulting Agency or participating agency resulting from a Biological Opinion or Biological Assessment, or as a participant on an interagency committee or working group. This subactivity also funds property transfers, wetland assessments, environmental library access, Toxic Substance Control Act and Resource Conservation Recovery Act compliance, contractor services, and requirements of the Environmental Protection Program as identified in DOE Order 450.1. The Safety and Health Program activities require funding for aviation safety, industrial hygiene, medical examinations, medical officer, wellness program, safety equipment, and first aid equipment and supplies.

- Other Transmission. This subactivity funds physical security, field utility costs, and day-to-day power expenses of the two operations and dispatch centers.

- **Maintenance.** The Maintenance activity funds routine repair, maintenance, and improvement of Southwestern's substations/switchyards and high-voltage transmission lines and ensures delivery of reliable, efficient, and clean power to its customers. Southwestern's initial facilities, which were built approximately 60 years ago, are constantly evaluated. Internal and external factors that impact Southwestern's maintenance activities and the asset replacement plan include obsolescence of technology and unavailability of replacement parts. By replacing aging equipment and removing constraints that impede power flows, Southwestern ensures the provision of a reliable Federal transmission system. The maintenance activity includes two subactivities:

  - Substation Maintenance. This subactivity funds power circuit breakers, disconnect switches, instrument transformers, protective relays and related equipment, computer aided drafting and design, revenue meters, vehicle maintenance, fuel, and other equipment to reliably perform general maintenance projects.

  - Transmission Line Maintenance. This subactivity funds the purchase and maintenance of wood and steel structures, crossarms and braces, right-of-way (ROW) clearing, herbicide application, aerial patrol of the transmission system to identify maintenance needs, routine vehicle repair and maintenance, tractors, equipment, and fuel. The number of steel or wood poles and crossarms and high-voltage insulators replaced is derived from internal maintenance information system criteria. Emphasis has been placed on ROW clearing since NERC identified improper/insufficient ROW clearing as a major factor in potential blackouts. The funding level is appropriate for the number of structures and components to be replaced and the miles of ROW to be cleared as set forth by Southwestern's maintenance plan for meeting the goals of the EPACT and NERC to maintain a reliable transmission system.

- **Capitalized Moveable Equipment.** This activity funds the replacement of vehicles, tractor-trailers, and heavy equipment used for the maintenance and repair of the transmission system and facilities. These vehicles and equipment have exceeded their useful lives and require high levels of maintenance. The vehicle cost estimates are derived from General Services Administration (GSA) pricing schedules.

Operation and Maintenance
($K)

	FY 2025 Enacted	FY 2026 Enacted	FY 2027 Request
Power Marketing	200	200	300
Operations	9,215	11,016	10,935
Maintenance	5,294	5,529	6,000
Capitalized Moveable Equipment	2,050	2,845	3,499
Subtotal, Operation and Maintenance	**16,759**	**19,590**	**20,734**
Offsetting Collections (Annual Expenses)	-8,884	-10,373	-11,193
Alternative Financing	-4,388	-6,103	-5,649
Total, Operation and Maintenance	**3,487**	**3,114**	**3,892**

Explanation of Changes for Operations and Maintenance

The increase in the Power Marketing subactivity is due to increased activity with new and upgraded interconnections with Southwestern's transmission system. The decrease in the Operations subactivity is due to the decrease in funds needed for audits and surveys that are cyclical (will not be conducted in 2027), which is offset some by an increase in funds needed for a planned hardware refresh at both operations and dispatch centers. The increase in the Maintenance subactivity reflects increasing cost of materials. The increase in the Capitalized Moveable Equipment subactivity is due to the planned replacement of higher cost equipment that support transmission system and ROW maintenance, including a digger truck, tree trimmer, and mulcher.

Construction

Overview

The activities of the Construction subprogram enable Southwestern to market and deliver Federal hydropower in the most reliable, safe, efficient, and cost-effective manner to meet the operational criteria required by NERC while avoiding transmission infrastructure deterioration. Southwestern's planned construction projects are subject to change based on unanticipated equipment failure, customer needs, and weather conditions. The realities of maintaining a complex interconnected power system include unforeseen priority projects which arise periodically, causing a reprioritization of planned projects. All projects share the commonality of replacing aging infrastructure necessary to maintain the resilience and reliability of the Federal power system. Southwestern supports grid reliability and resilience through improved response and recovery controls aimed to reduce the impact of various potential natural disaster risks to the transmission system.

Highlights of the FY 2027 Budget Request

- **Transmission System.** This activity funds current construction projects that require expansion of, or additions to, existing facilities. Southwestern ensures system reliability and resiliency by replacing aging equipment and removing constraints that limit power flows. The projects outlined below address Southwestern's efforts to reduce the risk of extended service outages, avoid more costly replacements in the future, and support the increased transmission system usage. The funding level for this activity is derived from internal and external management decisions and field crew observations. System age, risk of equipment failure, life-cycles, obsolescence of technology and unavailability of spare parts, cost, and demand for more capacity are also considered in these budgeting decisions. These variables are assessed and incorporated into Southwestern's ten-year construction plan. The transmission activity includes three subactivities:

    - Substation Upgrades. This subactivity funds the construction and upgrade of the substations and the components necessary to provide improved system reliability and reduce future maintenance and equipment costs. Southwestern owns and operates 26 substation/switching stations. Many of these facilities were designed and constructed over 60 years ago. The equipment which will be replaced or upgraded includes power transformers, circuit breakers, and control equipment, as well as the structural components necessary to sustain reliable power delivery and support a stable, flexible interconnected power grid.

    - Communication Upgrades. This subactivity funds all communication equipment planned to provide improved system reliability and reduce future maintenance and equipment costs. This subactivity also provides funding for microwave radios and microwave tower additions, replacements, and modifications that will increase the reliability of communications with generating plants and substations. The communication system provides for the transfer of voice and data traffic to allow monitoring and control of power system generation and transmission assets.

    - Transmission Upgrades. This subactivity funds transmission system upgrades. Much of the conductor, optical ground wire (OPGW), and static wire on Southwestern's transmission lines has reached the end of its original assumed service life. With this assumed service life, approximately 20 to 30 miles of transmission line, including the conductor, OPGW, static wire, and structures, will need to be replaced each year. As Southwestern replaces the conductor, Southwestern will use the opportunity to increase line capacity where practical to accommodate increased loads in the region.

- **Spectrum Relocation.** There is no FY 2027 budget request for this subactivity. The Commercial Spectrum Enhancement Act of 2004 (CSEA, Title II of P.L. 108-494) created the Spectrum Relocation Fund (SRF) to streamline the relocation of Federal systems from existing spectrum bands and accommodate commercial use by facilitating reimbursement of relocation costs to affected agencies. Southwestern has received $46.8 million in spectrum relocation funds, as approved by the Office of Management and Budget, and as reported to Congress. Southwestern has completed 100 percent of the tower installation project and anticipates completing antenna and radio installation and obtaining comparable capability within FY 2027. These mandatory funds will remain available until expended, and Southwestern will return any amounts received in excess of actual relocation costs to the SRF. Spectrum relocation activities were funded from spectrum auction proceeds; thus, no funding is requested in this subactivity.

Construction
($K)

	FY 2025 Enacted	FY 2026 Enacted	FY 2027 Request
Construction			
Transmission System			
Substation Upgrades	701	722	3,900
Communication Upgrades	2,980	2,800	2,800
Transmission Upgrades	4,367	11,357	250
Subtotal, Construction	8,048	14,879	6,950
Alternative Financing	-8,048	-10,953	-3,050
Total, Construction	**-**	**3,926**	**3,900**

Explanation of Changes for Construction

The Substation Upgrades subactivity increase reflects a planned transformer replacement project, as well as an increase in the cost of equipment and materials. The Communication Upgrades subactivity has no change. The Transmission Upgrades subactivity decrease reflects use of prior year funds for planned transmission line replacements due to previous delays in contract awards longer lead times.

Purchase Power and Wheeling

Overview

The Purchase Power and Wheeling (PPW) subprogram provides for the purchase of capacity and energy to meet peaking power contractual obligations and the delivery of Federal power, as well as provides for the purchase of transmission to integrate marketed hydropower resources. Except for contractual arrangements pertaining to a few electrically-isolated hydropower projects, Southwestern's power sales contracts provide for 1200-hours of peaking power per year delivered from its interconnected system of hydropower projects. At times, due to below average water conditions or hydropower unit outages, Southwestern must purchase power when the hydropower projects cannot produce enough to fulfill its 1200-hour contract obligations. Blending purchased power with the Federal hydropower provides a reliable product while ensuring contract fulfillment occurs. Extreme regional weather events in recent years have demonstrated increased price volatility for potential replacement energy purchases. Availability of requested PPW funding levels supports rate stability. Rate stability is increasingly important as regional utility customers face challenges with their evolving energy portfolios.

Southwestern assesses its purchase power needs based on hydrologic conditions and anticipated hydropower unit outages. Hydrologic conditions can vary widely and change rapidly, such that purchase power needs are assessed at least seasonally and can change daily. Unit outages for major rehab and replacement work are known years in advance so that purchase power needs can be planned; however, forced outages or delays in units returning to service can cause sudden changes to anticipated purchase power needs. Power purchases are typically made through contractual arrangements but may also be made on the spot market when conditions are more severe than anticipated or otherwise unexpected. Delivery of purchase power to Southwestern's system is made via the SPP RTO, MISO RTO, or Southwestern's own transmission system.

Southwestern's budget request for the PPW subprogram reflects the maximum anticipated need to ensure adequate funding to fulfill its 1,200-hour peaking power contractual obligations considering volatile market prices, unknown forced generation outages, and all but the most severe hydrological conditions. Southwestern will continue to use offsetting collections and alternative financing arrangements, which include net billing and/or reimbursable authority (customer advances), to fund this subprogram. When hydropower generation falls significantly below normal due to severe drought conditions or major outages, Southwestern will consider the need to utilize the Continuing Fund for emergency PPW expenses.

Southwestern employs a risk mitigation strategy to ensure continuous operations during periods of significant drought. The strategy involves maintaining an unobligated reserve balance of funds from receipts credited as offsetting collection for PPW, in order to respond to rapid-developing severe drought conditions. Any receipts retained are available until expended and are available only for PPW expenses. As of the end of FY 2025, Southwestern's PPW reserve balance was $107 million.

Highlights of the FY 2027 Budget Request

- **System Support.** This activity funds Southwestern's purchase power requirements needed to fulfill all 1200-hour contractual peaking power obligations with customers. System support requirements depend on the conditions of the interconnected system of hydropower projects which is affected by weather, unit operational condition, power market prices (which can be volatile), and limited availability of energy banks. Since the rates Southwestern charges its customers are based on full cost recovery, Southwestern has a built-in incentive to minimize expenditures for purchase power.

- **Other Contractual Services.** This activity funds other contractual services that provide for wheeling associated with the purchase of transmission service to meet limited peaking power obligations and for the integration of projects for the delivery of Federal power. Wheeling services help to optimize the operation of the hydropower facilities marketed by Southwestern. The funding level is derived from contractual wheeling requirements. The FY 2027 funding request reflects the projected cost for wheeling services based on contractual pricing and delivery terms.

Purchase Power and Wheeling
($K)

	FY 2025 Enacted	FY 2026 Enacted	FY 2027 Request
System Support	111,800	111,800	111,800
Other Contractual Services	8,200	8,200	8,200
Subtotal, Purchase Power and Wheeling	**120,000**	**120,000**	**120,000**
Offsetting Collections (PPW)	-80,000	-80,000	-80,000
Alternative Financing	-40,000	-40,000	-40,000
Total, Purchase Power and Wheeling	-	-	-

Explanation of Changes for Purchase Power and Wheeling

There is no change.

Program Direction

Overview

Southwestern's Program Direction subprogram ensures continued reliability of the Federal power system by utilizing Federal staffing resources and associated funds required to provide overall direction and execution of Southwestern's Operation and Maintenance Program.

The Program Direction subprogram supports DOE's and Southwestern's missions by providing compensation and all related expenses for its workforce, including those employees that operate and maintain Southwestern's high-voltage interconnected transmission system and associated facilities; those that plan, design, and supervise the construction of replacements, upgrades, and additions (capital investments) to the transmission facilities; those that market the power and energy produced to repay annual expenses and capital investment; those that perform cyber and physical security roles; and those that administratively support these functions.

Southwestern will use available programs and develop new strategies to ensure it maintains a highly skilled workforce of engineers, cyber and physical security specialists, power system dispatchers, high voltage electricians, and linemen. These initiatives will ensure the resiliency of these valuable resources through the ever-expanding demands on the electric utility industry, such as compliance with NERC and Federal Information Security Management Act (FISMA) standards.

Southwestern trains all employees on a continuing basis in occupational safety and health regulations, policies, and procedures to keep the safety culture strong. Accidents are always reviewed to ensure lessons are learned and proper work protocol is in place.

Program Direction is mainly funded from offsetting collections. Other funding utilized for Program Direction is appropriations and if necessary alternative financing arrangements.

Highlights of the FY 2027 Budget Request

Southwestern's team of technical experts perform the critical work of ensuring Southwestern's transmission system is operated and maintained effectively and safely, and that the domestic Federal hydropower energy resources is reliably and efficiently delivered to customers that serve over 10 million homes and businesses in a six-state region. Program Direction funding is crucial to sustain a skilled, trained, and dedicated workforce that can provide reliable, resilient, secure, and affordable power for the American people.

Program Direction
($K)

	FY 2025 Enacted	FY 2026 Enacted	FY 2027 Request
Salaries and Benefits	34,537	33,887	35,258
Travel	1,988	2,095	2,142
Support Services	4,058	5,362	5,541
Other Related Expenses	4,347	6,074	5,533
Subtotal, Program Direction	**44,930**	**47,418**	**48,474**
Offsetting Collections (Annual Expenses)	-32,002	-38,993	-40,205
Alternative Financing	-4,975	-5,065	-5,661
Total, Program Direction	**7,953**	**3,360**	**2,608**
Technical Support	4058	5362	5541
Management Support	-	-	-
Total, Support Services	**4,058**	**5,362**	**5,541**
Communication, Utilities, Misc.	908	883	705
EITS	40	35	4
Printing and Reproduction	45	45	12
Other Services	1,080	2,141	1,594
Training	368	390	407
Power Marketing Liaison	358	145	150
Financial Audit	526	625	650
Supplies and Materials	138	133	122
Equipment	513	917	1,146
Working Capital Fund	371	760	743
Total, Other Related Expenses	**4,347**	**6,074**	**5,533**
Federal FTEs	**194**	**194**	**194**

Program Direction
Activities and Explanation of Changes
($K)

FY 2026 Enacted	FY 2027 Request	Explanation of Changes FY 2027 Request vs FY 2026 Enacted
Program Direction		
47,418	**48,474**	**+1,056**
Salaries and Benefits		
33,887	*35,258*	*+1,371*
Supports 194 Federal employees that operate and maintain Southwestern's high-voltage interconnected transmission system and associated facilities; plan, design, and supervise the construction of replacements, upgrades, and additions; power marketing, billing, and rate setting; cyber and physical security roles; and administrative support. Includes overtime, awards, relocation, workers' compensation, recruitment incentives, retention pay, and advanced in-hire rates.	Supports 194 Federal employees that operate and maintain Southwestern's high-voltage interconnected transmission system and associated facilities; plan, design, and supervise the construction of replacements, upgrades, and additions; power marketing, billing, and rate setting; cyber and physical security roles; and administrative support. Includes overtime, awards, relocation, workers' compensation, recruitment incentives, retention pay, and advanced in-hire rates.	The increase reflects recruitment and retention of technical hard to fill positions.
Travel		
2,095	*2,142*	*+47*
Funds all related travel and per diem expenses for mission-related travel to maintain the integrity and reliability of Southwestern's geographically dispersed power system, largely driven by the daily requirement of field maintenance personnel to maintain 1,381 miles of transmission lines, 26 substations/switchyards, 51 microwave/radio sites, and communications networks.	Funds all related travel and per diem expenses for mission-related travel to maintain the integrity and reliability of Southwestern's geographically dispersed power system, largely driven by the daily requirement of field maintenance personnel to maintain 1,381 miles of transmission lines, 26 substations/switchyards, 51 microwave/radio sites, and communications networks.	The increase is due to increased costs of hotels, airfare, and other travel expenses.

FY 2026 Enacted	FY 2027 Request	Explanation of Changes FY 2027 Request vs FY 2026 Enacted
Support Services		
5,362	*5,541*	*+179*
Funds contracted management support services largely entailing information technology support, including critical transmission system operations support, and administrative/records management support. The funding level for this activity is derived from the most recent negotiated contract for support services essential to achieve Southwestern's mission.	Funds contracted management support services largely entailing information technology support, including critical transmission system operations support, and administrative/records management support. The funding level for this activity is derived from the most recent negotiated contract for support services essential to achieve Southwestern's mission.	The increase is due to negotiated contract terms that include incremental cost increases, for information technology and administrative management support services to achieve Southwestern's mission.
Other Related Expenses		
6,074	*5,533*	*-541*
Funds facility security, financial audit, Power Marketing Liaison Office, Human Resources Shared Service Center, working capital fund, technology refresh in the areas of personal computers, hardware and software, printing and reproduction, and training and tuition fees in support of highly technical workforce and NERC requirements.	Funds facility security, financial audit, Power Marketing Liaison Office, Human Resources Shared Service Center, working capital fund, technology refresh in the areas of personal computers, hardware and software, printing and reproduction, and training and tuition fees in support of highly technical workforce and NERC requirements.	The reduction is due to reduced contract scope of onsite security services.

Southwestern Power Administration
Revenues and Receipts
Funding ($K)

	FY 2025 Actual	FY 2026 Estimate	FY 2027 Estimate	FY 2028 Estimate	FY 2029 Estimate	FY 2030 Estimate
Gross Revenues						
Sale and Transmission of Electric Energy	224,180	245,000	245,000	245,000	245,000	245,000
Alternative Financing Credited as an Offsetting Receipt (O&M, CN, PD, PPW), Net Billing	-33,488	-62,121	-54,360	-63,998	-71,726	-68,918
Alternative Financing Credited as an Offsetting Receipt (Section 212), Net Billing[1]	-107,742	-52,500	-58,000	-46,500	-36,500	-39,000
Offsetting Collections, Annual Expenses (Net Zero)	-40,886	-49,366	-51,398	-53,100	-55,374	-55,861
Offsetting Collections, Purchase Power and Wheeling ('up to' ceiling)[2]	-39,000	-80,000	-80,000	-80,000	-80,000	-80,000
Total Proprietary Receipts	3,065	1,013	1,242	1,402	1,400	1,221
Percent of Sales to Preference Customers	100%	100%	100%	100%	100%	100%
Energy Sales from Power Marketed (billions of kilowatt hours)	5.3	2.8	5.3	5.3	5.3	5.3

[1] Actual Alternative Financing in estimated years may be more than estimated to provide funding to the WRDA 2000 Section 212 Customer Funding Program, as authorized, dependent upon available receipts based on actual revenues from the sale and transmission of electric energy and utilization of PPW offsetting collections and/or Alternative Financing for PPW in each FY.

[2] For FY 2026 through FY 2030, the estimated amount of offsetting collections for PPW is equivalent to the "up to" amount requested or anticipated to be requested in the budget. The PPW offsetting collections limit requested (when matched with PPW receipts), along with alternative financing used for PPW, could potentially fund a drought for one year or replenish unobligated balances after a drought has occurred. This will also allow funding to be collected in case the drought persists for more than a year.

Southwestern Power Administration
Estimate of Offsetting Collections for Reimbursable Work and Work for Others[1]
Funding ($K)

	FY 2026	FY 2027
Offsetting Collections for Reimbursable Work[2]		
Alternative Financing		
Operations and Maintenance	6,103	5,649
Construction	10,953	3,050
Purchase Power and Wheeling	40,000	40,000
Program Direction	5,065	5,661
Subtotal, Alternative Financing	62,121	54,360
Offsetting Collections not anticipated for obligation in budget year	-	-
Subtotal, Offsetting Collections for Reimbursable Work	62,121	54,360
Offsetting Collections for Reimbursable Work-for-Others[3]		
Non-Federal	12,879	14,640
Federal	6,000	6,000
Total, Offsetting Collections for Reimbursable	**81,000**	**75,000**

[1] Southwestern received permanent non-Federal reimbursable authority pursuant to 16 USC 825s-4. Table is shown for transparency purposes.
[2] Southwestern relies significantly on alternative financing arrangements with customers to finance much of its direct mission work on a reimbursable basis.
[3] Southwestern utilizes various forms of Federal and non-Federal reimbursable agreements. Work-for-Others agreements include interconnection requests, system upgrades for reliability, relocation of structures for State and Federal highways and work for other Federal agencies.

Southwestern Power Administration
System Statistics

	FY 2025 Actual	FY 2026 Estimate	FY 2027 Estimate	FY 2028 Estimate	FY 2029 Estimate	FY 2030 Estimate
Generating Capacity (kilowatts)						
Installed Capacity	2,242,500	2,242,500	2,242,500	2,242,500	2,242,500	2,242,500
Marketed Capacity	2,068,538	2,068,538	2,068,538	2,068,538	2,068,538	2,068,538
Generating Station Projects (Number)	24	24	24	24	24	24
Substations/Switchyards (Number)	27	27	27	27	27	27
Substations/Switchyards (kVA Capacity)	1,026,900	1,026,900	1,026,900	1,026,900	1,026,900	1,026,900
Available Energy[1] (megawatt-hours)						
Energy Generated	5,024,662	2,593,302	5,027,900	5,027,900	5,027,900	5,027,900
Energy Received	227,646	255,600	250,600	250,600	250,600	250,600
Total, Energy Available for Marketing	5,252,308	2,848,902	5,278,500	5,278,500	5,278,500	5,278,500
Transmission Lines (circuit miles)						
161-KV	1,118	1,118	1,118	1,118	1,118	1,118
138-KV	164	164	164	164	164	164
69-KV	99	99	99	99	99	99
Total, Transmission Lines	1,381	1,381	1,381	1,381	1,381	1,381

[1] Available Energy: actual available energy data is net of losses and other non-marketed energy; estimate data comes from Southwestern's 2025 power repayment studies.

Southwestern Power Administration
Power Marketed, Wheeled, or Exchanged by Project

State	No. of Plants	Installed Capacity (kW)	Marketed Capacity (kW)	FY 2025 Actual Energy (GWh)	FY 2026 Est. Energy (GWh)	FY 2027 Est. Energy (GWh)	FY 2028 Est. Energy (GWh)	FY 2029 Est. Energy (GWh)	FY 2030 Est. Energy (GWh)
Power Marketed									
Integrated System:									
Missouri	4	470,000	675,700	2,059	981	1,808	1,808	1,808	1,808
Arkansas	9	1,058,050	376,000	1167	578	1,065	1,065	1,065	1,065
Oklahoma	7	514,100	408,488	1178	661	1,218	1,218	1,218	1,218
Texas	2	141,000	251,000	578	204	376	376	376	376
Louisiana	-	-	144,000	308	158	292	292	292	292
Kansas	-	-	154,000	438	220	405	405	405	405
Subtotals	22	2,183,150	2,009,188	5,728	2,802	5,164	5,164	5,164	5,164
Isolated:									
(Sam Rayburn and Robert D. Willis Projects)									
Texas	2	59,350	56,660	206	45	110	110	110	110
Louisiana	-	-	2,690	8	2	4	4	4	4
Subtotals	2	59,350	59,350	214	47	114	114	114	114
Total, Power Marketed[1]	24	2,242,500	2,068,338	5,942	2,849	5,279	5,279	5,279	5,279
Power Wheeled (MW)[2]				750	788	788	788	788	788

[1] Total, Power Marketed: Actual energy data is the energy delivered and therefore net of losses and other non-marketed energy; estimate data comes from Southwestern's 2025 power repayment studies.
[2] Power Wheeled (MW): Actual power wheeled is the non-coincidental peak or contractual value of non-Federal transmission service across Southwestern's system; estimate data comes from Southwestern's 2025 power repayment studies.

DEPARTMENT OF ENERGY
Funding by Site Detail
TAS_0303 - Southwestern Power Administration (SWPA) - FY 2027
(Dollars in Thousands)

	FY 2025 Enacted	FY 2026 Enacted	FY 2027 Request
Undesignated LPI			
Operation And Maintenance - SWPA	16,910	19,590	20,734
Construction - SWPA	3,681	14,879	6,950
Purchase Power And Wheeling - SWPA	120,000	120,000	120,000
Program Direction - SWPA	42,300	47,418	48,474
Subtotal, SWPA	182,891	201,887	196,158
Total Undesignated LPI	**182,891**	**201,887**	**196,158**
Total Funding by Site for TAS_0303 - Southwestern Power Administration (SWPA)	**182,891**	**201,887**	**196,158**

Western Area Power Administration
Construction, Rehabilitation, Operation and Maintenance (CROM)
($K)

FY 2025 Enacted	FY 2026 Enacted	FY 2027 Request	FY 2027 Request vs FY 2026 Enacted
99,872	63,372	63,388	+16

Proposed Appropriation Language

For carrying out the functions authorized by title III, section 302(a)(1)(E) of the Act of August 4, 1977 (42 U.S.C. 7152), and other related activities including conservation and renewable resources programs as authorized, $321,775,000, including official reception and representation expenses in an amount not to exceed $1,500, to remain available until expended, of which $321,775,000 shall be derived from the Department of the Interior Reclamation Fund: Provided, That notwithstanding 31 U.S.C. 3302, section 5 of the Flood Control Act of 1944 (16 U.S.C. 825s), and section 1 of the Interior Department Appropriation Act, 1939 (43 U.S.C. 392a), up to $258,387,000 collected by the Western Area Power Administration from the sale of power and related services shall be credited to this account as discretionary offsetting collections, to remain available until expended, for the sole purpose of funding the annual expenses of the Western Area Power Administration: Provided further, That the sum herein appropriated for annual expenses shall be reduced as collections are received during the fiscal year so as to result in a final fiscal year 2026 appropriation estimated at not more than $63,388,000 of which $63,388,000 is derived from the Reclamation Fund: Provided further, That notwithstanding 31 U.S.C. 3302, up to $350,000,000 collected by the Western Area Power Administration pursuant to the Flood Control Act of 1944 and the Reclamation Project Act of 1939 to recover purchase power and wheeling expenses shall be credited to this account as offsetting collections, to remain available until expended for the sole purpose of making purchase power and wheeling expenditures: Provided further, That for purposes of this appropriation, annual expenses means expenditures that are generally recovered in the same year that they are incurred (excluding purchase power and wheeling expenses).

Mission

WAPA's mission is to market and reliably deliver cost-based Federal hydroelectric power. WAPA markets power in 15 central and western states from Federally owned power plants operated primarily by the U.S. Army Corps of Engineers, U.S. Bureau of Reclamation and the Department of State's International Boundary and Water Commission. WAPA operates and maintains a high-voltage, integrated transmission system, including approximately 17,000 circuit-miles of high-voltage transmission lines, more than 300 substations/switchyards and associated power system controls, and communication and electrical facilities.

Overview

WAPA markets and delivers reliable, cost-based Federal hydroelectric power and related services. WAPA's marketing efforts and delivery capability provide for recovery of annual operational costs, including the generating agencies' hydropower related costs, and repayment of taxpayer investment in the Federal hydropower program. WAPA repays the Federal investment for which it is responsible within the timeframes established by law and regulations.

WAPA's Construction, Rehabilitation, Operation and Maintenance Account (CROM) is comprised of four subprograms:

- Operation and Maintenance (O&M)
- Construction and Rehabilitation (C&R)
- Purchase Power and Wheeling (PPW)
- Program Direction (PD)

WAPA's subprograms are funded using a variety of financing methods including appropriations, alternative financing (primarily customer advances), and use of receipt authorities.

Construction, Rehabilitation, Operation and Maintenance (CROM)
Funding Table by Budget Control ($K)

	FY 2025 Enacted	FY 2026 Enacted	FY 2027 Request	FY 2027 Request vs FY 2026 Enacted	
				$	%
Operation and Maintenance	42,076	22,830	29,520	+6,690	+29%
Construction and Rehabilitation	-	-	-	-	-
Purchase Power and Wheeling (net)	-	-	-	-	-
Program Direction	57,796	40,542	33,868	-6,674	-16%
Total, CROM	99,872	63,372	63,388	+16	0%

Operations and Maintenance

Overview

The Operation and Maintenance (O&M) subprogram provides the supplies, materials, equipment, and infrastructure necessary for WAPA to continue to deliver on its mission of providing reliable, resilient domestic energy to 4 million Americans across its 15-state footprint.

Operations and Maintenance ($29.5 million)

Regular Operation and Maintenance Supplies and materials necessary to respond to routine and emergency situations across WAPA's 17,000 miles of high voltage interconnected transmission system will be purchased. This includes miscellaneous equipment and software used for power billing, transmission planning, e-tagging, and energy scheduling, as well as supplies and materials such as wood poles (individual pole replacement only; excludes whole line replacements), instrument transformers, meters, relays, etc. Additionally, cyber and physical security audits and monitoring as well as grid operations and monitoring are provided through this activity, funded primarily through offsetting collections and alternative customer financing.

Replacements, Additions & Upgrades Equipment and infrastructure investments necessary to maintain required service levels across WAPA's footprint. Planned replacements, additions & upgrades activity is based on cyber and physical security audits, assessments of condition and criticality of equipment, maintenance, and frequency of problems on individual items of equipment, availability of replacement parts, safety of the public and WAPA's personnel, environmental concerns, and an orderly work plan. Cost estimates are based on analysis of system operation and maintenance requirements, customer-coordinated work plans, actual costs of recent similar projects, and bottom-up budgeting techniques. Planned activity is detailed by category below.

Operations and Maintenance
($K)

	FY 2025 Enacted	FY 2026 Enacted	FY 2027 Request	FY 2027 Request vs FY 2026 Enacted	
				$	%
Regular Operation and Maintenance	76,763	42,412	44,926	+2,514	+6%
Replacements, Additions & Upgrades	76,366	76,387	91,057	+14,670	+19%
Subtotal, Operation and Maintenance	**153,129**	**118,799**	**135,983**	**+17,184**	**+14%**
Alternative Financing	-79,848	-59,732	-69,898	-10,166	+17%
Colorado River Dam Fund	-1,756	-2,592	-1,862	+730	-28%
Offsetting Collections	-29,449	-33,645	-34,703	-1,058	+3%
Use of Prior Year Balances	-	-	-	-	-
Total, Operation and Maintenance (Budget Authority)	**42,076**	**22,830**	**29,520**	**+6,690**	**+29%**

Explanation of Changes for Operations and Maintenance

O&M increases required to support assets and structures which have exceeded their life expectancy and have an increased risk of failure which may result in reduced system reliability and increased risk to other substations and transmission line components, or the safety of the public.

Purchase Power and Wheeling

Overview

The Purchase Power and Wheeling (PPW) subprogram continues to support WAPA's marketing efforts and delivery capability which spans a 1.3 million square mile area serving a diverse group of several hundred wholesale customers, including municipalities, cooperatives, public utility and irrigation districts, Federal and state agencies, and Native American tribes. No appropriated budget authority is necessary.

For a historical perspective, WAPAs PPW subprogram is highly variable; it is affected by reservoir storage levels, annual and long-term drought conditions, downstream flow concerns due to icing, flooding, environmental, health and safety, recreation, irrigation, and navigation requirements. WAPA's budget request reflects anticipated requirements utilizing current information on hydro conditions, generation, contractual commitments, and power pricing.

Purchase Power and Wheeling ($350 million)

Central Valley Project WAPA continues to deliver on its contractual power commitments to customers under the Central Valley Project's Post 2004 Marketing Plan. The budget request assumes current full load service customers will continue to choose service from WAPA through "Custom Product" contractual agreements. WAPA also purchases power to support variable resource customers on a pass-thru basis. If project net generation is not sufficient, WAPA may also purchase to support project use load, First Preference Customer load, and sub-control area reserve requirements. As part of the Order 741, FERC promulgated guidance requiring RTO/ISOs to take physical title/ownership to the energy bought/sold in their respective markets, making it necessary for WAPA to acknowledge that customers receive the financial, and not the physical benefit of their federal power allocations. In order to provide service in the state, WAPA is voluntarily participating in the California greenhouse gas cap-and-trade program which became effective January 1, 2013.

Pick-Sloan Missouri Basin and Other Programs The budget request continues to support long-term firm power commitments to customers of the eastern and western divisions of the Pick-Sloan Missouri Basin Program, the Fryingpan-Arkansas Project, and the Parker-Davis Project commensurate with the levels of average firm hydroelectric energy marketed by WAPA. The request also provides transmission support for the Pacific Northwest-Southwest Intertie Project. The total program estimates shown are based primarily on market pricing of short-term firm energy, negotiated transmission rates, and WAPA and generating agency's forecasts.

Purchase Power and Wheeling
($K)

	FY 2025 Enacted	FY 2026 Enacted	FY 2027 Request	FY 2027 Request vs FY 2026 Enacted	
				$	%
Central Valley	257,035	365,567	298,480	-67,087	-18%
Pick-Sloan Missouri Basin and other Programs	381,310	379,604	280,978	-98,626	-26%
Subtotal, Purchase Power and Wheeling	**638,345**	**745,171**	**579,458**	**-165,713**	**-22%**
Alternative Financing Needed	-163,345	-270,171	-229,458	+40,713	-15%
Offsetting Collections	-475,000	-475,000	-350,000	+125,000	-26%
Total, Purchase Power and Wheeling (Budget Authority)	**-**	**-**	**-**	**-**	**-**

Explanation of Changes for Purchase Power and Wheeling

Program amounts are financed through offsetting collections (from WAPA receipts) and alternative financing (to include net billing, bill crediting, energy exchanges and direct customer funding); no direct appropriations are requested for this activity. There is no change to the Net BA.

Program Direction

Overview

WAPA's Program Direction subprogram provides compensation and all related expenses for its workforce, including those employees that operate and maintain WAPA's high-voltage interconnected transmission system and associated facilities; those that plan, design, and supervise the construction of replacements, upgrades and additions (capital investments) to the transmission facilities; those that market the power and energy produced to repay annual expenses and capital investment; and those that administratively support these functions.

Program Direction ($33.8 million)

The Program Direction subprogram supports DOE's and WAPA's mission of operating and maintaining a resilient and secure energy grid by attaining and developing a critical highly skilled workforce of engineers, dispatchers, linemen, power system operators, and high voltage electricians. The Program Direction subprogram also includes the administrative staff, including those positions that monitor, detect, and deter physical and cyber-attacks on WAPA's infrastructure.

WAPA trains its employees on a continuing basis in occupational safety and health regulations, policies, and procedures, and conducts safety meetings at employee, supervisory and management levels to keep the safety culture strong. Accidents are reviewed to ensure lessons are learned and proper work protocol is in place. In consultation with its customers, WAPA reviews required replacements and upgrades to its existing infrastructure to sustain reliable power delivery to its customers and to contain annual maintenance expenses. The timing and scope of these replacements and upgrades are critical to ensure that WAPA's facilities remain a reliable and resilient component of the nation's interconnected power grid. WAPA pursues opportunities to join with neighboring utilities to jointly finance activities, which avoid redundant facilities and result in realized cost savings and/or increased efficiencies for all participants

Program Direction
($K)

	FY 2025 Enacted	FY 2026 Enacted	FY 2027 Request	FY 2027 Request vs FY 2026 Enacted	
				$	%
Salaries and Benefits	219,572	232,959	243,401	+10,442	+4%
Travel	10,336	8,965	11,666	+2,701	+30%
Support Services	35,737	34,951	38,283	+3,332	+10%
Other Related Expenses	43,095	41,862	49,782	+7,920	+19%
Subtotal, Program Direction	**308,740**	**318,737**	**343,132**	**+24,395**	**+8%**
Use of Alternative Financing	-57,657	-54,476	-75,360	-20,884	+38%
Use of Receipts from Colorado River Dam Fund	-9,319	-9,701	-10,220	-519	+5%
Offsetting Collections, Other Expenses	-183,968	-214,018	-223,684	-9,666	+5%
Use of Prior Year Balances	-	-	-	-	-
Total, Program Direction (Budget Authority)	**57,796**	**40,542**	**33,868**	**-6,674**	**-16%**
Technical Support	-	-	-	-	-
Economic and Environmental Analysis	*15,777*	*14,731*	*17,191*	*+2,460*	*+17%*
Total, Technical Support	15,777	14,731	17,191	+2,460	+17%
Management Support	-	-	-	-	-
Automated Data Processing	*11,525*	*12,009*	*12,534*	*+525*	*+4%*
Training and Education	*3,000*	*2,614*	*2,839*	*+225*	*+9%*
Reports and Analysis, Management and General Administrative Support	*5,435*	*5,597*	*5,719*	*+122*	*+2%*
Total, Management Support	19,960	20,220	21,092	+872	+4%
Total, Support Services	**35,737**	**34,951**	**38,283**	**+3,332**	**+10%**
Rent to GSA	2,423	2,524	905	-1,619	-64%
Communication, Utilities, Misc.	7,140	5,712	7,461	+1,749	+31%
Printing and Reproduction	65	69	58	-11	-16%
Other Services	17,874	16,750	19,461	+2,711	+16%
Training	-	-	-	-	-
Purchases from Gov. Accounts	924	996	1,059	+63	+6%
Operation and Maintenance of Equipment	7,273	7,650	12,591	+4,941	+65%
Supplies and Materials	2,076	2,369	2,512	+143	+6%
Equipment	2,603	2,875	2,976	+101	+4%
Working Capital Fund	2,717	2,917	2,759	-158	-5%
Total, Other Related Expenses	**43,095**	**41,862**	**49,782**	**+7,920**	**+19%**
Federal FTEs	**1,215**	**1,208**	**1,217**	**+9**	**+1%**

Program Direction
Activities and Explanation of Changes
($K)

FY 2026 Enacted	FY 2027 Request	Explanation of Changes FY 2027 Request vs FY 2026 Enacted
Program Direction		
318,737	**343,132**	**+24,395**
Salaries and Benefits		
232,959	*243,401*	*+10,442*
Salary and benefits provide for Federal employees who construct and replace, operate, and maintain and secure, on a continuing basis, WAPA's high voltage interconnected transmission system. Salary and benefits fund those FTEs assigned to this account, including those salaries determined through negotiations.	Salary and benefits provide for Federal employees who construct and replace, operate, and maintain and secure, on a continuing basis, WAPA's high voltage interconnected transmission system. Salary and benefits fund those FTEs assigned to this account, including those salaries determined through negotiations.	The salary and benefits reflect known and anticipated increases for Within Grade Increases, Wage Board and Administratively Determined employees.
Travel		
8,965	*11,666*	*+2,701*
This activity funds all travel, and related expenses associated with WAPA's mission-related operation and maintenance activities, and those functions that support them.	Request funds all travel, and related expenses associated with WAPA's mission-related operation and maintenance activities, and those functions that support them.	Request reflects variabilities in scope and location associated with mission related operation and maintenance travel, and travel for cross-functional collaboration among various internal and external programs.
Support Services		
34,951	*38,283*	*+3,332*
Support Services funded in this category include information technology, job related training and education, engineering, miscellaneous advisory and reporting services, and general administrative support.	Support Services funded in this category include information technology, job related training and education, engineering, miscellaneous advisory and reporting services, and general administrative support.	Request reflects contractual inflationary increases across all support services including miscellaneous advisory and reporting services, engineering and general administrative support, and training.
Other Related Expenses		
41,862	*49,782*	*+7,920*
Other related expenses include rental space, utilities, supplies and materials, telecommunications, information technology modernization (data/network), printing and reproduction, training tuition, and DOE's Working	Request funds rental space, utilities, supplies and materials, telecommunications, information technology modernization (data/network), printing and reproduction, training tuition, and DOE's Working Capital Fund	The increase is attributable to customer funded engineering service contracts, operations maintenance of equipment, and DOE's Working Capital Fund.

Capital Fund distribution. Rental space costs assume the General Services Administration's (GSA) inflation factor. Other costs are based on historical usage and actual cost of similar items.	distribution. Rental space costs assume the General Services Administration's (GSA) inflation factor. Other costs are based on historical usage and actual cost of similar items.	

Falcon and Amistad
($K)

FY 2025 Enacted	FY 2026 Enacted	FY 2027 Request	FY 2027 Request vs FY 2026 Enacted
228	228	228	-

Proposed Appropriation Language

For operation, maintenance, and emergency costs for the hydroelectric facilities at the Falcon and Amistad Dams, $6,422,000 to remain available until expended, and to be derived from the Falcon and Amistad Operating and Maintenance Fund of the Western Area Power Administration, as provided in section 2 of the Act of June 18, 1954 (68 Stat. 255): Provided, That notwithstanding the provisions of that Act and of 31 U.S.C. 3302, up to $6,194,000 collected by the Western Area Power Administration from the sale of power and related services from the Falcon and Amistad Dams shall be credited to this account as discretionary offsetting collections, to remain available until expended for the sole purpose of funding the annual expenses of the hydroelectric facilities of these Dams and associated Western Area Power Administration activities: Provided further, That the sum herein appropriated for annual expenses shall be reduced as collections are received during the fiscal year so as to result in a final fiscal year 2027appropriation estimated at not more than $228,000: Provided further, That for purposes of this appropriation, annual expenses means expenditures that are generally recovered in the same year that they are incurred: Provided further, That for fiscal year 2027, the Administrator of the Western Area Power Administration may accept up to $1,872,000 in funds contributed by United States power customers of the Falcon and Amistad Dams for deposit into the Falcon and Amistad Operating and Maintenance Fund, and such funds shall be available for the purpose for which contributed in like manner as if said sums had been specifically appropriated for such purpose: Provided further, That any such funds shall be available without further appropriation and without fiscal year limitation for use by the Commissioner of the United States Section of the International Boundary and Water Commission for the sole purpose of operating, maintaining, repairing, rehabilitating, replacing, or upgrading the hydroelectric facilities at these Dams in accordance with agreements reached between the Administrator, Commissioner, and the power customers.

Mission

WAPA's mission is to market and reliably deliver cost-based Federal hydroelectric power. WAPA markets power in 15 central and western states from Federally owned power plants operated primarily by the U.S. Army Corps of Engineers, U.S. Bureau of Reclamation and the Department of State's International Boundary and Water Commission. WAPA operates and maintains a high-voltage, integrated transmission system, including approximately 17,000 circuit-miles of high-voltage transmission lines, more than 300 substations/switchyards and associated power system controls, and communication and electrical facilities.

Overview

The Falcon and Amistad Operating and Maintenance fund (Maintenance Fund) was established in the Treasury of the United States as directed by the Foreign Relations Authorization Act, FYs 1994 and 1995. The Maintenance Fund is administered by WAPA's Administrator for use by the Commissioner of the U.S. Section of the International Boundary and Water Commission (IBWC) to defray administrative, O&M, replacement, and emergency costs for the hydroelectric facilities at the Falcon and Amistad Dams. IBWC owns and operates the U.S. portion of the projects, and Federal staff funded under this program continues to be allocated to the U.S. Section of IBWC by the Department of State. The Falcon and Amistad project supports WAPA's program

goals by providing power to rural electric cooperatives through WAPA. With the exception of monies received from the Government of Mexico, all revenues collected from the sale of electric power generated at the Falcon and Amistad Dams are credited to the Maintenance Fund. Monies received from the Government of Mexico are credited to the General Fund of the U.S. Treasury. Revenues collected in excess of operating expenses are used to repay, with interest, the cost of replacements and original investments. Full funding will support 24-hour/day operation and maintenance of the two power plants to ensure response to ever-changing water conditions, customer demand, and continual coordination with operating personnel of the Government of Mexico.

Highlights of the FY 2027 Budget Request

WAPA's request has been formulated to meet its power marketing and contractual power delivery obligations. Revenue collected from customers to recover the costs of the Federal Power Program will be sufficient to provide for planned expenses for the facilities operated by the IBWC. Also included is the continuation of WAPA's request to allow for U.S. customer(s) of the Falcon and Amistad Dams to contribute funds for use by the IBWC in fulfilling their duties in accordance with agreements between WAPA, IBWC, and the power customers. The contributed funds are planned to predominantly assist in capitalized replacement projects.

Falcon and Amistad
($K)

	FY 2025 Enacted	FY 2026 Enacted	FY 2027 Request	FY 2027 Request vs FY 2026 Enacted	
				$	%
IBWC O&M	6,147	9,221	6,617	-2,604	-28%
IBWC Capital Investment	1,913	1,300	1,600	+300	+23%
WAPA Marketing, Contracts, Repayment	50	61	77	+16	+26%
Subtotal, Falcon & Amistad Operating and Maintenance Fund	**8,110**	**10,582**	**8,294**	**-2,288**	**-22%**
Offsetting Collections	-3,197	-6,282	-6,194	+88	-1%
Use of Prior Year Balances	-3,000	-3,000	0	+3,000	-100%
Alternative Financing	-1,685	-1,072	-1,872	-800	+75%
Total, Falcon and Amistad Operating and Maintenance Fund	**228**	**228**	**228**	**-**	**-**

Explanation of Changes for Falcon and Amistad

The request reflects projects in the 10-year work plan that were developed to address recommendations in the U.S. Army Corps of Engineers (USACE)The increase to IBWC O&M is due to the increased need for O&M work on the facilities as identified by the USACE. Failure to properly maintain the facilities could result in safety concerns or findings.

Colorado River Basin Power Marketing Fund

FY 2025 Enacted	FY 2026 Enacted	FY 2027 Request	FY 2027 Request vs FY 2026 Enacted
-	-	-	-

Mission

WAPA's request has been formulated to meet its power marketing and contractual power delivery obligations. Revenues collected from customers to recover the costs of the Federal Power Program will be sufficient to provide for WAPA's planned expenses for the power systems in the CRBPMF. The budget assumes continued severe drought conditions persist, impacting hydropower generation capability and significantly increasing purchase power and wheeling requirements.

Overview

WAPA operates and maintains the transmission system for the projects funded in this account to ensure an adequate supply of reliable electric power in a clean and environmentally safe, cost-effective manner. The Colorado River Basins Power Marketing Fund Program (CRBPMF) is comprised of the Colorado River Storage Project, including the Dolores, Seedskadee, and Olmsted Projects, and the Fort Peck Project. WAPA is responsible for operation and maintenance, including purchase power and wheeling and capital replacement, additions, and upgrades of facilities for transmitting and marketing the electrical energy generated in these power systems.

Colorado River Basin Power Marketing
Funding by Budget Control ($K)

	FY 2025 Enacted	FY 2026 Enacted	FY 2027 Request	FY 2027 Request vs FY 2026 Enacted	
				$	%
Equipment, Contracts and Related Expenses	500,538	362,477	309,979	-52,498	-14%
Program Direction	83,693	89,204	91,743	+2,539	+3%
Subtotal, CRBPMF Program	**584,231**	**451,681**	**401,722**	**-49,959**	**-11%**
Offsetting Collections	-584,231	-451,681	-401,722	+49,959	-11%
Total, CRBPMF	-	-	-	-	-

Explanation of Changes for Colorado River Basin Power Marketing

WAPA's equipment, contracts and related expenses are necessary to operate and maintain this activity. Revenues from the sale of electric energy, capacity and transmission services replenish the fund and are available for expenditure for operation, maintenance, power billing and collection, purchase power and wheeling, interest, emergencies, and other power marketing expenses. Estimates are based on recent actual costs.

Equipment, Contracts and Related Expenses ($309.9 million)

Equipment including circuit breakers, transformers, relays, switches, transmission line equipment, microwave, SCADA, and other communication and control equipment to assure reliable service to WAPA's customers. Provides capitalized Supplies materials, and services necessary to respond to routine and emergency situations

in the transmission system. Planned substation estimates include upgrades, replacement of breakers and circuit switches, and replacement of transformers, test equipment, as well as other aged equipment at various substations. WAPA cyclically replaces older electro-mechanical relays with microprocessor relays. The microprocessor relays assist in finding faults faster in order to restore service more efficiently to customers. Other miscellaneous items required for substation replacements include surge arrestors, batteries and chargers, and monitoring equipment.

Purchase Power Costs for procurement of electrical power, transmission capacity and wheeling services on the open market. The request anticipates persisting drought conditions, and the results of continued low-steady-flow tests conducted at Glen Canyon Dam, as required by the Glen Canyon Dam Environmental Impact Statement Record of Decision. Additionally, the request includes obligation authority to accommodate replacement power purchases for customers served by the Colorado River Storage Project. The replacement power purchases, a provision of the Salt Lake City Area Integrated Projects electric power contracts, are made at the request of power customers at times when WAPA lacks sufficient generation to meet its full contract commitment. The funds for the replacement power purchases are advanced by the requesting customers prior to the purchase.

Generating Agency Activities This activity direct funds the U.S. Army Corps of Engineers for operation and maintenance and procurement of capitalized equipment for the Fort Peck Power Plant. Estimates are based on recent actual costs for supplies needed to maintain generating system reliability.

Program Direction

Overview

Program Direction provides compensation and all related expenses for its workforce, including those employees that operate and maintain WAPA's high-voltage interconnected transmission system and associated facilities; those that plan, design, and supervise the construction of replacements, upgrades and additions (capital investments) to the transmission facilities; those that market the power and energy produced to repay annual expenses and capital investment; and those that administratively support these functions.

The Program Direction subprogram supports DOE's and WAPA's mission of operating and maintaining a resilient and secure energy grid by attaining and developing a critical highly skilled workforce of engineers, dispatchers, linemen, power system operators, and high voltage electricians. The Program Direction subprogram also includes the administrative staff, including those positions that monitor, detect, and deter physical and cyber-attacks on WAPA's infrastructure.

WAPA trains its employees on a continuing basis in occupational safety and health regulations, policies, and procedures, and conducts safety meetings at employee, supervisory and management levels to keep the safety culture strong. Accidents are reviewed to ensure lessons are learned and proper work protocol is in place.

Highlights of the FY 2027 Budget Request

WAPA's request provides for the continuation of WAPA's revolving fund activities related to Program Direction at the level necessary to meet mission requirements.

Program Direction
($K)

	FY 2025 Enacted	FY 2026 Enacted	FY 2027 Request	FY 2027 Request vs FY 2026 Enacted	
				$	%
Salaries and Benefits	61,586	66,426	66,178	-248	-
Travel	2,966	2,690	3,100	+410	+15%
Support Services	7,940	7,872	7,986	+114	+1%
Other Related Expenses	11,201	12,216	14,479	+2,263	+19%
Total, Program Direction	**83,693**	**89,204**	**91,743**	**+2,539**	**+3%**
Engineering and Technical Services	*2,411*	*2,268*	*2,446*	*+178*	*+8%*
Total, Technical Support	2,411	2,268	2,446	+178	+8%
Automated Data Processing	*3,063*	*3,141*	*3,117*	*-24*	*-1%*
Training and Education	*744*	*726*	*771*	*+45*	*+6%*
Reports and Analyses Management and General Administrative Support	*1,722*	*1,737*	*1,652*	*-85*	*-5%*
Total, Management Support	5,529	5,604	5,540	-64	-1%
Total, Support Services	**7,940**	**7,872**	**7,986**	**+114**	**+1%**
Rent to GSA	187	696	208	-488	-70%
Communication, Utilities, Misc.	1,941	1,804	2,395	+591	+33%
Printing and Reproduction	15	19	15	-4	-21%
Other Services	3,894	3,649	5,977	+2,328	+64%
Training	-	-	-	-	-
Purchases from Gov. Accounts	249	280	274	-6	-2%
Operation and Maintenance of Equipment	2,573	3,105	3,397	+292	+9%
Supplies and Materials	670	691	678	-13	-2%
Equipment	907	838	803	-35	-4%
Working Capital Fund	765	1,134	732	-402	-35%
Total, Other Related Expenses	**11,201**	**12,216**	**14,479**	**+2,263**	**+19%**
Federal FTEs	**302**	**309**	**294**	**-15**	**-5%**

Program Direction
Activities and Explanation of Changes
($K)

FY 2026 Enacted	FY 2027 Request	Explanation of Changes FY 2027 Request vs FY 2026 Enacted
Program Direction		
89,204	**91,743**	**+2,539**
Salaries and Benefits		
66,426	*66,178*	*-284*
Salary and benefits support General Schedule employees, as well as those salaries determined through negotiations. This activity provides for Federal employees who operate and maintain the Program's high-voltage integrated transmission system and associated facilities; plan, design, and supervise the replacement (capital investments) to the transmission facilities; and market the power and energy produced to repay annual expenses and capital investment.	Salary and benefits support General Schedule employees, as well as those salaries determined through negotiations. This activity provides for Federal employees who operate and maintain the Program's high-voltage integrated transmission system and associated facilities; plan, design, and supervise the replacement (capital investments) to the transmission facilities; and market the power and energy produced to repay annual expenses and capital investment.	Slight decrease driven by reallocation to CROM activities in FY27.
Travel		
2,690	*3,100*	*+410*
This activity funds personnel travel and per diem expenses for essential mission-related activities, including the maintenance of transmission facilities. The request includes estimates for the rent/lease of GSA vehicles and other transportation.	This activity funds personnel travel and per diem expenses for essential mission-related activities, including the maintenance of transmission facilities. The request includes estimates for the rent/lease of GSA vehicles and other transportation.	Request reflects variabilities in scope and location associated with mission related operation and maintenance travel, and travel for cross-functional collaboration among various internal and external programs.
Support Services		
7,872	*7,986*	*+114*

FY 2026 Enacted	FY 2027 Request	Explanation of Changes FY 2027 Request vs FY 2026 Enacted
Support services funded in this category include information technology support, warehousing, computer-aided drafting/engineering, job related training and education, and general administrative support.	Support services funded in this category include information technology support, warehousing, computer-aided drafting/engineering, job related training and education, and general administrative support.	The increase is primarily due to an increase in services that support information technology for Supervisory Control and Data Acquisition (SCADA) activities
Other Related Expenses		
12,216	*14,479*	*+2,263*
Other related expenses include, but are not limited to, DOE's working capital fund distribution, space, utilities and miscellaneous charges, printing and reproduction, training tuition, maintenance of office equipment, supplies and materials, telecommunications, and office equipment to include computers.	Other related expenses include, but are not limited to, DOE's working capital fund distribution, space, utilities and miscellaneous charges, printing and reproduction, training tuition, maintenance of office equipment, supplies and materials, telecommunications, and office equipment to include computers.	The increase to this activity is primarily driven by cyclic requirements for transmission, substation, communication and operation and maintenance services specifically in engineering service contracts.

Transmission Infrastructure Program
($K)

FY 2025 Enacted	FY 2026 Enacted	FY 2027 Request	FY 2027 Request vs FY 2026 Enacted
-	-	-	-

Proposed Appropriation Language

WAPA established the Transmission Infrastructure Program (TIP) and Office to implement Title III, Section 301 of the Hoover Power Plant Act of 1984 as amended by the American Recovery and Reinvestment Act of 2009 (Recovery Act), which provided WAPA borrowing authority of up to $3.25 billion for the purposes of: (1) constructing, financing, facilitating, planning, operating, maintaining, or studying construction of new or upgraded electric power transmission lines and related facilities with at least one terminus within the area served by WAPA; and (2) delivering or facilitating the delivery of power generated by renewable energy resources constructed or reasonably expected to be constructed after the Recovery Act's date of enactment.

Mission

TIP is expected to be an administratively self-sustaining program that relies on funding arrangements with project developers. When developers seek technical assistance, WAPA collects funds from the project developers to support development of eligible projects and to cover the overhead and administrative costs of the program. Reimbursable or Advance Funding Agreements with project developers are required prior to initiating efforts to evaluate the technical and financial merits of a potential project to ensure the full cost of services delivered are paid by project beneficiaries. For projects that are approved for use of WAPA's borrowing authority, the authority to cover the full amount of the loan is apportioned at the outset and cash is borrowed periodically from the Department of the Treasury (Treasury) as needed. The debt is repaid according to the financial agreement terms and conditions of each project.

Overview

As mandated, the TIP program is separate and distinct from WAPA's power marketing program. TIP has one project currently using the borrowing authority for a total of $91 million in loan authority obligated. All other prior project borrowings have been fully repaid with interest.

The program has operated for more than a decade following the initial implementation funding. The collection of non-appropriated funding through completed project loans has been limited and intermittent leading to concern on program sustainability at a critical juncture as the Department of Energy's National Transmission Needs Study finds a "pressing need for additional transmission infrastructure" and associated investment through 2040. TIP is a unique and valuable tool to address this investment need and can provide up to $3.25 billion in debt financing for new and upgraded transmission facilities

Highlights of the FY 2027 Budget Request

Borrowing authority and interest assumptions are only included for projects that have an active loan and/or loan application. While there are numerous other ongoing projects at various stages of development at any given time, the decision and timing for loan applications is dependent on the project sponsors. Advance funding (non-Federal project sponsors) and reimbursable funding (Federal project sponsors) provide authority for development assistance activities prior to loan issuance.

Transmission Infrastructure Program
($K)

	FY 2025 Enacted	FY 2026 Enacted	FY 2027 Request	FY 2027 Request vs FY 2026 Enacted	
				$	%
New Borrowing Authority	-	-	-	-	-
Repayment of Borrowing Authority	-	-	-	-	-
Net, Borrowing Authority	**-**	**-**	**-**	**-**	**-**
Operating Expenses	5,930	4,702	4,320	-382	-8%
Interest Payments to Treasury	2,311	3,800	2,541	-1,259	-33%
Other Uses	1,489	1,489	1,489	-	-
Gross, Operating & Debt Service	**9,730**	**9,991**	**8,350**	**-1,641**	**-16%**
Collections from Projects	-9,730	-9,991	-8,350	+1,641	-16%
Net, Operating & Debt Service	**-**	**-**	**-**	**-**	**-**
Total Mandatory	**-**	**-**	**-**	**-**	**-**
Program Direction	6,624	6,386	7,956	+1,570	+25%
Equipment, Contracts and Related Expenses	74	87	77	-10	-11%
Gross, Discretionary	**6,698**	**6,473**	**8,033**	**+1,560**	**+24%**
Advance Funding (Non-Federal)	-5,002	-5,000	-5,233	-233	+5%
Reimbursable Funding (Federal)	-1,250	-1,000	-1,250	-250	+25%
Offsetting Collections	-446	-473	-1,550	-1,077	+228%
Net, Discretionary, Reimbursable Budget Authority	**-**	**-**	**-**	**-**	**-**
Federal FTEs (Mandatory)	**1**	**1**	**1**	**-**	**-**
Federal FTEs (Discretionary)	**3**	**3**	**9**	**+6**	**+200%**

Explanation of Changes for Transmission Infrastructure Program

Borrowing authority, interest assumptions, and program administration are only included for projects that have an active loan and/or loan application.

Program Direction

Overview

WAPA's TIP Program Direction subprogram provides compensation and all related expenses for its workforce, including those employees that are directly assigned to the program as project management, technical experts, finance and administration; those that provide expertise in land acquisition, engineering and environmental compliance; those that provide legal counsel; and those that administratively support these functions.

Unless otherwise provided by law, TIP program direction costs are expected to be offset by customers over time, either through advanced funding agreements or offsetting collections. Advanced funding is provided to TIP from project applicants who use TIP's expertise in the development of their project. The advanced funding agreements fund federal and/or contract staff working on the development of a specific project. Other sources of funds include the overhead rate applied to each active project; service charges; interest rate differentials; and the advance collection of Project Proposal and Business Plan Proposal evaluation expenses. These collections offset the costs of administering the TIP program and provide a risk mitigation reserve.

The Program Direction subprogram supports DOE and WAPA missions, specifically in facilitating delivery of renewable energy resources to market.

Program Direction
($K)

	FY 2025 Enacted	FY 2026 Enacted	FY 2027 Request	FY 2027 Request vs FY 2026 Enacted	
				$	%
Salaries and Benefits	312	375	1,412	+1,037	+277%
Travel	39	29	17	-12	-41%
Support Services	1,917	1,882	1,958	+76	+4%
Other Related Expenses	4,356	4,100	4,569	+469	+11%
Subtotal, Program Direction	**6,624**	**6,386**	**7,956**	**+1,570**	**+25%**
Use of Offsetting Collections	-6,624	-6,386	-7,956	-1,570	25%
Total, Program Direction	-	-	-	-	-
Engineering and Technical Services	1,913	1,881	1,956	+75	+4%
Automated Data Processing	-	-	-	-	-
Training and Education	4	1	2	+1	-
Reports and Analyses, Management and General Administrative Support	-	-	-	-	-
Total, Support Services	**1,917**	**1,882**	**1,958**	**+76**	**+4%**
Communication, Utilities, Misc.	6	-	-	-	-
Other Services	4,350	4,100	200	-3,900	-95%
Working Capital Fund	-	-	-	-	-
Total, Other Related Expenses	**4,356**	**4,100**	**200**	**-3,900**	**-95%**
Federal FTEs (Mandatory)	1	1	1	-	-
Federal FTEs (Discretionary)	3	3	9	+6	+200%
Federal FTEs (Total TIP)	**4**	**4**	**10**	**+6**	**+150%**

Program Direction
Activities and Explanation of Changes
($K)

FY 2026 Enacted	FY 2027 Request	Explanation of Changes FY 2027 Request vs FY 2026 Enacted
Program Direction		
6,386	**7,956**	**+1,570**
Salaries and Benefits		
375	*1,412*	*+1,037*
Salary and benefits provide for Federal employees that are directly assigned to the TIP program as project management, technical experts, finance and administration; those that provide expertise in land acquisition, engineering and environmental compliance; those that provide legal counsel; and those that administratively support these functions.	Salary and benefits provide for Federal employees that are directly assigned to the TIP program as project management, technical experts, finance and administration; those that provide expertise in land acquisition, engineering and environmental compliance; those that provide legal counsel; and those that administratively support these functions.	In FY25 and FY26, a change was proposed to fund TIP X4404 administrative costs for salary and benefits out of CROM X5068 for $1M. This change was never enacted. The FY27 levels include X4404 administrative costs for salary and benefits in TIP X4404 instead of CROM X5068, consistent with FY24 levels.
Travel		
29	*17*	*-12*
Planned essential travel supports TIP's mission related activities. TIP supports efficient spending initiatives and is cognizant of travel costs associated with general program operations. TIP focuses on using alternative means to conduct meetings and training sessions where appropriate.	Planned essential travel supports TIP's mission related activities. TIP supports efficient spending initiatives and is cognizant of travel costs associated with general program operations. TIP focuses on using alternative means to conduct meetings and training sessions where appropriate.	The decrease is attributed to a greater use of available technology to facilitate TIP activities.
Support Services		
1,882	*1,958*	*-76*
Support services funded in this category include technical support costs directly associated with TIP projects including environmental, lands, engineering, and project management activities; and management support costs including information technology, job related training and education,	Support services funded in this category include technical support costs directly associated with TIP projects including environmental, lands, engineering, and project management activities; and management support costs to include information technology, job related training and	The decrease is due to a reduction in technical support associated with project management and stage of development of projects given revised work scope demands.

FY 2026 Enacted	FY 2027 Request	Explanation of Changes FY 2027 Request vs FY 2026 Enacted
and general administrative support.	education, and general administrative support.	
Other Related Expenses *4,100*	*4,569*	*+469*
Other related expenses include communications, utilities, other services such as outside financial support and legal counsel, and DOE's working capital fund.	Other related expenses include communications, utilities, other services such as outside financial support and legal counsel, and DOE's working capital fund.	The increase is due to anticipated outside financial support and legal counsel.

DEPARTMENT OF ENERGY
Funding by Site Detail
Western Area Power Administration - FY 2027
(Dollars in Thousands)

	FY 2025 Enacted	FY 2026 Enacted	FY 2027 Request
Western Area Power Administration Office			
Operation And Maintenance - CROM	153,129	118,799	135,983
Purchase Power And Wheeling - CROM	638,345	745,171	579,458
Program Direction - CROM	308,740	318,737	343,132
Construction, Rehabilitation, Operation, and Maintenance (CROM) - WP	1,100,214	1,182,707	1,058,573
Total Western Area Power Administration Office	**1,100,214**	**1,182,707**	**1,058,573**
Total Funding by Site for TAS_5068 - Western Area Power Administration	**1,100,214**	**1,182,707**	**1,058,573**

	FY 2025 Enacted	FY 2026 Enacted	FY 2027 Request
Western Area Power Administration Office			
Falcon And Amistad Operation And Maintenance	8,110	10,582	8,294
Total Western Area Power Administration Office	**8,110**	**10,582**	**8,294**
Total Funding by Site for TAS_5178 - Falcon and Amistad Operating and Maintenance Fund	**8,110**	**10,582**	**8,294**

	FY 2025 Enacted	FY 2026 Enacted	FY 2027 Request
Western Area Power Administration Office			
Program Direction - Colorado River Basins Fund	83,693	89,204	91,743
Equipment, Contracts and Related Expenses - Colorado River Basins Fund	500,538	362,477	309,979
Colorado River Basins Fund	584,231	451,681	401,722
Total Western Area Power Administration Office	**584,231**	**451,681**	**401,722**
Total Funding by Site for TAS_4452 - Colorado River Basins Power Marketing Fund	**584,231**	**451,681**	**401,722**

FY 2027 Expenditure Authorization

Expenditures from the Bonneville Power Administration Fund, established pursuant to Public Law 93-454, are approved for: the Spokane Tribal Fisheries Operations Center. Expenditures are also approved for official reception and representation expenses in an amount not to exceed $5,000, provided that during fiscal year 2027 no new direct loan obligations may be made.

Explanation of Changes

The proposed appropriation language provides expenditure approval to the Bonneville Power Administration Fund for: the Spokane Tribal Fisheries Operations Center. This capital facility is estimated to cost at least $2.5 million, have a useful life exceeding 15 years, and requires expenditure approval under the Pacific Northwest Electric Power Planning and Conservation Act of 1980 (Northwest Power Act) (Public Law 96-501).

Overview

The Bonneville Power Administration (Bonneville) operates under a business-type budget under the Government Corporation Control Act, 31 U.S.C 9101-10, and on the basis of the self-financing authority provided by the Federal Columbia River Transmission System Act of 1974 (Transmission Act) (Public Law 93-454). Bonneville has authority to borrow from the U.S. Treasury under the Transmission Act and the Northwest Power Act for acquisition of energy conservation, renewable and other power resources, investment in fish facilities, and other purposes, as well as authority under the American Recovery and Reinvestment Act of 2009 (Public Law 111-5), the Infrastructure Investment and Jobs Act of 2021 (Section 40110, Public Law 117-58) and other legislation.

Authority to borrow from the U.S. Treasury is available to Bonneville on a permanent, revolving basis. The principal amount of U.S. Treasury borrowing outstanding at any time may not exceed $17.70 billion. The "obligation" of the $10.0 billion in additional borrowing authority that is made available to the Bonneville Administrator under Section 40110 of Public Law 117-58 cannot exceed $6.0 billion before FY 2028. Bonneville manages its overall debt portfolio by using its power and transmission revenues, and the proceeds of borrowing authority from the U.S. Treasury. Bonneville's estimated FY 2027 obligations and cash transfers total approximately $6.9 billion.

This budget has been prepared in accordance with the Statutory Pay-As-You-Go Act (PAYGO) of 2010. Under PAYGO, all Bonneville budget estimates are treated as mandatory and are not subject to the discretionary caps included in the Budget Control Act of 2011. These estimates support activities that are separate from discretionary activities and accounts. Thus, any changes to Bonneville estimates cannot be used to affect any other budget categories, which have their own dollar caps. Because Bonneville's obligations are and will be incurred under pre-existing legislative authority, Bonneville is not subject to a "pay-as-you-go" test regarding its revision of current law funding estimates.

Please note – the FY 2027 Bonneville OMB Budget submission includes FY 2026 budget estimates.

Bonneville Funding Profile by Subprogram[1/]

See accompanying notes for the tables on the next page.

($K)

	FY 2025 Actual	FY 2026 Original [2/]	FY 2026 Estimate [2/]	FY 2027 Estimate
Associated Project Costs [3/]	261,830	305,000	265,000	308,973
Fish & Wildlife	37,997	50,000	53,218	66,988
Subtotal, Power Services	**299,827**	**355,000**	**318,218**	**375,961**
Transmission Services	745,769	1,649,000	892,784	1,289,501
Capital Equipment, Bond Premium & Capital Overheads	204,240	35,000	238,167	267,130
Total, Capital Obligations [3/]	**1,249,836**	**2,039,000**	**1,449,168**	**1,932,591**
Expensed	3,531,613	3,473,000	3,771,537	3,997,173
Projects Funded in Advance [4/]	26,995	36,000	36,071	30,000
Revenue Financing	89,090	162,000	94,000	168,000
Total, Obligations	**4,897,534**	**5,710,000**	**5,350,776**	**6,127,764**
Capital Transfers (cash)	871,180	655,000	774,434	747,067
Bonneville Total (Obligations & Capital Transfers)	**5,768,714**	**6,365,000**	**6,125,210**	**6,874,831**
Bonneville Net Outlays	**654,000**	**1,195,000**	**471,705**	**906,764**
Full-time Equivalents (FTEs) [5/]	**3,311**	**3,460**	**3,460**	**3,560**

Outyears
($K)

	FY 2028 Estimate	FY 2029 Estimate	FY 2030 Estimate	FY 2031 Estimate
Associated Project Costs [3/]	309,913	304,802	307,409	308,124
Fish & Wildlife	64,094	123,950	47,250	33,200
Subtotal, Power Services	**374,007**	**428,752**	**354,659**	**341,324**
Transmission Services	1,184,604	890,369	884,322	910,949
Capital Equipment, Bond Premium & Capital Overheads	270,636	256,097	250,090	249,388
Total, Capital Obligations [3/]	**1,829,247**	**1,575,218**	**1,489,072**	**1,501,662**
Expensed	4,169,885	4,196,434	4,316,433	4,512,793
Projects Funded in Advance [4/]	30,000	30,000	30,000	30,000
Revenue Financing	169,000	187,000	179,000	193,000
Total, Obligations	**6,198,132**	**5,988,653**	**6,014,504**	**6,237,455**
Capital Transfers (cash)	923,032	768,154	779,648	649,868
Bonneville Total (Obligations & Capital Transfers)	**7,121,165**	**6,756,807**	**6,794,152**	**6,887,323**
Bonneville Net Outlays	**1,392,132**	**1,067,653**	**1,056,504**	**1,210,455**
Full-time Equivalents (FTEs) [5/]	**3,660**	**3,760**	**3,860**	**3,960**

Public Law Authorizations include:
Bonneville Project Act of 1937, Public Law No. 75-329
Federal Columbia River Transmission System Act of 1974, Public Law No. 93-454

Regional Preference Act of 1964, Public Law No. 88-552
Flood Control Act of 1944, Public Law No. 78-543
Pacific Northwest Electric Power Planning and Conservation Act of 1980 (Northwest Power Act), Public Law No. 96-501

These notes are an integral part of this table.

1/ This budget has been prepared in accordance with PAYGO. Under PAYGO, all Bonneville budget estimates are treated as mandatory and are not subject to the discretionary caps included in the Budget Control Act of 2011. These estimates support activities that are separate from discretionary activities and accounts. Thus, any changes to Bonneville estimates cannot be used to affect any other budget categories which have their own dollar caps. Because Bonneville's obligations are and will be incurred under pre-existing legislative authority, Bonneville is not subject to a "pay-as-you-go" test regarding its revision of current-law funding estimates.
For BP-1 table, the CJ reflects forecasted outlays while the yearend GTAS reflects the actual outlay in the Budget Appendix.

2/ Original estimates reflect Bonneville's FY 2026 Congressional Budget Submission. Revised estimates, consistent with Bonneville's annual near-term funding review process, provide notification to the Administration and Congress of updated capital and expense funding levels for FY 2026. The BPA estimates in this budget are consistent with the BP-26 IPRs. As the BP 26 IPR estimates were finalized prior to Presidential Memorandum “Stopping Radical Environmentalism to Generate Power for the Columbia River Basin” being issued. The estimates include F&W expenditures for the since rescinded memorandum of understanding (MOU). The estimates for these costs will be removed in the next estimate update cycle.

3/ Includes infrastructure investments to address the long-term electric power- related needs of the Northwest and significant changes affecting Bonneville's power and transmission markets.

4/ In this instance, Projects Funded in Advance represents prepayment of Power customers' bills reimbursed by future credits and third-party non-federal financing for Conservation initiatives. Also this category includes those facilities and/or equipment where Bonneville retains control or ownership which are funded or financed by a third party, revenue, or with Power or Transmission reserves, either in total or in part.

5/ As of 9/30/2025, BPA Human Resources (HR) staff has reported FY 2025 BPA's FTE actuals at 3,311. This number includes 194 FTEs who have accepted the Deferred Resignation Program (DRP).

Additional Notes

Capital funding levels reflect external factors such as the significant changes affecting West Coast power and transmission markets, along with planned infrastructure investments designed to address the long-term needs of the region.
Cumulative advance amortization payments as of the end of FY 2024 are $7.2 billion.
Refer to 16 USC Chapters 12B, 12G, 12H, and Bonneville's other organic laws, including P.L. 100-371, Title III, Sec. 300, 102 Stat. 869, July 19, 1988, regarding Bonneville's ability to obligate funds.

Budget estimates included in this budget are subject to change due to rapidly changing economic and institutional conditions in the evolving electric utility industry.

Net Outlay estimates are based on current cost savings to date and anticipated cash management goals. They are expected to follow anticipated management decisions throughout the rate period that, along with actual market conditions, will impact revenues and expenses. Actual Net Outlays are volatile and are reported in Report on Budget Execution and Budgetary Resources (SF-133). Actual Net Outlays could differ from estimates due to changing market conditions, streamflow variability, continued restructuring of the electric industry, and other reasons.

Revenue, included in the Net Outlay formulation are calculated consistent with cash management goals and assume a combination of adjustments. Assumed adjustments include the use of a combination of tools, including upcoming rate adjustment mechanisms, a net revenue risk adjustment, debt service refinancing strategies and/or short-term financial tools to manage net revenues and cash. Some of these potential tools will reduce costs rather than generate revenue, causing the same Net Outlay result. Adjustments for depreciation and 4(h)(10)(C) credits of the Northwest Power Act are also assumed.

FY 2026 Net Outlays are calculated using Bonneville's FY 2025 actuals. FY 2027 to FY 2031 Net Outlays are based on BP-26 IPR assumptions and an escalation factor from using the FY 2025 Whitebook Loads and Resources Report.

FTE outyear data are estimates and may change. Bonneville is facing a dynamic and changing energy marketplace and operations, and it is important to continue to attract and retain skilled individuals to meet the growing demands of a competitive and rapidly changing industry. Accordingly, FTE estimates may need to be adjusted in the future.

Amounts in tables and schedules may not add to totals due to rounding.

Major Outyear Considerations

Bonneville's outyear estimates reflect ongoing efforts to achieve its long-term mission and strategic direction. The outyear estimates are developed with consideration and support of Bonneville's multi-year performance targets that lay out the course for achieving Bonneville's long-term objectives. Outyear capital investment levels support Bonneville's infrastructure program, hydro-efficiency program, and its F&W mitigation projects.

Bonneville continues to incorporate the various aspects of the Energy Policy Act of 2005 related to its business, in particular the energy supply, conservation, and new energy technologies for the future that are highlighted in the legislation.

Description of Bonneville Operations & Services

Bonneville markets power, provides transmission services, and acquires energy conservation from its power customers. Bonneville's service territory is defined as the Pacific Northwest, which includes a 300,000-square-mile area encompassing the states of Oregon, Washington, Idaho, western Montana, and small parts of eastern Montana, California, Nevada, Utah, and Wyoming, with a total population of about 14 million people. Bonneville markets the electric power produced from 31 Federal Columbia River Power System (FCRPS) hydro projects in the Pacific Northwest owned by U.S. Army Corps of Engineers (Corps) and Bureau of Reclamation (Reclamation). In addition, Bonneville also acquires power from non-federal generating resources, including the power from a nuclear power plant, the Columbia Generating Station (Columbia).

Bonneville uses the power primarily from the FCRPS hydroelectric projects and Columbia to meet the Administrator's long term firm power sales contract obligations. Bonneville currently maintains and operates 15,179 circuit miles of transmission lines, 259 substations, and associated power system control and communications facilities over which this electric power is delivered. Bonneville has capital and similar leases for certain transmission facilities. Bonneville also supports the protection and enhancement of fish and wildlife, and encourages the development of energy conservation, as part of meeting its obligations to supply power and balance the economic and environmental benefits of the FCRPS.

The organization of Bonneville's FY 2027 Budget reflects Bonneville's business services basis for utility enterprise activities. Bonneville's two major areas of activity on a consolidated budget and accounting basis are Power Services and Transmission Services and include their related administrative costs.

- Power Service's costs include line items for Fish & Wildlife, Energy Conservation, the Residential Exchange Program, Federal Projects Operations & Maintenance (O&M) Costs, and the Northwest Power and Conservation Council (Council).
- Transmission Service's costs include line items for Engineering and O&M for Bonneville's electric transmission system.

Bonneville's mission as a public service organization is to create and deliver federal power and transmission services at cost as it acts to assure its customers in the Pacific Northwest have the following:

- An adequate, efficient, economical, and reliable power supply;
- An open access transmission system that is adequate for integrating and transmitting power from federal and non-federal generating units, providing service to Bonneville's customers, providing interregional interconnections, and maintaining electrical reliability and stability; and
- Mitigation of the impacts on fish and wildlife from the federally owned hydroelectric projects from which Bonneville markets power.

Bonneville's vision is to be an engine of the Northwest's economic prosperity and environmental sustainability by advancing a Northwest power and transmission system that is a national leader in providing high reliability, low rates consistent with sound business principles, responsible environmental stewardship, and accountability to the region, all through a commercially successful business. Bonneville pursues this vision consistent with its four core values of safety, trustworthy stewardship, collaborative relationships, and operational excellence.

Legislative History

The Bonneville Project Act of 1937 provides the statutory basis for Bonneville's power marketing responsibilities and authorities. In 1974, passage of the Federal Columbia River Transmission System Act (Transmission Act) applied provisions of the Government Corporation Control Act (31 U.S.C. §§ 9101-9110) to Bonneville. The Transmission Act provides Bonneville with "self-financing" authority, establishes the

Bonneville Fund (a permanent, indefinite appropriation) allowing Bonneville to use its revenues from electric power and transmission ratepayers to fund all programs without further appropriation, and authorizes Bonneville to sell bonds to the U.S. Treasury.

The 1980 enactment of the Northwest Power Act expanded Bonneville's authorities, obligations, and responsibilities. The purposes of the Act include:

- Encouraging development of electric energy conservation to meet regional electric power loads placed on Bonneville
- Encouraging the development of renewable energy resources within the Pacific Northwest
- Assuring the Northwest has an adequate, efficient, economical, and reliable power supply
- Promoting interregional participation and planning
- Protecting, mitigating, and enhancing the fish and wildlife affected by development and operation of federal hydroelectric projects on the Columbia River and its tributaries.

The Northwest Power Act also established a revised statutory framework for Bonneville's administrative rate-setting process and established judicial review of Bonneville's final actions in the U.S. Court of Appeals for the Ninth Circuit.

The 2022 Infrastructure Investment and Jobs Act added $10 billion to BPA's existing borrowing authority, bringing the total borrowing authority to $17.70 billion. Only up to $13.7 billion of the total may be outstanding at any time through fiscal year 2027. Beginning fiscal year 2028, the remaining $4 billion may be outstanding up to the overall limit of $17.7 billion. The borrowing authority may be used by BPA for any authorized BPA purpose. At the end of FY 2025, Bonneville had revolving U.S. Treasury borrowing authority of $13.7 billion, of which approximately $7.5 billion remained available to be drawn.

Financial Mechanisms

Bonneville's program is treated as mandatory and nondiscretionary. Bonneville is "self-financed" from its own revenues and does not rely on annual appropriations from Congress. Under the Transmission Act, Bonneville funds the expense portion of its budget and repays the federal investment with revenues from electric power and transmission sales. Bonneville's revenues fluctuate for a variety of reasons, including in response to variations in market prices for fuels and stream flow in the Columbia River System caused by variations in weather conditions and fish mitigation needs.

In the FY 2027 budget, the term Bonneville "bonds" refers to the debt instruments under which Bonneville receives advances of funds from the U.S. Treasury. This reference is consistent with Section 13(a) of the Transmission Act, which defines "bonds" as all bonds, notes, and other evidence of indebtedness issued and sold by Bonneville to the U.S. Treasury.

Bonneville and the U.S. Treasury have a comprehensive banking arrangement that covers Bonneville's short- and long-term federal borrowings. This provides Bonneville with the ability to borrow from the U.S. Treasury to finance capital investments and, on a short-term basis, to cover Northwest Power Act-related operating expenses. This latter ability provides Bonneville with much needed liquidity to help manage within-year cash flow needs and mitigate risk. Access to this use of U.S. Treasury borrowing authority has been incorporated into and relied upon in Bonneville's rate-setting process.

Bonneville Functions & Initiatives

Bonneville's mission is to provide an economical and reliable power supply at cost-based rates. The energy BPA delivers over the federal high-voltage transmission system serves homes, businesses and industries driving the Northwest's economy.

Products & Services

Long-Term Power Sale Contracts
As directed by Section 5(b) of the Pacific Northwest Electric Power Planning and Conservation Act, Bonneville is statutorily obligated to offer contracts to sell firm power to meet regional public power utilities and investor-owned utilities (IOU) customers' power requirements in excess of their resources. Bonneville's Provider of Choice initiative began in 2022 to engage these customers and interested parties in a policy and contract-development process to gain an understanding of electric power needs and perspectives. The process established the long-term power sales policy and contracts that follow the current Regional Dialogue contracts that expire in September 2028. The policy phase completed in March 2024. To engage its customers on development of the policy, BPA hosted 28 stakeholder workshops, posted a draft policy and solicited public comment on its draft policy. This culminated in BPA's March 2025 publication of the final policy and a Record of Decision.
The contract drafting phase is underway and nearing completion. BPA held 37 workshops from April 2024 through February 2025. BPA published a draft template for formal comment in March 2025, held a 30-day public comment period, and finalized contract changes in response to comments. The final contract templates were published in June 2025, and BPA began offering individualized contracts following its Contract Record of Decision in August 2025. The Provider of Choice contracts will begin in October 2028.

Market Development
New markets present opportunities to enhance the delivery of reliable, affordable hydropower to Bonneville customers. Bonneville joined the Western Energy Imbalance Market in 2022. Building on that experience, Bonneville participated in the development of two day-ahead market initiatives—the California Independent System Operator's Extended Day-Ahead Market and Southwest Power Pool's Markets Plus (Markets +)—to determine if they will be consistent with Bonneville's statutory obligations and support its customers' needs and interests. In July 2023, Bonneville initiated a public process with customers and the public on its decision to participate in either market option. This process completed in May 2025, with Bonneville's policy direction to pursue participation in Markets+. By pursuing participation in Markets+, BPA will remain competitively positioned with easy access to trading partners and greater potential to market surplus power, which helps the agency maintain low rates for customers. Bonneville is now exploring the development of systems and practices needed to participate in Markets+. This exploration will continue at least through FY 2027.

Over the past six years, entities in the West have come together through an initiative facilitated by the Western Power Pool (WPP) to scope and develop a voluntary, regional resource adequacy compliance program known as the Western Resource Adequacy Program (WRAP). FERC accepted the WRAP tariff in February 2023. Bonneville played a leading role in the development of the WRAP, which is a major step toward ensuring reliability while integrating new resources into the grid and assuring it will have the resources needed to meet demand. WRAP participants have committed to begin fully binding operations in the winter of 2027-2028.

Power & Transmission Rates
Under the Northwest Power Act, Bonneville is required to establish rates using sound business principles for the sale of power and transmission services. Bonneville's rates are designed to recover costs associated with the generation or conservation of electrical power as well as costs associated with the transmission of federal and non-federal power across Bonneville's bulk electric grid.

Bonneville initiated the BP-26 Rate Case as well as the TC-26 Tariff Proceeding with the issuance of Federal Register notices in November 2024. TC-26 concluded on March 7 with a Final Record of Decision that adopted a settlement among all parties. BPA worked with rate case parties to develop settlements for both Power and Transmission rates. Those settlements are reflected in the final record on the BP-26 Rate Case signed and issued by the Administrator in July 2025. The BP-26 rates went into effect in October 2025. The BP-26 Rate Case represents a one-time shift to a three-year rate period to coincide with the close of historic long-term Regional Dialogue power sales contracts.

Transmission Expansion
Bonneville has announced $5 billion in transmission grid reinforcements and new infrastructure for growing load service requests and new generation. The investments enable significant load growth and the addition of more generation. In addition, Bonneville is working with other Transmission Providers to explore potential interregional connections to strengthen the transfer of electricity over a broader footprint.

Transmission Planning & Service
Through its Grid Access Transformation Project, Bonneville is conducting a series of public workshops to craft solutions with customers and interested parties to improve processes it uses to expand the transmission system to meet customer requests for transmission service. Some BPA transmission processes are paused while staff evaluate potential solutions. The goal is to make improvements to ensure the Federal Columbia River Transmission System can cost effectively and reliably meet current and future needs.

In addition to its own planning efforts, Bonneville supports regional and interregional efforts. The Western Transmission Expansion Coalition (WestTEC), which Bonneville helped establish, is developing actionable transmission plans over a longer time horizon than previous planning efforts. WestTEC also has broader representation across the industry sector, states and Tribes. The intent is to help transmission planners study the grid from a "one utility" approach to most efficiently meet future energy needs.

Fish & Wildlife Obligations
The Northwest Power Act of 1980 established requirements for BPA to protect, mitigate and enhance fish and wildlife affected by the development and operation of the FCRPS. BPA fulfills its obligations by implementing fish and wildlife projects that are funded by BPA's power customers through their power rates. To help maintain competitive rates, sustain BPA's financial health and support the agency's obligations to provide power and transmission, BPA's Fish and Wildlife Program ensures mitigation actions secure biological results in a scientifically-sound, cost-effective and efficient manner.

Energy Conservation
In accordance with the Pacific Northwest Electric Power Planning and Conservation Act of 1980, Bonneville acquires and encourages the development of energy conservation to maximize the value of the FCRPS and reduce the agency's need to acquire other resources to supply firm power to its customers. Since the passage of the Power Act in 1980, Bonneville has acquired about 2,593 average megawatts (aMW) of energy savings.

Financial Strength

Cost Review and Capital Planning
Bonneville aggressively manages the costs of operating the federal power and transmission systems, consistent with its mission objectives and statutory obligations. Cost-management discipline remains a key focus, as outlined in the Financial Plan, recognizing it will require balancing different priorities and obligations. Bonneville will rely on input from customers and others through Bonneville's Integrated Program Review (IPR) process, the public forum where Bonneville develops forecast program costs ahead of each rate case. As Bonneville continues to control operating costs, it is equally important to execute Bonneville's capital plans to

ensure Bonneville maintains and preserves the value of the FCRPS. While access to secure, low-cost capital will not be an issue for the near future thanks to Bonneville's recent substantial increase in U.S. Treasury borrowing authority, Bonneville remains committed to disciplined capital investments. Bonneville intends to develop and execute capital plans with the goal of making the right investments in the right assets at the right time, returning the highest possible value for Bonneville's ratepayers and the region.

Management of Treasury Borrowing Authority & Other Capital Leveraging
Financial resilience enables Bonneville to withstand disruptive events and conditions that impact revenues, expenses, or the delivery of power and transmission services and other regional benefits. Bonneville achieves financial resilience by having sufficient liquidity to ensure all bills are paid in full and on time; a prudent amount of leverage to help reduce and stabilize interest costs and maintain a stable cost of service over time; and enough debt capacity to ensure essential and ongoing capital investments are funded with certainty and at low cost.

Investment-Grade Credit Ratings
Bonneville seeks to maintain high investment-grade credit ratings on its non-federal debt from all three major ratings agencies. Strong credit ratings reflect Bonneville's financial strength and help ensure low costs on Bonneville-backed non-federal debt.

Asset Management
The foundation of Bonneville's value is the base of the generating resources from which it markets electricity, and federal transmission assets it owns and operates. Bonneville has made significant progress by adopting the highest international standards for asset management. Bonneville has implemented 10-year Strategic Asset Management Plans for each asset category and tied them to our IPR process to better inform its capital spending forecasts.

Bonneville and its federal generating partners—Corps and Reclamation—established a rolling, 20-year asset plan that identifies opportunities to increase the generating capacity of the FCRPS. Based on the current portfolio, the potential capacity increase across the FCRPS is ~~861~~ 800 megawatts (MW). Bonneville is also investing in hydropower efficiency projects, which can be even more valuable than capacity improvements as they allow existing generators to produce more power with the same amount of water. Additionally, Bonneville—the power capability owner and cost payer—and Energy Northwest—the owner and operator of the Columbia Generating Station nuclear plant—are increasing the capacity of the 1,200-MW plant through an extended power uprate. This cost-effective investment will increase Columbia's generating capacity by about 160 MW.

Safe & Reliable Operations

Bonneville has more than eight decades of experience maintaining safe, reliable power and transmission operations, a feat which required continual adjustment as the Northwest's grid evolved over time. We are prepared to continue this legacy as new and emerging reliability and security risks challenge the grid. Key considerations are the impacts of extreme weather, wildfires, cyber and physical attacks, and the integration of more variable energy resources.

The operation of the interconnected power grid requires a greater level of collaboration and cooperation going forward to ensure Bonneville can operate a reliable, resilient and secure grid for the customers and communities it serves.

Operational Improvements to Support Grid Reliability

BPA is advancing state-of-the-art situational awareness technology to maintain system stability across the Northwest. This includes investments in wildfire and extreme weather preparedness, such as a real-time wildfire map and dynamic line ratings, to maximize grid reliability. In the event of a widescale system disturbance, BPA will be essential to restoring the grid for the safety and economic well-being of the American people.

Mitigate Wildfire Risks

Bonneville implements a multi-level Wildfire Mitigation Plan that emphasizes continuous improvement to ensure deployment of the latest technology and best practices. The first level of BPA's strategy is system hardening, which includes maintenance and capital projects; annual aerial and ground inspections of all 15,000 circuit miles of transmission line; and industry-leading vegetation management. Other elements of Bonneville's wildfire mitigation include situational awareness tools, such as risk modeling; the use of new technology, such as fire-resistant wraps that protect wood poles; and, as a last resort, a Public Safety Power Shutoff procedure to de-energize a line under specific conditions.

Resilience in Preparation for High-Impact Events & System Change

Climate-related risks and security threats—both physical and cyber—have intensified. At the same time, the resource and load mix is changing, with fewer baseload resources available and more variable energy resources connecting to the grid. Bonneville will ensure it is better prepared to respond to and recover from high-impact events as the system continues to change.

Bonneville is hardening facilities and communications systems to enable continued operations through high-impact events and prioritizing proactive actions to improve our ability to respond to disruptive events. This includes developing tools to improve situational awareness for wildfires, cyber threats and storms.

Culture of Compliance

Bonneville anticipates a changing regulatory environment within which it operates. Improvements in internal practices and capabilities will accommodate change and reduce cost, complexity and risk associated with meeting compliance standards. Work will include advancements in internal controls and causal analysis.

Resilience & Security of Information & Operational Technology
Bonneville is constantly reviewing and improving its cybersecurity protections to guard the agency from the latest threats. One area of significant focus is overcoming barriers to real-time threat detection for critical infrastructure, with an eye toward centralized monitoring of substations and substation networks.

Budget Estimates & Planning
This FY 2027 Budget proposes estimated accrued expenditures of $3,997 million for operating expenses, $30 million for Projects Funded in Advance (PFIA), $1,933 million for capital investments, and $747 million for capital transfers in FY 2027.

The estimated spending levels in this budget are still subject to change to accommodate competitive dynamics in the region's energy markets, debt management strategies, continuing changes in the electric industry, and other factors.

This FY 2027 Budget includes capital and expense estimates based on initial approved cost forecasts from Bonneville's BP-26 IPR. Capital investment levels reflect Bonneville's capital asset management process and external factors such as changes affecting the West Coast power and transmission markets, along with planned

infrastructure investments designed to address the long-term needs of the region and national energy security goals.

Bonneville utilizes a structured capital project selection process requiring submission of a standardized business case for review. Each business case consists of a description of the project, a clear statement of objectives, description and mitigation of risks, and a rigorous analysis of project costs and benefits, including a status quo assumption and preferred alternatives. In addition, both annual and end-of-project targets are set for each project covering cost, scope, and schedule. Progress reports on these targets are provided to Bonneville's senior executives at least quarterly.

Overview of Detailed Justifications

In Bonneville's Detailed Justification Summaries, accrued expenditure is the basis of presenting Bonneville's program funding levels in the Power and Transmission ratemaking processes and the basis upon which Bonneville managers control their resources to provide products and services. Accrued expenditures relate period costs to period performance. Traditional budget obligation requirements for Bonneville's budget are assumed on the Program and Financing Summary Schedule prepared in accordance with Office of Management & Budget (OMB) Circular A-11.

The organization of Bonneville's FY 2027 Budget and these performance summaries reflect Bonneville's business services basis for its utility enterprise activities. Bonneville's major areas of activity on a consolidated budget and accounting basis include Power and Transmission, with administrative costs included. Power Services includes line items for fish and wildlife conservation, energy conservation, Residential Exchange Program, associated projects O&M costs, and the Northwest Power Council. Environmental activities are shown in the relevant Power Services and Transmission Services sections, as are reimbursable costs. Bonneville's interest expense, pension and post-retirement benefits, and capital transfers to the U.S. Treasury, are shown by program.

The first section of performance summaries, **Capital Investments**, includes accrued expenditures for investments in electric utility and general plant associated with the FCRPS generation and transmission services, fish and wildlife, and capital equipment. These capital investments are estimated to require budget obligations and expected use of $1,933 million in bonds to be issued and sold to the U.S. Treasury in FY 2027. The near-term forecast of capital funding levels has undergone an extensive internal review through Bonneville's development of asset management plans. These plans encompass project cost management initiatives, capital investment assessments, and categorization of capital projects to be funded based on risk and other factors. Consistent with Bonneville's near-term asset planning process and Bonneville's standard operating budget process, this FY 2027 Budget includes updated capital investment levels for FY 2026 estimated at $1,449 million. Utilizing this review process helps Bonneville in its efforts as a participant in wholesale energy markets. Bonneville will continue to work with Corps and Reclamation to optimize the mix of projects.

The second section of Bonneville's performance summaries, entitled **Annual Operating Expenses**, includes accrued expenditures for services and program activities financed by power sales revenues, transmission sales revenues, and projects funded in advance. For FY 2027, total budget expense and capital obligations are estimated at $6,128 million. The total program requirements of all Bonneville programs, including total obligations and $747 million of capital transfers, are estimated at $6,875 million for FY 2027.

Evidence & Analysis in the Budget

Bonneville has undertaken several initiatives and processes to determine appropriate budget expenditures.

Through Bonneville's IPR process, the public can see all relevant FCRPS expense and capital forecast costs in the same forum. In addition, Bonneville's IPR process allows the public to review and comment on Bonneville's 10-year capital forecasts. IPR occurs prior to each Bonneville rate case and provides the public an opportunity to review and comment on Bonneville's forecast costs prior to being set for inclusion in rate cases. Bonneville conducted the BP-26 IPR, which reviewed forecast costs for the FY 2026, FY 2027, and FY 2028 rate period during the summer of 2024. Overall, BP-26 program costs for the Power business line are projected to be an average of 17.6 percent, or $248 million over BP-24; and Transmission business line costs are projected to be an average of 30.3 percent, or $180 million over BP-24. While this exceeds the average inflation rate of 3.4 percent from BP-24 to BP-26, the risk of not doing this work could be far more costly. In addition, while the cost increases are above inflation in the current period, the overall program cost increases since 2018 are below the rate of inflation. More details can be found on the BP-26 IPR page at BPA.gov. Bonneville issued a closeout report for the BP-26 IPR in October 2024.

Judicial & Regulatory Activity

The Energy Policy Act of 2005 authorized the Federal Energy Regulatory Commission (FERC) to approve and enforce mandatory electric reliability standards with which users, owners, and operators of the bulk electric power system, including Bonneville, are required to comply. These standards became enforceable on June 18, 2007, and compliance is monitored by the North American Electric Regulatory Corporation (NERC) and the regional reliability organizations.

Power Services—Capital
Funding Schedule by Activity
($K)

	FY 2025 Actuals	FY 2026 Estimate	FY 2027 Estimate	FY 2028 Estimate	FY 2029 Estimate	FY 2030 Estimate	FY 2031 Estimate
Associated Projects	263,108	265,000	310,395	314,491	307,196	309,913	310,744
Fish & Wildlife	37,997	53,218	66,988	64,094	123,950	47,250	33,200
AFUDC [1/]	22,055	20,002	20,295	20,498	0	0	0
Total, Power Services - Capital	**323,161**	**338,220**	**397,678**	**399,083**	**431,146**	**357,163**	**343,944**

[1/] Allowance for Funds Used During Construction (AFUDC) is an accounting concept used to recognize the cost of financing construction projects. It capitalizes the cost of borrowing money or using equity to fund new power plants, transmission lines, or other infrastructure, rather than expensing those costs as they occur.

Power Services—Capital

Overview

Under the Power Services – Capital category, there are two subcategories. **Associated Project** costs provide for direct funding of additions, improvements, and replacements of existing Corps and Reclamation hydroelectric projects in the Pacific Northwest. The FCRPS hydro projects produce a large portion of the electric power that is marketed by Bonneville.

Maintaining availability and increasing the efficiency of the FCRPS is critical to ensure the region has an adequate, efficient, economic, and reliable power supply. As noted earlier, the FCRPS represents about 80 percent of Bonneville's firm power supply and includes 31 operating federal hydroelectric projects with over 200 generating units. These projects have an average age of about 50 years, with some that exceed 60 years of age. Through direct funding and the cooperation of the Corps and Reclamation, Bonneville uses its U.S. Treasury borrowing authority and other sources to make investments needed to restore generation availability and improve efficiency, reducing demand on Corps and Reclamation appropriations for power-related investments.

These planned investments, included in the FY 2027 Budget estimates, will maintain the generation performance of the FCRPS.

Fish & Wildlife capital costs incurred by Bonneville are directed at activities that mitigate the impacts of the FCRPS on fish and wildlife resources. Bonneville uses a combination of capital and U.S. Treasury reimbursements to fund projects designed to increase juvenile and adult fish passage through the federal hydrosystem, to increase fish production and survival through construction and operation of hatchery, acclimation and fish monitoring facilities, and to protect wildlife and resident fish populations through land acquisitions and associated habitat maintenance. These capital projects support both Northwest Power Act and ESA priorities and are integrated under the umbrella of Bonneville's Fish & Wildlife Program and implemented consistent with the Council's Columbia Basin Fish and Wildlife Program (Council's Program) to efficiently meet Bonneville's responsibilities under the Northwest Power Act and other statutes to mitigate federal hydrosystem impacts to Columbia River Basin fish and wildlife.

Explanation of Changes

Bonneville's budget includes $397.68 million in FY 2027 for Power Services – Capital, which is an 18 percent increase from the FY 2026 forecasted level. The FY 2027 level allows additional work efforts while continuing to align with Bonneville's strategic asset management plans, which focus on the need for investment in hydroelectric system assets and investments necessary to implement actions associated with applicable Biological Opinions (BiOps), and other Columbia Basin fish and wildlife activities.
The FY 2027 budget increases the levels for Associated Projects by $45.40 million and increases the funding level for Fish & Wildlife by $13.77 million compared to FY 2026.

Bonneville markets available electric power to meet requested load while supporting the achievement of its vital responsibilities for fish and wildlife, energy conservation, renewable resources, and low-cost power in the Pacific Northwest region. Bonneville will continue to implement the following strategies to serve the region:

1. Bonneville coordinates its power operational activities with the Corps, Reclamation, NERC, regional electric reliability councils, its customers, and other stakeholders to provide the most efficient use of federal assets.
2. Ongoing work with the Corps and Reclamation is focused on improving the reliability of the FCRPS, increasing its generation efficiency and optimizing hydro facility operation.

3. Funding efforts to protect, mitigate, and enhance fish and wildlife affected by development and operation of federal hydropower projects in the Columbia River Basin, including fish species listed as threatened or endangered under the ESA and doing so in coordination with the Council, regional fisheries managers, and other federal agencies as appropriate or required by applicable law.
4. Bonneville's utility customers have been, and continue to be, a critical part of Bonneville's collaborative efforts to promote and foster the efficient use of energy.

The following external factors present the most significant risk and impact to overall achievement of the strategies listed above:

1. Continually changing regional economic and institutional conditions;
2. Competitive dynamics; and
3. Ongoing changes in the electric industry.

The following discuss budget specifics under two of the Power Services – Capital subcategories: Associated Projects and Fish & Wildlife Projects.

Associated Projects—Capital

Overview

Bonneville will work with both the Corps and Reclamation to reach mutual agreement on budgeting and scheduling capital improvement projects that are cost-effective and provide system- or site-specific enhancements, increase system reliability, or provide generation efficiencies.

The work is focused on improving the reliability of the FCRPS and on increasing its generation efficiency or capacity through turbine runner replacements, optimizing hydro facility operation, and new unit construction. Also, limited investments may be made in joint-use facilities that are beneficial to both the FCRPS operations and to other Corps and Reclamation project purposes.

Associated Projects
($K)

	FY 2026 Estimate	FY 2027 Estimate
U.S. Army Corps of Engineers Projects	229,000	254,139
Bureau of Reclamation Projects	36,000	54,834

Fish & Wildlife Projects—Capital

Overview

Bonneville continues to develop budgets for a suite of projects to mitigate the effects of the development and operation of the FCRPS on fish and wildlife. Bonneville's funding decisions embrace many of the management objectives and priorities in the Council's Program and continue to integrate ESA compliance as described in the National Oceanic and Atmospheric Association (NOAA) Fisheries' and U.S. Fish and Wildlife's (USFWS) FCRPS BiOps. Coordination continues among Bonneville, the Council, federal resource management agencies, states, Tribes, and others to support the projects that satisfy Bonneville's mitigation responsibilities.

Fish & Wildlife Projects
($K)

	FY 2026 Estimate	FY 2027 Estimate
Fish & Wildlife Projects	53,218	66,988

Bonneville intends to continue implementing the types of capital projects listed below. These projects are based upon the best available science and provide high priority mitigation and protection actions for fish and wildlife populations affected by the construction and operation of the FCRPS dams. Projects and facilities listed below deliver direct, on-the-ground benefits to both ESA listed and non-listed fish and wildlife throughout the Columbia River Basin and have been evaluated and coordinated with the Council, state, federal and Tribal fish and wildlife resource managers, local governments, watershed and environmental groups, and other interested parties to meet Bonneville's statutory obligations. Specifically, as capital construction projects, hatchery facilities typically go through the Council's three-step process, which includes development of a master plan, environmental compliance, ESA consultation, value-engineering analysis, and review by the Council's Independent Scientific Review Panel (ISRP).

The three types of fish and wildlife projects that Bonneville capitalizes are as follows:

1. Fish passage structures—Structures funded with capital that enhance fish access to habitat in the Columbia River Basin including but not limited to wells, ladders, screens, pumping, culverts, diversion (irrigation) consolidation, piping to reduce water loss, irrigation efficiencies (drip irrigation), lining of ditches (seepage reduction), removal of objects impeding fish passage or pushup dams, and construction-related habitat restoration.
2. Facility construction—Projects and activities relating to the construction, improvement, and replacement of fish hatcheries, including related satellite facilities (acclimation ponds and collection weirs). This may also include construction-related habitat restoration.
3. Land acquisition and stewardship—Land acquisition projects that protect, enhance, and maintain fish and wildlife habitat and provide credit to Bonneville, such as acres for wildlife or instream miles for resident fish, to fulfill the legal obligation of Bonneville to mitigate the impacts from construction and operation of the FCRPS.

New capital hatchery projects (enactment of expenditure authority is required) included in this budget include the following:

Spokane Tribal Fisheries Operations Center

This project will assist with the design and construction of a centrally located operation and storage facility to support multiple hatchery projects operated by Spokane Tribal Fisheries for Bonneville mitigation purposes. The facility will serve as the primary location for housing equipment, labs, and staff, allowing for increased operational efficiency and reduce redundancy in programmatic expenses.

Existing/ongoing projects (expenditure authority previously received) included in this budget include the following:

Klickitat Production Expansion

In 2008, the Klickitat River Master Plan was submitted by the Yakama Nation, reviewed by the ISRP, recommended with comments by the Council, and conditionally approved by Bonneville. The plan's original

goals were to protect and increase naturally producing populations of spring Chinook and steelhead and localize brood collection of harvest stocks (fall Chinook and coho), while protecting the biological integrity and the genetic diversity of indigenous fish stocks in the sub-basin. A component of the master plan was implemented in 2009, including the completion of upgrades to Lyle Falls Fishway and Castile Falls Fishway, and the construction of a new bridge at the Klickitat Hatchery. In July 2009, a new Klickitat Hatchery Complex environmental impact statement (EIS) was initiated to examine options for the development and operation of new production and supplementation facilities, acclimation alternatives, and additional upgrades to the existing hatchery facility. The Yakama Nation issued a revised master plan in July 2012, which provided updates to its fish management plans. Bonneville suspended the National Environmental Policy Act (NEPA) process while the Yakama Nation refined its proposal in response to site and budgetary limitations and comments on the draft EIS.

National Marine Fisheries Service (NMFS) completed the Mitchell Act EIS and BiOp, helping inform its funding responsibilities in the sub-basin. Bonneville negotiated a new scope of work with the Yakama Nation, and a revised master plan was submitted to the Council in 2017 and approved in 2018. The new scope of work targets design and construction activities for the expansion of the current spring Chinook program only—from 600,000 to 800,000 smolt—and converting to a wild broodstock collection program, as well as general water supply and water abatement upgrades. Bonneville completed the environmental assessment with a Finding of No Significant Effects and executed a three-way operations and maintenance agreement which affirms that NMFS will remain responsible for providing funding post-construction. Project design was completed, and construction was initiated in the first quarter FY 2025. Construction completion is estimated for the first quarter of FY 2027.

Mid-Columbia Coho Restoration—Trinity Acclimation Facility

The Mid-Columbia Coho Restoration proposal is scoped to re-establish naturally reproducing coho salmon populations in the Wenatchee River and Methow River sub-basins at biologically sustainable levels that also provide significant harvests. The biological objective to develop a mid-Columbia hatchery broodstock includes local adaptation to tributaries in the Wenatchee and Methow Basins and habitat restoration that will benefit coho as well as ESA-listed spring Chinook, steelhead, and bull trout. The fish programming originally included construction of a facility west of Leavenworth on the Wenatchee River near Natapoc Mountain for holding and spawning broodstock, incubating eggs, and rearing juveniles. The Yakama Nation since determined the site to be infeasible for construction, given water quality and budget constraints. In place of this facility, the Tribe continues to use space in existing facilities and capital funding has been directed toward construction of acclimation facilities, additional semi-natural ponds and standard acclimation facilities in the Wenatchee and Methow sub-basins. There is one final site to be completed: Trinity Acclimation. The phase one bridge replacement and road improvements will be in progress during the first quarter of FY 2026, to be followed by acclimation facility construction starting in the second quarter of FY 2026.

Kelt Reconditioning and Reproductive Success Evaluation Research

CRITFC proposed a facility to recondition female steelhead (kelts) after they have spawned. The fish will be held and fed until they have re-matured and then be released into the Snake River where they will contribute to the spawning run. The capital portion of the project is being constructed in the Snake River Basin, at the Nez Perce Tribal Hatchery in Idaho. Pursuant to the 2008 FCRPS BiOp and Supplemental FCRPS BiOps issued in 2010 and 2014, and consistent with the proposed action consulted upon in the 2020 CRS BiOp, Bonneville will implement the kelt reconditioning plan to improve the productivity of Snake River basin B-run steelhead populations that are listed for protection under the ESA. NOAA's analysis of prospective actions indicates that a combination of transportation, kelt reconditioning, and in-stream passage improvements (e.g., spill-flow modifications) could increase kelt returns enough to achieve a targeted 6 percent increase in the number of

returning Snake River B-run steelhead spawners to Lower Granite Dam. Construction began in FY 2024 and is estimated to conclude in the first quarter of FY 2026.

John Day Reprogramming and Construction at Prosser Hatchery

CRITFC proposed this project to improve in-place, in-kind hatchery production mitigating for the effects of John Day and The Dalles dams within the Zone 6 area in the mainstream Columbia River, from the base of McNary Dam downstream to The Dalles Dam. The Tribes, Corps, and Bonneville have proposed to site the project at Prosser Hatchery. Bonneville is funding the construction of new circular tanks utilizing water reuse systems and Corps will take over the O&M for the new infrastructure, which accommodates the reprogramming of hatchery fish. Design and environmental compliance for the project is complete and construction was initiated in the third quarter of FY 2025 and is estimated to be completed in the first quarter of FY 2027.

Columbia River Basin White Sturgeon Hatchery at Marion Drain Complex

This project, also proposed by CRITFC, mitigates the decline of the white sturgeon population caused by consistently poor recruitment upstream of Bonneville Dam. Bonneville is funding the construction of new and renovated infrastructure to produce 15,000-30,000 yearling white sturgeon per year. The final project will include the collection, holding, and spawning of broodstock, rearing of wild-spawned juveniles, and the acclimation of juveniles prior to release. The project is located at the Yakama Nation's existing Marion Drain Complex near Toppenish, Washington. The project team is completing planning and estimates initiating design and environmental compliance in the first quarter of FY 2026. Construction is estimated to occur from the first quarter of FY 2028 through the third quarter of FY 2029.

Shoshone Paiute Trout Hatchery

The Shoshone Paiute Tribes of the Duck Valley Reservation, Idaho, have proposed that Bonneville fund the purchase or construction of a trout hatchery. The Tribes would own and operate the hatchery to produce trout to stock the Duck Valley Reservation reservoirs. The hatchery would meet contemporary aquaculture standards and achieve fish production goals. The Tribes believe they can reduce federal reservoir stocking costs, some of which Bonneville currently pays on an annual basis. Design for the project has not begun and the expected start date is yet to be determined.

Construction-related habitat restoration projects that require capital funds in FY 2027 include the following:

Svensen Island

The Svensen Island Restoration Project would reconnect the 320-acre island, east of Astoria, Oregon, directly to the mainstream Columbia River to increase ecological function and provide refuge and rearing capacity for out-migrating juvenile salmon and steelhead. Specifically, the project would remove and lower approximately 1.5 miles of existing levee and remove approximately 100 pile dikes on the northern side of the island to provide unobstructed access to 40 acres of re-connected and newly excavated floodplain and tributary habitats for salmonids and lamprey. The Columbia Restoration Group is leading the project, in partnership with the Columbia Land Trust. This estuary project ranks high on the list of priorities in the estuary and will help to meet the proposed action consulted upon in the 2020 NOAA Fisheries BiOp for CRS Operations. This project requires the environmental compliance process be completed, which may impact implementation timeframes; the project is currently expected to start construction in FY 2026.

Nason Creek Floodplain Restoration Project

This restoration project includes removing 0.65 mile of state-managed highway (State Route 207) out of the Nason Creek floodway so that over 1.3 miles of high-priority stream habitat can be protected and restored as productive spawning and rearing habitat for endangered spring Chinook salmon and steelhead. This project also includes removing floodplain habitat fish passage impediments caused by State Route 207 and restoring connectivity of roughly 15 acres of floodplain habitat, including groundwater-fed side channels that are critical as salmonid habitat during times of thermal stress. Multiple Washington State Department of Transportation (WSDOT) Chronic Environmental Deficiency sites identified along State Route 207 will be fully removed from the Nason Creek corridor, three non-fish-passable culverts will be fully removed, and habitat restoration including the placement of 16 habitat wood structures and improvement and protection of nearly 2 miles of critical side channel rearing habitats will occur. In total, 33 acres of floodplain and stream corridor habitat will benefit from this project, which is anticipated to cost roughly $15 million over multiple years of project implementation.

Based on overlapping resource interests, and through the development of innovative Tribal-led partnerships, the Yakama Nation is working with WSDOT and the U.S. Forest Service to accomplish this project. Major implementation project phases include: Phase 1 (FY 2026)—creation and dedication of a new, 0.85-mile highway alignment on U.S. Forest Service-managed lands outside of the Nason Creek floodplain; Phase 2 (FY 2027)—stream and floodplain habitat restoration in the upper half of the project area that includes removal of the old 0.65-mile highway infrastructure from the Nason Creek floodplain; and Phase 3 (FY 2028)—stream and floodplain habitat restoration in the lower half of the project area, including on adjacent lands managed by Chelan County under the Nason Ridge Community Forest.

Riverside Road Project

Bonneville funds provided to the Federal Highway Administration (FHWA) under an Interagency Agreement (IAA 7600) will allow for the construction of an elevation increase to Riverside Road for approximately 0.75 mile within the existing floodplain of the USFWS Kootenai National Wildlife Refuge. This will allow for increased inundation of the floodplain to improve habitats for wildlife and fish. The raising of the roadway would further support the floodplain and river reconnection efforts to improve habitat conditions for ESA listed Kootenai White Sturgeon, bull trout, and other native fish and wildlife.

UmaBirch Conservation Easement Project

Bonneville is currently working with the Confederated Tribes of the Umatilla Reservation to design a stream and floodplain restoration on property planned to be protected by a Bonneville-funded conservation easement. Much of the instream and floodplain improvements would occur at the confluence of the Umatilla River and Birch Creek to benefit multiple life stages of salmonids and lamprey. Actions likely would include added complexity for 1 mile of the Umatilla River and 0.3 mile of Birch Creek; removal of 1.3 miles of agricultural berms and removal of 0.3 mile of Corps levee; reconnection of tens of acres (exact acreage TBD) of floodplain-rearing habitat; and the restoration of over 100 acres of riparian vegetation. The project would help implement the proposed action consulted upon in the 2020 NOAA Fisheries BiOp for CRS Operations and the project sponsor, the Confederated Tribes of the Umatilla Indian Reservation, has designated the project a high priority due to linkages with the Umatilla Habitat Program Objectives and Umatilla River Vision. The project is currently underway and is expected to completed in FY 2026.

Catherine Creek/Hall Ranch

This project is intended to improve off-channel rearing habitat complexity for Chinook, steelhead, and bull trout by restoring dynamic channel geomorphology and habitat-forming processes in Catherine Creek and Milk Creek. It would improve floodplain connectivity through removal and relocation of 1 mile of Washington State Route 203, and re-connecting 50 acres of the historic Catherine Creek free floodplain and channel network. The request is for a project-funding match of $3,294,616 from Bonneville to leverage additional project investment from other federal and state partners, for a total projected cost of $5,994,616. This project has multiple coordination points and requires the environmental compliance process be completed, which may impact implementation timeframes; the project is currently expected to start construction in FY 2027.

Chesnimnus Creek Restoration Project

The goals of this project are to improve fish passage connectivity and restore floodplain habitat for steelhead, lamprey, and other aquatic, amphibious, and terrestrial species by restoring dynamic channel geomorphology and habitat forming processes in Chesnimnus Creek. The project reach has been straightened, incised, and confined, resulting in a lack of floodplain connectivity. Combined with a homogenous channel bed and seasonally limited stream flow, the project reach presently provides little quantity and quality habitat value to juvenile steelhead. The project is intended to improve off channel rearing habitat complexity and floodplain habitat and passage connectivity through the restoration of hydraulic and riparian processes and the enhancement of beaver habitat. The project area is located on private land along Chesnimnus Creek abutting U.S. Forest Service land approximately 35 miles northeast of Enterprise, Oregon. Chesnimnus Creek is a designated Major Spawning Area for the Joseph Creek Steelhead Population, which is the most viable wild steelhead population within the Snake River Basin. The project will help Bonneville fulfill mitigation responsibilities under both the Northwest Power Act and Endangered Species Act.

Rocky Reach Kelt Facility

Yakama Nation has proposed expansion of an existing facility for the purposes of collecting and reconditioning localized steelhead kelt. Steelhead are currently collected at Rock Island Hydro bypass and trucked to Methow National Fish Hatchery for reconditioning. Localizing the reconditioning facility could improve sub-basin capture, collection and effectiveness of release. This project is still in negotiation for Bonneville funding.

Colville Acclimation Building Enclosures

The Colville Tribes operate Chief Joseph Hatchery to restore and enhance depleted runs of spring and summer/fall Chinook salmon for release into the Columbia and Okanogan rivers. Juvenile salmon are transferred from the hatchery and then reared, acclimated, and released to acclimation facilities. The Tribe has proposed construction of roof enclosures for the Omak and Riverside acclimation facilities. The enclosures are intended to keep ice-cover off the ponds and to allow picking of mortalities throughout the winter for improved pond hygiene and reduced occurrence of disease.

Colville Tribes Resident Fish Hatchery Expansion

Constructed to produce 50,000 pounds of trout annually, this facility is unable to meet all its annual spring stocking goals for Buffalo, North Twin, South Twin, and Rufus Woods lakes as identified in the 2020 Fisheries Management Plan. To meet annual stocking goals for these four lakes, the hatchery began contracting with a commercial net pen operator in 2010 to rear a component of the hatchery's Rainbow Trout in net pens located in Lake Rufus Woods. Poor net pen water quality conditions have consistently contributed to annual mortality

rates between 33-50 percent. The Confederated Tribes of the Colville Reservation is exploring the feasibility of expanding on-site hatchery rearing vessels to increase on-site production and reduce net pen rearing. The expansion would allow the hatchery to utilize clean, cool, pathogen-free water and intended to increase trout survival, helping meet stocking objectives identified in the management plan. In 2021, the Colville Tribe hired a licensed engineering firm to complete a conceptual design and construction cost estimates for a facility capable of producing 25,000 triploid rainbow trout at a maximum size of 2 pounds each. The documents produced will provide the Colville Tribes Fish and Wildlife Department with a plan and construction cost estimate that will assist in determining if the project should continue to the next phase. Design for the project has been completed and the expected construction start date is yet to be determined.

Chief Joseph Hatchery Water Quality Project

The Colville Tribes operate the Chief Joseph Hatchery to restore and enhance depleted runs of spring and summer/fall salmon Chinook salmon for release into the Columbia and Okanogan rivers. Current infrastructure/operational constraints are preventing the hatchery from achieving full production of 2.9 million Chinook smolts; Bonneville and Colville Tribal staff are developing a coordinated approach and plan to address water temperature and production issues at the hatchery. Design for the project has not begun and the expected start date is yet to be determined. Bonneville funded the construction of the Chief Joseph Hatchery pursuant to its 2008 Accord commitment with the Tribe; construction began in FY 2010, with fish production starting in 2013.

Umatilla Hatchery Facility and Acclimation Facilities

Bonneville funds the Oregon Department of Fish and Wildlife (ODFW) to operate Umatilla Hatchery and the Confederated Tribes of the Umatilla Indian Reservation (CTUIR) to operate acclimation facilities supporting the hatchery.

Congress originally authorized Bonneville expenditure authority for construction of the Umatilla Hatchery and acclimation facilities under P.L. 98-360, 98 STAT. 403, 415 (July 16, 1984). The Council recommended that Bonneville construct the Umatilla Hatchery, just east of the town of Irrigon, Oregon, and acclimation facilities on the Umatilla River, to mitigate for the loss of salmon and steelhead habitat and migration blockage resulting from the Columbia River System (CRS). Umatilla River anadromous fish had been largely extirpated in the early 1900s by irrigation dams, prior to construction of the CRS dams. Current hatchery production includes 810,000 spring Chinook, 600,000 fall Chinook, 500,000 coho, and 150,000 native summer steelhead.

Construction of the Umatilla Hatchery was completed in 1991 and cost $14 million. Bonneville built juvenile salmonid acclimation facilities at Minthorn, Imeques, C-mem-ini-kem, Thornhollow, and Pendleton locations, all within the Umatilla River basin from 1985 to 1999 to place juvenile fish back in the basin to imprint on the Umatilla River water, so that adult fish would return to their natal waters.

At the hatchery, the available water supply never met expected production levels, and water supply has continued to deteriorate over time. To preserve and improve fish production at the hatchery, Bonneville is exploring options to address the water supply issue. Contracting to assess the condition of the hatchery's primary Ranney water supply well is underway.

At the acclimation facilities, due to their locations and configurations, water intakes have experienced clogging from debris and ice, resulting in emergency releases of juvenile salmon and steelhead and poor survival to adulthood. Alternatives to the current facility intake configurations will be designed to address these issues. It appears costs of upgrades at the hatchery and acclimation sites will exceed the statutory threshold of $2.5 million and have an estimated life of 15 years or more, thus triggering the need to obtain expenditure

authority from Congress, prior to commencing construction, as required by 16 U.S.C. 839b(h)(10)(B) and amended by Section 307 of the FY 2012 Consolidated Appropriations Act, P.L. 112–74 125 STAT. 877. (Dec. 23, 2011). Congress originally authorized Bonneville expenditure authority for construction of the Umatilla Hatchery under P.L. 98-360, 98 STAT. 403, 415 (July 16, 1984).

Crystal Springs and Waterwheel Shoshone-Bannock Hatchery Facilities

The Tribes' proposal, originally named Crystal Springs Hatchery, included production of spring/summer Chinook and Yellowstone cutthroat trout, a resident fish, at the Crystal Springs location near the American Falls Reservoir in southern Idaho. In 2019, water quality limitations were confirmed rendering the location unsuitable for traditional smolt anadromous production and an alternative planning approach was initiated. In an effort to maintain production goals, a new location—Waterwheel Hatchery on the Portneuf River—has been identified for renovation, including a rearing, out-planting facility for up to 30,000 annually produced trout for a put-and-take Tribal fishery.

The facility would also be the location of a pilot adult Chinook broodstock grow-out program. These broodstock would provide eggs that would be planted in several watersheds, reared in eggboxes, and volitionally released with the goal of increasing the abundance of spring/summer Chinook returns to those drainages. If successful, the Shoshone-Bannock proposes future development of the Crystal Springs site for the anadromous program. Crystal Springs water quality would not be an impediment to anadromous production with this strategy, because eggs would not remain on site long enough to acclimate to that water, but instead would acclimate to the water quality where the eggboxes were placed. The facilities are sponsored by the Shoshone-Bannock Tribes, which are expected to operate and manage them once complete. The project is estimated to progress to design in FY 2026 and construction in late 2027.

Power Services—Capital: Activities, Milestones and Explanation of Changes
($K)

	FY 2026 Estimate	FY 2027 Estimate	Explanation of Changes FY 2027 vs FY 2026 Estimate
Power Services – Capital	**338,220**	**397,678**	**+59,458/ +18%**
Associated Projects	265,000	310,395	+45,395/ +17%
	Milestones – Expected completion of the following projects: McNary 3rd Street Replacement McNary Spillway Lifting Auxiliary Beam Palisades Generator CO2 Fire Suppression Upgrade The Dalles Intake Gantry Crane The Dalles Transformers T9-T11 Interim Repair Chief Joseph Exciters Replacement Chief Joseph Intake Gantry Crane Chief Joseph Units 17-27 Switchgear Replacement Cougar Spillway Gates Dexter Service Building HVAC Modernization Grand Coulee Powerplant Battery Replacement Grand Coulee Underground Feeders Replacement Grand Coulee Transformer Digital Gas Analyzers Installation Hungry Horse Audio Visual Infrastructure Upgrade Ice Harbor Energy Imbalance Market Metering Additions Ice Harbor Units 1-3 Turbine Runner Design and Replacement Ice Harbor Units 1-3 Stator Winding Replacement	Milestones – Expected completion of the following projects: Chief Joseph 480V switchgear Chief Joesph Upgrades for Station Service Units Chief Joseph Power Bus Chief Joesph Powerhouse Sump Pump and Controls Libby Unit 6 Libby Generation Data Acquisition Control System (GDACS) Bonneville 1 Digital Governors Bonneville 1 Trashracks Bonneville Generation Step Up Transformers Bonneville Spillway Gate Repair and Storage Pits The Dalles Intake and Tailrace Crane Rails The Dalles Oil Accountability McNary Machine Shop Temporary Roof Repair McNary Digital Governor Upgrade McNary Exciters Upgrade McNary Governor Mechanical System Upgrade McNary Powerhouse Control System Upgrade McNary Transformer Oil Leak Repair Ice Harbor Powerhouse Service Bay Space Utilization Lower Monumental Intake Gate Rehabilitation	The increase reflects additional work efforts while continuing to align with Bonneville's strategic asset management plans.

	FY 2026 Estimate	FY 2027 Estimate	Explanation of Changes FY 2027 vs FY 2026 Estimate
	Black Canyon Dam Trash Rake System Bonneville 1 Headgate Repair Pit Rehabilitation Bonneville 1 Spillway Rock Mitigation Bonneville 2 Bradford Island Service Building Switchgear Upgrade Bonneville 2 Tailrace Gantry Crane John Day Turbine Pit Pumps Little Goose Stilling Basin Sediment Removal Little Goose Unit 3 Hub Shaft Seal Repair Little Goose Unit 5 Rotor Frame and Bracket Repair Libby Sluice Gate and Cylinder Rehab Libby System Control Console Libby T1 Transformer Replacement Lower Monumental Direct Current (DC) System and Low Voltage (LV) Switchgear Upgrade Lost Creek Plant Automation Lower Granite Direct Current (DC) System and Low Voltage (LV) Switchgear Upgrade Lower Granite Generator Step Up (GSU) Transformers Repair and Digital Gas Analyzers Installation	Lower Monumental Isolated-Phase Bus Upgrade McNary Spillway Gate Dogging Mechanism Repairs Grand Coulee Left and Right Powerhouse Cyclops Semi-Gantry Crane Replacement Anderson Ranch Turbine Runner Replacement	
Fish & Wildlife	**53,218**	**66,988**	**+13,769/ +26%**
	Milestones – Continuing implementation of the Program, BiOps and applicable agreements.	Milestone – Continue implementation of the Program, BiOps and applicable agreements.	Fish & Wildlife will continue long-term, planned efforts to reshape funding necessary to implement the BiOps,

	FY 2026 Estimate	FY 2027 Estimate	Explanation of Changes FY 2027 vs FY 2026 Estimate
			applicable agreements related to Columbia River Basin fish and wildlife activities.

Transmission Services—Capital
Funding Schedule by Activity
($K)

Transmission Services - Capital	FY 2025 Actual	FY 2026 Estimate	FY 2027 Estimate	FY 2028 Estimate	FY 2029 Estimate	FY 2030 Estimate	FY 2031 Estimate
Main Grid	77,263	33,059	324,709	291,226	182,851	171,314	160,986
Area & Customer Services	70,417	134,295	140,000	131,600	95,400	92,302	89,604
Upgrades & Additions	153,071	217,197	302,848	181,439	106,694	103,796	96,404
System Replacements	446,103	516,872	535,292	587,778	507,818	519,414	566,575
Projects Funded in Advance (PFIA)	26,995	36,071	30,000	30,000	30,000	30,000	30,000
Capital General & Administrative (G&A)/Indirects [1/]	176,054	182,225	209,744	211,341	173,993	178,316	182,749
Total, Transmission Services - Capital	**949,904**	**1,119,720**	**1,542,593**	**1,433,384**	**1,096,756**	**1,095,142**	**1,126,318**

[1/] Capital support service costs that are not allocated to capital categories.

Transmission Services—Capital

Overview
Transmission Services operates and maintains more than 15,000 circuit miles of high-voltage transmission in the Pacific Northwest. Transmission Services provides funding for all additions and upgrades ("expand" investments), and replacements ("sustain" investments) to the Bonneville transmission system, resulting in reliable service to Northwest generators and transmission customers. The Bonneville transmission system also facilitates the delivery of power under sales and exchange agreements to and from the Pacific Northwest Region. The Transmission Services Capital Program is structured with a balanced focus on expand and sustain investments.

In addition to replacing aging and obsolete equipment, Transmission Services continues to make significant infrastructure improvements and additions to the system to assure continued reliable transmission in the Northwest. These improvements and additions will help the Bonneville transmission system continue to comply with national reliability standards and remove constraints that limit economic trade or the ability to maintain the system. Some of the proposed Transmission Services projects may be funded through Bonneville lease-purchase agreements. The lease-purchases obligate Bonneville to make expenditures to acquire the use of the related facilities and are identified on an as-needed basis. Bonneville may also make related expenditures to facilitate lease-purchase opportunities.

Strategic Asset Management
Transmission Services' efforts are coordinated through Transmission's Strategic Asset Management Plan (SAMP) development. Based on Bonneville's strategic goals, Transmission Services implements integrated, detailed asset management plans to guide the following activities:

1. Improvements to system adequacy, reliability, and availability. These projects address multiple challenges, such as integration of variable energy resources, the need to relieve several congested transmission paths, the challenge to keep up with growing energy demands, and the need to meet changing regulatory and customer requirements.
2. An open access policy in support of competitive markets for load and generation.
3. Replacement of aging assets, which is vital to the reliability of the existing transmission system. To that end, Transmission Services has developed the following asset programs:
    a. Steel Lines—Transmission lines with steel structures including footings, insulators assemblies, vibration dampers, grounding systems, conductor, ground wire.
    b. Wood Lines—Transmission lines with wood structures including cross arm systems, insulator assemblies, vibration dampers, grounding systems, conductor, ground wire.
    c. Rights-of-Way—Real property including land parcels, easements, use right, access roads.
    d. AC Substations—Substations managing alternating current (AC), including transformers, reactors, shunt capacitors, power circuit breakers, circuit switchers, series capacitors, disconnect switches.
    e. Power System Controls and System Telecommunications—Control and communication equipment including Supervisory Control and Data Acquisition (SCADA), transfer trips, fiber, communications, telecommunications transport, Remedial Action Schemes (RAS).
    f. System Protection and Control—Control equipment including relays, control houses, meters.
    g. DC Substations—Celilo direct current (DC) converter station, static VAR compensators, DC control systems.
    h. Control Centers—Various control equipment and software.
    i. Tools and Equipment Acquisition Program (TEAP)—tools, equipment, fleet.
    j. Facilities—Non-electric facilities including warehouses, operational structures, hangar, and maintenance centers

The following external factors present the strongest impact to overall achievement of Transmission Services' asset management goals:

- Competitive dynamics including long-term regional resource adequacy, transmission availability and reliability combined with a mix of generation resources and potential load impacts.
- Ongoing regulatory and technology changes in the electric industry.
- Increased physical security and cyber-security attacks.
- Increasing material costs and lead times.
- Workforce talent acquisition and retention, which continues to be challenging to meet system and customer needs.

The following text discusses expansion investments first, following by "sustain" (maintenance) investments.

Expand Investments

Expand (or expansion) investments continue to make significant infrastructure improvements and additions to the Bonneville transmission system to ensure reliable transmission operations in the Northwest and fall into two categories:

1. Internally driven expansion requests, which are derived from system engineering studies, technology innovation research, system operations and maintenance functions, and system event analysis.
2. Externally driven expansion investment requests, which are derived from governmental initiatives and regulations, customer demand, and the interconnection/integration of customer load service and generation needs.

These investments are further categorized into:

1. **Main Grid—**System investments affecting the major interties or internal paths and flowgates that transfer bulk power across the system.
2. **Area & Customer Service—**System investments related to geographical load service areas.
3. **Upgrades & Additions**—Upgrades are system investments that replace existing assets to increase capacity, reliability, or functionality, while additions are net new assets added to the system.
4. **Projects Funded in Advance (PFIA)—**Expand system investments that are requested, and funded in advance, by customers.

The remainder of the projected increase in generation interconnection requests and corresponding increase in transmission demand is the result of the Renewable Portfolio Standard (RPS) and other legislation enacted by Oregon and Washington that require retail utilities to acquire more than 8,000 MW of new generation resources in the Northwest by 2025, some of which will connect to Bonneville. Exports of power from the Northwest to California are currently limited by California laws to 2,000-2,500 MW. If California chooses to allow more exports from the Northwest, the exports will be limited to about 6,000 MW by the ratings of the physical infrastructure between the Northwest and California. Bonneville could possibly expect another 1,000 to 2,000 MW to connect to Bonneville's system in that event. Also in the Bonneville transmission interconnection request queue is approximately 2,500 MW of natural gas-fired generation.

See the Power Services – Capital section for information on proposals expected to provide generation in the FCRPS and increase transmission demand.

Sustain Investments

Sustain investments (identified as **System Investments** in the table) are made to maintain the health of the existing infrastructure to ensure reliable transmission in the Pacific Northwest. These investments enable continued compliance with national reliability standards, replacement of aging and obsolete equipment, the removal of constraints that limit economic trade or the ability to maintain the transmission system. Acknowledging that the rate of asset replacements needs to increase, Transmission Services has been working to ramp up the Sustain budget since FY 2024 and will continue a ramp up through FY 2027.

Transmission Services' sustain program asset programs include:

1. Steel Lines—Transmission lines with steel structures including footings, insulators assemblies, vibration dampers, grounding systems, conductor, ground wire.
2. Wood Lines—Transmission lines with wood structures including cross arm systems, insulator assemblies, vibration dampers, grounding systems, conductor, ground wire.
3. Rights-of-Way—Real property including land parcels, easements, use right, access roads.
4. AC Substations—Substations managing AC current including transformers, reactors, shunt capacitors, power circuit breakers, circuit switchers, series capacitors, disconnect switches.
5. Power System Controls and System Telecommunications—Control and communication equipment including SCADA, transfer trips, fiber, communications, telecommunications transport, RAS.
6. System Protection and Control—Control equipment including relays, control houses, meters.
7. DC Substations—Celilo DC converter station, static VAR compensators, DC control systems.
8. Control Centers—Various control equipment and software, including the Vancouver Control Center construction.
9. Tools and Equipment Acquisition Program (TEAP)—Tools, equipment, fleet.
10. Facilities—Non-electric facilities including warehouses, operational structures, hangar, and maintenance centers.

Explanation of Changes

Bonneville's budget includes $1,542.59 million in FY 2027 for Transmission Services – Capital needs, which is a 37 percent increase from the FY 2026 forecasted level. The FY 2027 budget increases the funding levels for Main Grid by $291.7 million, Area & Customer Service by $5.7 million, Upgrades & Additions by $85.7 million, System Replacements by $18.4 million, and Transmission G&A/Indirect by $27.5 million. Funding decreases for PFIA by $6 million.

The following pages discuss budget specifics under the six Transmission Services subcategories noted above: Main Grid, Area & Customer Services, Upgrades & Additions, System Replacements, and PFIA.

Main Grid

Overview
Bonneville's strategic objectives for Main Grid projects are to ensure compliance with the NERC and WECC reliability criteria, provide voltage support, provide a reliable transmission system for open access, and provide for relief of transmission system congestion. During this budgeting period, the planned program will provide transmission reinforcement and voltage support to major load areas that are primarily west of the Cascade Mountains.

Main Grid
($K)

FY 2026 Estimate	FY 2027 Estimate
33,059	324,709

Area & Customer Service

Overview
Bonneville's strategic objective for Area & Customer Service projects is to ensure that Bonneville meets reliability standards and contractual obligations to its load service areas.

Area & Customer Service
($K)

FY 2026 Estimate	FY 2027 Estimate
134,295	140,000

Continued investments in Area & Customer Service assets program includes preliminary engineering and design for miscellaneous facilities required to meet contractual obligations and maintain reliable service for Bonneville's service area.

Upgrades & Additions

Overview
Bonneville's strategic objectives for Upgrades & Additions are to replace communications and controls with needed newer technology, including fiber optics, to maintain or enhance the capabilities of the transmission

system, to implement special remedial action control schemes to accommodate new generation and mitigate immediate operational and market-constrained paths, and to support communications, among other proposals.

Upgrades & Additions
($K)

FY 2026 Estimate	FY 2027 Estimate
217,197	302,848

During this budget period, Bonneville will complete design, material acquisition, construction, and activation of several fiber optics facilities to provide bandwidth capacity and high-speed data transfers to eventually replace microwave analog radios, which are technologically obsolete and nearing the end of their useful life. Temporarily, in some areas, excess dark fiber capacity is being offered for a term to telecommunications providers or to public entities such as public utilities, schools, libraries, and hospitals, providing them access to high-speed telecommunication services as a public benefit.

System Replacements

Overview
Bonneville's strategic objectives for the Sustain Program are to replace high-risk, obsolete, and maintenance-intensive facilities and equipment and to reduce the chance of equipment failure by: 1) replacing high voltage transformers and power circuit breakers which are at or near the end of their useful life; 2) replacing risky, outdated and obsolete control and communications equipment and systems, including mandated replacements due to legislation; and 3) replacing all other existing high-risk equipment and facilities affecting the safety and reliability of the transmission system.

System Replacements
($K)

FY 2026 Estimate	FY 2027 Estimate
516,872	535,292

Projects Funded in Advance

Overview
The PFIA subcategory includes those facilities and/or equipment where Bonneville retains control or ownership but which are funded either in total or in part by a third party. These projects may be classified as either Expand or Sustain. PFIA includes generation and line/load interconnections in accordance with Bonneville's Open Access Transmission Tariff (OATT), as well as non-tariff projects.

Projects Funded in Advance
($K)

FY 2026 Estimate	FY 2027 Estimate
36,071	30,000

Grid Expansion & Reinforcement Portfolio (GERP)

Overview

Included in the Transmission Services Capital estimates above are the GERP projects. Bonneville's generating and transmission portfolio consists primarily of emissions-free sources and is the backbone of an electricity system that is relied on by tens of millions of people throughout the Western United States. DOE estimates that the Pacific Northwest will need to add 56 percent more transmission capacity by 2040. The Council calculates the region will need 3,500 MW of new generation by 2027 and an additional 14,000 MW by 2040.

Grid expansion and reinforcement projects include:

Cross Cascades North: Schultz – Raver Reconductor

- FY 2026. Continue design
- FY 2027. Continue design

Cross Cascades South: Big Eddy – Chemawa 500kV Rebuild

- FY 2026. Continue design
- FY 2027. Continue design

Raver Paul: Chehalis – Cowlitz Tap 230kV Rebuild

- FY 2026. Complete design and begin construction
- FY 2027. Construction

South of Knight: Rock Creek – John Day Upgrade

- FY 2026. Complete design and begin construction
- FY 2027. Construction

South of Allston: Ross – Rivergate 230kV Rebuild

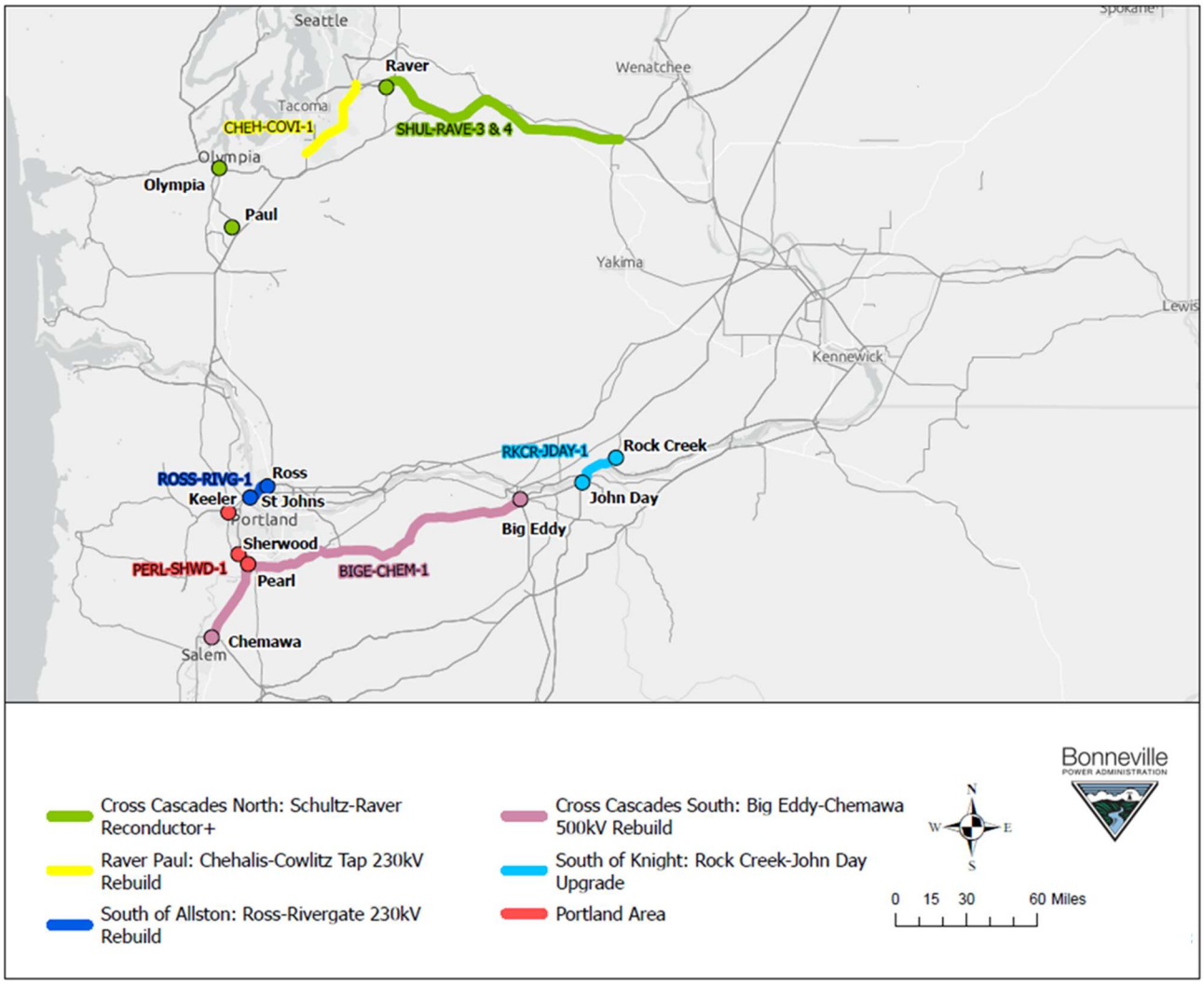
- FY 2026. Continue design
- FY 2027. Continue design

Portland Area

- FY 2026. Phase 2 complete construction, Phase 3 begin construction
- FY 2027. Phase 3 construction

The map in Figure 1 shows the location of the above projects.

Figure 1. Location of Six GERP Projects



Buckley Rebuild

- FY 2026. Complete design, begin construction
- FY 2027. Construction

La Pine – Bonanza

- FY 2026. Continue scoping
- FY 2027. Design and construction

West of Boardman/Sixmile

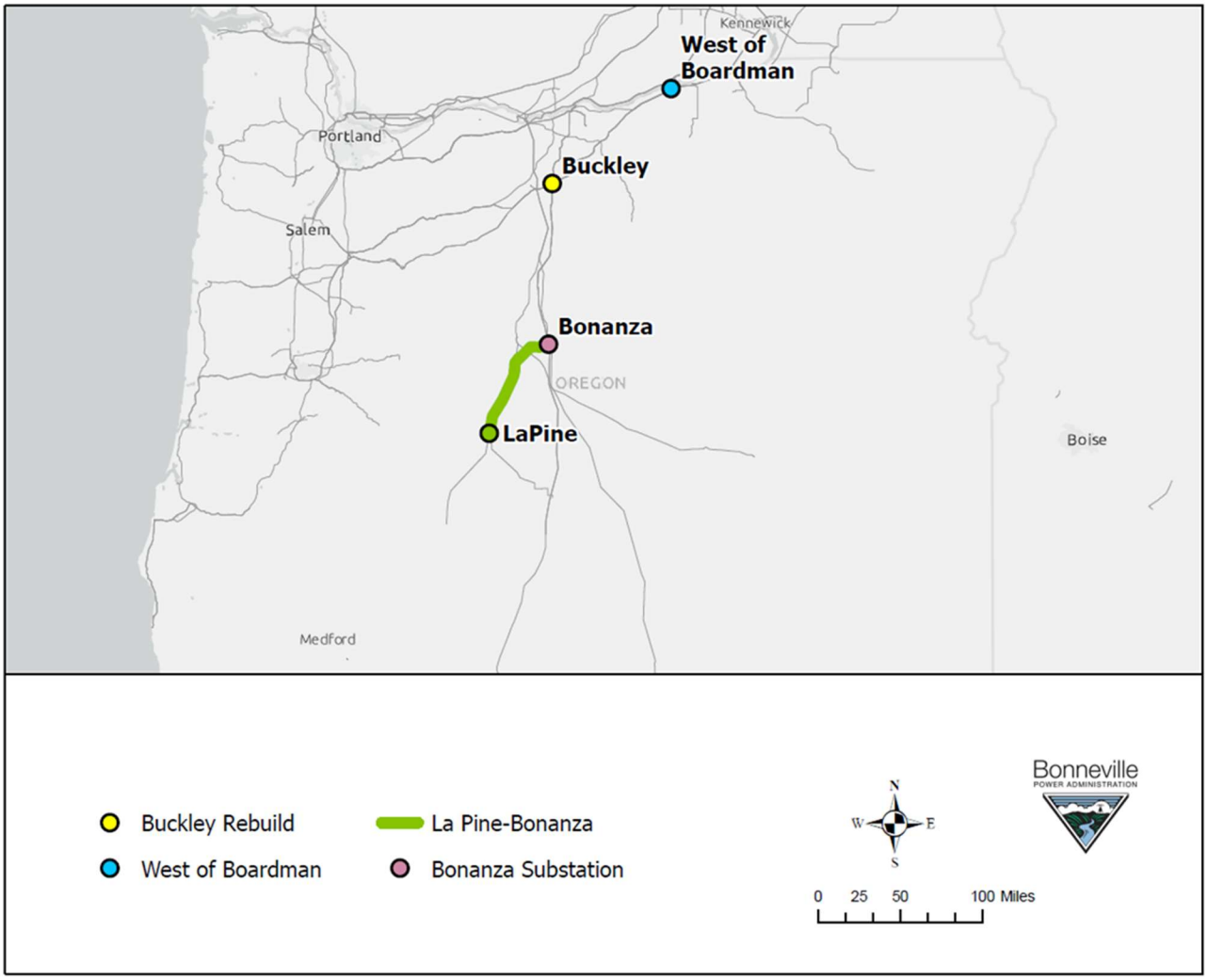
- FY 2026. Complete design, begin construction
- FY 2027. Construction

Bonanza Substation

- FY 2026. Complete scoping, begin design
- FY 2027. Design and Construction

The map in Figure 2 shows the location of the above four projects.

Figure 2. Location of Four GERP Projects



Capital Expenditures
Funding Schedule by Activity
($K)

Capital Expenditures	FY 2025 Actual	FY 2026 Estimate	FY 2027 Estimate	FY 2028 Estimate	FY 2029 Estimate	FY 2030 Estimate	FY 2031 Estimate
Transmission Services Revenue/Reserves Financing	55,000	55,000	125,000	125,000	140,000	140,000	155,000
Power Services Revenue/Reserves Financing	34,000	39,000	43,000	44,000	47,000	39,000	38,000
Total, Capital Expenditures	**89,000**	**94,000**	**168,000**	**169,000**	**187,000**	**179,000**	**193,000**

Capital Expenditures

Overview
Capital Expenditures provide revenue and reserves financing to Bonneville, which it includes in its rates funds to finance a portion of its capital investments, known as revenue financing. Prior to the BP-24 rate case, revenue financing had been included intermittently. In FY 2022, Bonneville adopted the Sustainable Capital Financing Policy, which requires each business unit to raise sufficient funds through rates to pay for 10 percent of its annual capital spending, with the objective of achieving at least a 60 percent debt-to-asset ratio by FY 2040. If a business unit is not on track to achieve this target, the amount of revenue financing may be raised to 20 percent of its capital spending.

The funds raised for revenue financing are not tied to a specific capital project. Instead, they are available to pay for any of BPA's capital investments. These funds may be redirected to support Bonneville's financial liquidity needs if a rate surcharge or cost recovery adjustment clause (CRAC) rate adjustment is triggered within a rate period.

Transmission Services Revenue/Reserves Financing
($K)

FY 2026 Estimate	FY 2027 Estimate
55,000	125,000

Power Services Revenue/Reserves Financing
($K)

FY 2026 Estimate	FY 2027 Estimate
39,000	43,000

Capital Information Technology & Equipment
Funding Schedule by Activity
($K)

	FY 2025 Actual	FY 2026 Estimate	FY 2027 Estimate	FY 2028 Estimate	FY 2029 Estimate	FY 2030 Estimate	FY 2031 Estimate
Total, Capital IT & Equipment	3,766	27,299	22,320	26,781	25,737	23,791	24,885
Total, Capital Information Technology (IT) & Equipment	**3,766**	**27,299**	**22,320**	**26,781**	**25,737**	**23,791**	**24,885**

Capital Information Technology & Equipment

Overview
Capital Information Technology (IT) & Equipment provides for the acquisition of both general and dedicated special purpose capital information technologies, and acquisition of special-use capital and IT equipment in support of Bonneville's strategic objectives. This category also includes Bonneville's ongoing efforts to operate as a highly resilient organization able to anticipate, withstand, and effectively respond to disruptive events affecting it and its partners in the Northwest region. The four main areas of resiliency focus continue to include asset management, emergency management, crisis management, and continuity of operations.

Capital Information Technology & Equipment
($K)

FY 2026 Estimate	FY 2027 Estimate
27,299	22,320

Bonneville continues to move its IT infrastructure to a more efficient and resilient architecture. The FY 2027 Budget supports this effort. IT continues to practice active cost management by eliminating redundancies in tools and applications, establishing an agency-wide IT enterprise architecture supported by a standardized technical architecture, standardizing IT purchasing criteria, minimizing agency liabilities through stronger licensing processes and contracts, leveraging continuous improvement practices for IT project management, and maintaining an agency IT portfolio cost management strategy. Other planned investments include capital automated data processing (ADP) equipment (hardware and software) in support of asset life cycle replacement, support of capital software procurement and configuration for certain Bonneville programs, and consolidation and modernization of our primary data centers.

The IT estimates in this FY 2027 Budget under Capital IT & Equipment include enterprise-wide business support IT functions within the agency, except Transmission Services grid operations.
Continued investments in Capital IT & Equipment assets include the following.

Continuous Activity (*all years*)

- Capital system developments in support of:
  - Corporate IT projects
  - IT infrastructure projects

Capital Information Technology & Equipment:
Activities, Milestones and Explanation of Changes
($K)

	FY 2026 Estimate	FY 2027 Estimate	Explanation of Changes FY 2027 vs FY 2026 Estimate
Capital Information Technology & Equipment	**27,299**	**22,320**	**-4,979 /-18%**
	Milestones: Capital system developments in support of: • Corporate IT projects • IT Infrastructure projects	Milestones: Capital system developments in support of: • Corporate IT projects • IT Infrastructure projects	The decrease in costs reflects a reshaping of funding needs for investment in Capital Information Technology & Equipment.

Power Services—Operating Expense
Funding Schedule by Activity
($K)

	FY 2025 Actual	FY 2026 Estimate	FY 2027 Estimate	FY 2028 Estimate	FY 2029 Estimate	FY 2030 Estimate	FY 2031 Estimate
Production (including DBS)	1,334,437	1,283,314	1,348,430	1,371,118	1,190,069	1,212,519	1,287,616
Associated Projects	488,979	530,236	557,877	577,160	598,185	611,583	625,449
Fish and Wildlife	359,497	364,446	362,402	371,787	393,940	404,129	411,114
Residential Exchange Program [1/]	274,281	287,051	287,068	287,875	292,509	299,060	305,841
Northwest Power & Conservation Council	12,150	12,493	11,876	12,052	12,322	12,598	12,884
Conservation and Energy Services	150,403	124,515	131,794	142,727	145,924	149,193	152,575
Amort/Accr/Depr, Interest Expense, misc other [2/]	546,543	723,682	733,707	765,647	832,687	874,428	951,128
Total, Power Services – Operating Expense	**3,166,289**	**3,325,737**	**3,433,153**	**3,528,366**	**3,465,636**	**3,563,510**	**3,746,606**

[1/] Residential Exchange Program Settlement benefits were fixed through Sept. 30, 2028, pursuant to a settlement. Values beginning FY 2029 and beyond are placeholder values and do not reflect actual estimates of REP benefits BPA may be required to pay under law.

[2/] Reflects cost that are not allocated. These costs are part of the total operating expense as reported on BPA's Financials Statements in Annual Reports and Quarterly Reports.

Power Services – Operating Expense

Overview
This budget category contains six subcategories.

The **Production** subcategory includes certain Bonneville non-federal amortization (including Energy Northwest amortization), O&M costs for federal base power system generation resources (including CGS, business operations, and short- and long-term power purchases[1]), acquisition of conservation, marketing of power, and oversight of the FCRPS hydroelectric projects and CGS. Bonneville develops power products and services to meet the needs of Bonneville's wholesale customers and acquires power as needed.
The FY 2027 Bonneville Budget, including FY 2026 revisions, includes estimates of Section 2406 "direct" Bonneville "funding' for the Corps for its power function to facilitate FCRTS transmission permitting, rehabilitation, O&M and construction requested by Bonneville under its Section 2406 "direct funding" authority. Section 2406 of the National Energy Policy Act of 1992 clarifies that BPA can choose to provide BPA funds directly to the Corps and Reclamation to fund the power share of the agencies' power capital and operating expenditures in the FCRPS, and the Corps and Reclamation can accept and spend such funds.

The **Associated Projects** subcategory contains funding for O&M costs for the FCRPS hydroelectric projects, minor additions, improvements and replacements, and costs of Corps and Reclamation hydroelectric projects in the Pacific Northwest, which serve many purposes. All agencies emphasize efficient power production from existing facilities and improvement of the performance and availability of power generating units. Bonneville pays additional financing costs of the FCRPS facilities through its interest expense and capital transfer budget programs. Bonneville also provides direct funding to the USFWS for the O&M costs that are part of the USFWS's Lower Snake River Compensation Plan (LSRCP) hatcheries.

Bonneville's **Fish & Wildlife Program** provides for protection, mitigation, and enhancement of Columbia River Basin fish and wildlife adversely affected by the development and operation of the FCRPS. Bonneville satisfies its fish and wildlife responsibilities by funding projects and activities designed to be consistent with the NPCC's Program under the Northwest Power Act. Bonneville also implements, fish and wildlife actions addressing its responsibilities related to consultations under the ESA (see ESA discussion in the Power Services – Capital Overview section).

The **Residential Exchange Program (REP)** was created by Section 5(c) of the Northwest Power Act to extend the benefits of low-cost Federal power to the residential and small farm loads of Pacific Northwest retail electric utilities that have high average system costs. These benefits are passed directly to the consumers. Currently, the region's six investor-owned utilities (IOUs) and two of the region's consumer-owned utilities are actively participating in the REP. Payments under the REP are made to individual investor-owned utilities (IOUs) based on the difference between Bonneville's utility-specific Priority Firm (PF) Exchange rates and each utility's average system cost (ASC), times a utility's residential and small farm loads. ASCs are determined in accordance with Bonneville's 2008 Average System Cost Methodology (ASCM). Participating retail utility ASCs are established in a public process that occurs prior to and during Bonneville's power rate cases.

---

[1] Including expenses associated with the use of power financial instruments to hedge Bonneville's exposure to market price risk and certain index sales contract provisions as permitted by Bonneville's internal power transacting risk management guidance.

Bonneville's utility-specific PF Exchange rates are determined each rate period. Payments to the IOUs are made monthly based on historical invoiced exchange loads and the terms of the settlement.

The **Northwest Power and Conservation Council** (Council) budget subcategory provides continued support of NPCC activities, as directed under the Northwest Power Act. The Council's major activities include the periodic preparation of a Northwest Conservation and Electric Power Plan (a 20-year electric energy demand and resources forecast and conservation program – known as the Power Plan) and the Council Fish and Wildlife Program. The Northwest Power Act directs Bonneville's funding of the Council, subject to certain limits based on forecasted Bonneville power sales, be included in Bonneville's annual budget to Congress. The inflation related provision in the FY 2026 Energy and Water Development Appropriations Act, relating to the funding formula for Pacific Northwest Regional Council operations, will be reflected in the FY 2027 BPA Budget formulation process per the Administrator's direction. The cost of funding the Council is recovered through Bonneville's power rates.

Under the **Energy Conservation & Renewable Resources** subcategory, Bonneville's Energy Conservation program promotes the efficient use of energy in the loads of customers and supports Bonneville's acquisition of conservation as the region's lowest cost resource. Such actions will: 1) meet energy conservation targets; 2) achieve a least cost resource mix; 3) lessen the cost impacts of power purchases; 4) avoid the costs of ramping programs and infrastructure up and down; 5) extend the value of the FCRPS to customers; and 6) build the region's resource portfolio with energy conservation.

Bonneville's Energy Conservation program offers several ways for customer utilities to participate in energy conservation, consistent with Bonneville's statutory obligation. Program components include:

1. Standard offer conservation measures and custom projects, which customers use to conserve energy through such programs as residential weatherization; commercial lighting; heating, ventilation, and air conditioning (HVAC); industrial processes and lighting; and irrigated agriculture.
2. Third-party delivery programs, such as Comfort Ready Home and Energy Smart Industrial.
3. Programs to help regional Federal installations reduce energy use, including Federal hatcheries and irrigation districts, and to support Corps and Reclamation in their efforts to reduce energy use.
4. Conservation achieved independently through the market or through codes and standards, e.g., Momentum Savings.
5. Market transformation through the Northwest Energy Efficiency Alliance (NEEA).
6. Exploring integration of demand-side management, distributed generation and other leading-edge technologies which help manage peak loads.

Bonneville also provides research, evaluation, contract support, NEEA support, and emerging technology development. Additionally, customers perform self-funded conservation.

Explanation of Changes

Bonneville's budget includes $3,433 million in FY 2027 for Power Services operating expenses, which is an increase of 3.2 percent over the FY 2026 forecasted level. The FY 2027 Budget increases the level of funding for Production by $65.1 million, Associated Projects costs by $27.6 million, and Energy Conservation & Renewable Resources by $7.3 million, and Residential Exchange by $17 thousand. The budget decreases the level of funding for Fish & Wildlife by $2 million and the Council by $617 thousand.
The following pages discuss budget specifics under each of the six Power Services subcategories.

Production

Overview
Under the Production subcategory are three budget areas.

Production
($K)

FY 2026 Estimate	FY 2027 Estimate
1,283,314	1,348,430

Power Purchases includes power purchased to cover power supply obligations as well as balancing loads with generation from the hydro system. These power purchases can be made in the form of long-term purchases to meet Bonneville's contract obligations to its utility and other customers based on long-term planning requirements or they can be made within the year due to the monthly shape of the customers' loads and the monthly shape of the hydroelectric generation. Also, power purchases can be made within the month and within the day to fill temporary shortages due to fluctuations in the hydro system capability and in Bonneville's load.

Power Scheduling/Marketing relates to the scheduling and marketing (buy/sell) of electric energy with Bonneville's customers and the Pacific Northwest's interconnected utilities. Scheduling includes Power Services' implementation of physical and memo power schedules and associated transmission schedules, implementation of Electronic Tagging (ETag) in accordance with NERC and FERC, and implementation of electronic scheduling.

The third budget area is the **Columbia Generating Station (CGS).** Bonneville includes the project capability of CGS, a non-federal nuclear power plant, in the marketing of federal power to meet Bonneville's long term firm power supply obligations. CGS is on a 24-month fuel and outage cycle.
Operating expenses in Production include the following:

Continuous Activity (*all years*)

- Provide oversight of all power supply contracts and related projects from which Bonneville acquires generation capability to ensure that all Bonneville approval rights are protected; coordinate, communicate, and administer agreements, issues, and programs between Bonneville and project owners.
- Provide wind resource integration services for wind generation.
- Power purchases.
- Power scheduling/marketing.
- Provide oversight of all contracts signed to date. Pursue cost-effective means to mitigate capacity demands associated with interconnecting large amounts of variable resource into the Bonneville system.
- Pursue acquisition of additional cost-effective generation to meet load growth.
- Provide oversight on the wind resource integration services currently purchased by public power customers and offer additional renewable resource shaping services to such customers using variable resource generation to serve their load.

Associated Projects

Overview
Under Associated Projects, funds are budgeted to support FCRPS project costs and work to strengthen interagency and regional relationships to improve project performance and supporting functions, and to better understand project resource requirements and costs. This helps to maintain FCRPS reliability and system performance, as well as to attain Bonneville's strategic business objectives.

Associated Projects
($K)

FY 2026 Estimate	FY 2027 Estimate
530,236	557,877

Continued investments in Associated Projects include the following:

Continuous Activity (*all years*)
- Reclamation—continue direct funding of Reclamation O&M power activities.
- Corps—continue direct funding of Corps O&M power activities.

Fish & Wildlife Projects

Overview
As discussed at length in the Fish & Wildlife Projects – Capital section of this document, Bonneville implements a mature Fish & Wildlife program consistent with Council's program measures developed from recommendations made by the region's fish and wildlife management agencies and Tribes. Several recent Council reviews have resulted in additional fish and wildlife project recommendations to Bonneville. In coordination with the Council, Bonneville reviews new and on-going projects for consistency with the Council's program and purposes of the Northwest Power Act. Bonneville reviews and resets project-specific funding commitments annually, including for projects related to applicable BiOps and other agreements. Bonneville informs its funding decisions with the management objectives and priorities in the Council's program (including ISRP reviews) as it implements actions necessary to fulfill ESA and other responsibilities. Regular coordination on implementation priorities continues among Bonneville, the Council, federal resource management agencies, states, Tribes, and others.

Fish & Wildlife
($K)

FY 2026 Estimate	FY 2027 Estimate
364,446	362,402

Continued investments in Bonneville's Fish & Wildlife Program include the following:

Continuous Activity (*all years*)
- Anadromous Fish: Continue implementing both ongoing and new projects that support ESA-listed species and other measures called for under applicable BiOps, the Washington Estuary Agreement, the Kalispel Agreement, the Willamette and Southern Idaho agreements, and Accords with the Coeur

d'Alene Tribe and Spokane Tribe of Indians. Prioritize projects that address the factors that contribute most to mitigation success and that fulfill Bonneville's responsibility for mitigating the impacts from the FCRPS. Implement and develop activities that protect and enhance tributary and estuary habitat, improve mainstream habitat, reduce potentially harmful hatchery practices on ESA-listed populations, and contribute to sustainable fisheries.

- Resident Fish: Implement activities to mitigate the impacts of the CRS on lamprey, sturgeon, and bull trout and promote the reproduction and recruitment of Kootenai River white sturgeon. These activities have been proposed and consulted upon in the 2020 USFWS CRS BiOp and the Council's program.
- Resident Fish and Wildlife: Support mitigation activities for resident fish to offset anadromous fish losses in areas of the basin where federal dams have blocked anadromy (referred to as "substitution" in the Council's program). Mitigate for reservoir power operation impacts on resident fish and wildlife by seeking projects that benefit both simultaneously. Those resident fish habitat acquisition projects that meet Bonneville's capitalization policy will be funded under the capital portion of Bonneville's Fish & Wildlife budget and credited for both fish and wildlife where appropriate.
- Wildlife: Use existing Bonneville policies to continue the current effort to mitigate wildlife in a manner consistent with the Council's program and fulfill commitments in wildlife agreements such as the Kalispel Agreement, Willamette Wildlife Agreement, and Southern Idaho Wildlife Agreement. Those wildlife projects that meet Bonneville's capitalization policy will be funded under the capital portion of Bonneville's Fish & Wildlife budget and credited against both wildlife and fish obligations according to Bonneville's crediting policy and applicable mitigation contracts.

Residential Exchange Program; Council; Energy Conservation & Renewable Resources

Overview

Detailed descriptions of these three budget subcategories are shown in the Activities, Milestones, and Explanation of Changes table below.

Residential Exchange, Council, and Energy Conservation & Renewable Resources ($K)

FY 2026 Estimate	FY 2027 Estimate
424,058	430,737

Continued investments in these three subcategories include the following:

Residential Exchange Program (REP)

- Includes forecasted REP benefits based on the 2012 REP Settlement.

Northwest Power & Conservation Council

- Continued support of Council activities, as directed under the Northwest Power Act, including regional power plan development and maintenance, and fish and wildlife program activities.

Energy Conservation & Renewable Resources

- Conservation purchases: Provides programmatic savings reimbursements and energy conservation incentives to Bonneville customers to purchase conservation savings. This includes performance payments and Energy Smart Reserved Power payments for federal installations, fish hatcheries and irrigation districts.

- Conservation infrastructure: This includes all support for programs and operations, including third-party program implementation, contract support, market research (Momentum Savings research), evaluation, and emerging technology research.
- Market transformation: Supports Northwest Energy Efficiency Alliance's (NEEA's) market transformation initiatives. NEEA identifies barriers and opportunities to increase the market adoption of conservation by leveraging its regional partnerships.

Power Services: Activities, Milestones and Explanation of Changes
($K)

	FY 2026 Estimate	FY 2027 Estimate	Explanation of Changes FY 2027 vs FY 2026 Estimate
Power Services - Operating Expenses	**2,602,055**	**2,699,446**	**97,391 / +4%**
Production	1,283,314	1,348,430	+65,116/ +5%
	Milestones: Continue to provide oversight of all signed contracts. Continue to provide wind resource integration services for customer wind generation.	Milestones: Continue to provide oversight of all signed contracts. Continue to provide wind resource integration services for customer wind generation.	The decrease is due to lower CGS and support costs.
Associated Project Costs	530,236	557,877	+27,640/ +5%
	Milestones: Continue direct funding of Corps and Reclamation O&M power activities.	Milestones: Continue direct funding of Corps and Reclamation O&M power activities.	The increase addresses inflation and the rise in labor costs.
Fish & Wildlife Costs	364,446	362,402	-2,044/ -0.5%
	Milestones: Continue implementing both ongoing and new projects that support ESA-listed species and other measures called for under the current CRS BiOps and various agreements with regional natural resource managers.	Milestones Continue implementing both ongoing and new projects that support ESA-listed species and other measures called for under the current CRS BiOps and various agreements with regional natural resource managers.	The increase in costs reflects funding associated with the BiOps and Northwest Power Act activities as implemented in part through agreements with regional natural resource managers.
Residential Exchange Program	287,051	287,068	17/ 0%
	Milestones: Continue to provide REP benefits.	Milestones: Continue to provide REP benefits.	No change in scheduled amount of REP payments

	FY 2026 Estimate	FY 2027 Estimate	Explanation of Changes FY 2027 vs FY 2026 Estimate
			payable to IOUs prescribed by REP.
NW Power & Conservation Council	12,493	11,876	-617 /-5%
	Milestones: Continue support of the Council activities, as directed under the Northwest Power Act, including regional power plan development and maintenance, and fish and wildlife program activities.	Milestones: Continue support of the Council activities, as directed under the Northwest Power Act, including regional power plan development and maintenance, and fish and wildlife program activities.	Negligible change in the scheduled amount of the Council.
Energy Conservation & Renewable Resources	124,515	131,794	+7,278 / +6%
	Milestones: Continue to support utility incentive programs. Continue to support regional energy conservation programs. Continue supporting energy conservation at direct serve federal agencies.	Milestones: Continue to support utility incentive programs. Continue to support regional energy conservation programs. Continue supporting energy conservation at direct serve federal agencies.	The decrease reflects lower funding while continuing emphasis on the energy conservation program consistent with the Power Plan.

Transmission Services – Operating Expense
Funding Schedule by Activity ($K)

Transmission Services - Operating Expenses	FY 2025 Actual	FY 2026 Estimate	FY 2027 Estimate	FY 2028 Estimate	FY 2029 Estimate	FY 2030 Estimate	FY 2031 Estimate
Engineering	246,374	186,528	236,498	257,064	307,182	314,496	322,074
Operations	360,807	394,034	453,433	480,238	493,643	507,364	521,621
Maintenance	220,997	226,584	239,518	252,998	260,046	267,260	274,754
Amort/Accr/Depr, Interest Expense, misc. other [1/]	500,965	594,487	651,787	721,683	796,420	851,054	909,023
Total, Transmission Services - Operating Expenses	**1,329,143**	**1,401,633**	**1,581,236**	**1,711,983**	**1,857,292**	**1,940,174**	**2,027,472**

[1/] Reflects cost which are not allocated to Engineering, Operations, Maintenance. These costs are part of the total operating expense as reported on BPA's financials statements in annual reports and quarterly reports.

Transmission Services – Operating Expense

Overview

Under the Transmission Services – Operating Expense category are three subcategories: the transmission system services of **Engineering, Operations, and Maintenance** for Bonneville's electric transmission system and associated power system control and communication facilities. Primary goals of this program are:

1. Safely maintain our asset base;
2. Improve customer responsiveness;
3. Modernize systems;
4. Increase resiliency for high-impact events such as wildfire, severe weather and cyber threats; and
5. Mitigate cost pressures and focus on mission critical work.

Explanation of Changes

Bonneville's budget includes $1,581 million in FY 2027 for Transmission Services – Operating Expense, which is a 12.8 percent increase over the FY 2026 forecasted level. The increase continues the O&M of Bonneville's transmission assets. The FY 2027 budget increases levels of funding for Engineering by $49.9 million, Operations by $59.4 million, and Maintenance by $12.9 million. Spending in each subcategory is discussed on the following pages.

Engineering

Overview

Funding allocated under the Engineering subcategory allows continued efforts to identify best methods for improving system reliability, maintenance practices, and continued cost-reduction efforts by identifying opportunities for low-cost reinforcement and voltage support of the existing transmission system.

Engineering
($K)

FY 2026 Estimate	FY 2027 Estimate
186,528	236,498

Continued investments in Engineering include the following:

Continuous Activity (*all years*):

- Research and development (R&D)—Conduct research focused on technologies related to business challenges that Bonneville faces including reliability, energy conservation, and integration of renewable energy resources. Technologies of interest are identified in Bonneville's Technology Roadmaps. A portfolio of research is selected every year through Bonneville's Portfolio Decision Framework.
- System development planning and analysis—Continue providing technical support and asset planning to deploy the asset management approach to sustain existing assets and expand the system to meet agency objectives.
- Technical support—Provide technical support activities, such as transmission system planning and studies to optimize portions of the system. Provide support for non-wires solutions studies and pilot projects.

- Capital-to-expense adjustments—Conduct annual analysis of Bonneville's outstanding capital work orders to assess whether they should be expensed. As obsolete inventory is identified and disposed of, it is expensed.
- Regulatory fees—This includes WECC dues and loop-flow payments, Department of Commerce/National Telecommunications and Information Administration licensing costs for radio frequencies, DOE Radio Spectrum staff and contractor support, and NERC Critical Infrastructure Protection (CIP) compliance program costs. This also includes membership in a regional transmission planning organization.
- Reimbursable transactions—Enter into written agreements with federal and non-federal entities that have work or services to be performed by Bonneville staff at the expense of the benefiting entities. The projects must be beneficial, under agreed-upon criteria, to Bonneville operations and to the federal or non-federal entity involved or otherwise be aligned with or supportive of Bonneville's strategic objectives. Additionally, these activities generally contribute to more efficient or reliable construction of the federal transmission system or otherwise enhance electric service to the region.
- Leased and other costs—This includes leases, lease purchases, and other costs of financing transmission, delivery, and voltage-support facilities when such arrangements are operationally feasible and cost effective to deliver power. Leases and lease purchases enable Bonneville to continue to invest in infrastructure to support a safe and reliable system for the transmission of power. Other costs included are the accrued interest costs associated with Large Generator Interconnection Agreements (LGIA).

Operations

Overview
The following activities are funded under Operations.

Operations
($K)

FY 2026 Estimate	FY 2027 Estimate
394,034	453,433

Substation Operations
Perform operations functions necessary to provide electric service to customers and to protect the federal investment in electric equipment and other facilities. Includes equipment adjustments, switching lines and equipment during emergencies or maintenance, isolating damaged equipment, restoring service to customers, inspecting equipment, and reading meters.

Power System Dispatching and Supporting Functions
Perform central dispatching, control, and monitoring of the electric operation of the federal transmission system from two regional control centers. Also includes load, frequency, and voltage control of federal generating plants, and coordinating long- and short-term outages of system equipment. In addition, provide technical engineering support of dispatching function and provides all technical and systems support for Dittmer Control Center (DCC) and Munro Control Center (MCC).

Technical Operations
Perform and manage all near-term system operating limits and total transfer capabilities to support the safe, reliable, and open access operation of the transmission system. Provide operating and mitigation plans for all system conditions to support real-time operation of the interconnected system, and technical support for planned

outages, remedial action schemes, automatic generation control, balancing authority operations, variable energy resource integration, and disturbance and event monitoring and reporting.

Marketing and Sales

Provide management and direction of transmission rates and provide business strategy in marketing of transmission and ancillary products and services of Transmission Services. Involve customers and constituents in the process of product and rate development. Maintain accurate and complete historical records of current and past legacy transmission agreements. Provide guidance for current and future transmission contract negotiations. Provide financial analysis of market strategies. Monitor and report on the financial health of Transmission Services. Support cost management by effective reporting and analysis of current expenditures. Ensure official budget submittals reflect current management financial strategies and adequately fund transmission programs.

Transmission Scheduling

Provide non-discriminatory, open access to the Bonneville transmission system consistent with Bonneville's OATT. Schedule transmission capacity to eligible Bonneville customers, which include customers acquiring services under Use of Facilities (UFT), Formula Power Transmission (FPT), Integration of Resources (IR), and Part II or Part III of the OATT. Manage the reservations and scheduling of all transmission services associated with the OATT. Update practices, policies, and commercial systems to accommodate a large diversity of resources.

Continuous Activity (*all years*)

- Continue to operate within parameters of NERC and WECC.
- Continue support of increased compliance activities related to the reliability of the transmission system, including cyber security.
- Continue developing facilities, policies, procedures, and implementing systems to support integrating the diversity of resources into the transmission grid.
- Continue preparation for increased complexity of transmission scheduling, power system operations, and dispatching, including congestion management and outage scheduling.
- Continue developing the Dittmer Scheduling Center and Munro Scheduling Center facilities to support continuous real-time scheduling operations from both facilities.
- Continue developing a long-term approach to optimize transmission availability through streamlined, cost-effective, and sustainable processes.
- Continue to address succession planning issues across key functions.
- Continue development and implementation of business systems and tools.

Maintenance

Overview

In all aspects of maintenance, Bonneville is continuing the use of reliability centered maintenance (RCM) practices, which focus on improving system reliability, increasing availability, and meeting new and existing compliance regulations at lowest lifecycle costs. In addition, Bonneville is deploying asset management to optimize maintain/replace decision-making. Maintenance costs are expected to increase as Bonneville addresses the aging transmission system, meets reliability standards, including vegetation management, and adheres to environmental constraints associated with construction, enhancement, and maintenance of the system. The Bonneville transmission system encompasses 15,179 circuit miles on over 11,860 rights-of-way miles (many of these miles are through rugged, inaccessible terrain).

Maintenance
($K)

FY 2026 Estimate	FY 2027 Estimate
226,584	239,518

Continuous Activity (*all years*)

- Continue to improve performance to meet System Average Interruption Frequency Index (SAIFI) and System Average Interruption Duration Index (SAIDI) targets.
- Continue refining processes and procedures for monitoring and tracking compliance activities related to the reliability of the transmission system.
- Continue to improve system availability performance through new maintenance procedures and work practices.
- Continue to develop and implement work practices and procedures for implementation of a new specialty crew using bare-hand live-line practices for maintenance of high-voltage transmission lines.
- Continue increased emphasis on replacement of line hardware (life extension programs for insulators, connectors, dampers, and fiber optic cable hardware).
- Continue to prepare for the impact of an expected high attrition rate among Bonneville's aging workforce by recruiting apprentices and replacements for critical minimum crew size workload positions.
- Increase outage-scheduling planning and coordination to increase customer satisfaction and system availability.
- Maintain vegetation management levels to ensure system reliability.
- Continue access road work to provide reliable access to facilities and ensure environmental compliance.
- Continue improving environmental stewardship.
- Operating expenses associated with acquisition of Grand Coulee Switchyard assets. Transfer from the Reclamation is scheduled to take place in FY 2025.

Transmission Line Maintenance

Maintain and repair over 15,000 circuit miles of high voltage transmission lines, of which over 4,734 circuit miles are 500 kV transmission extra-high voltage (EHV). Maintenance of EHV lines is two and one-half times more labor-intensive than maintenance of lower transmission voltages, although more efficient in transmission of power. This responsibility includes maintaining transmission rights-of-way to ensure system reliability, safety, and environmental compliance. Adopt work practices that improve system availability, reliability, and compliance.

Right-of-Way Maintenance

Maintain over 11,860 miles of Bonneville rights-of-way. This responsibility includes vegetation management, danger tree management, and access road maintenance to ensure system reliability, safety, and environmental compliance. Adopt procedures and processes that improve system availability, reliability, environmental compliance, and reliability compliance. Continue to deploy new technologies such as LiDAR (Light Detection and Ranging) to reliably and cost-effectively manage vegetation.

Substation Maintenance:

Maintain and repair the transmission system power equipment located in Bonneville's 259 substations. Work includes inspections, diagnostic testing, and predictive and condition-based maintenance.

System Protection Maintenance
Maintain relaying metering and RAS equipment used to control and protect the electrical transmission system and to meter energy transfers for the purpose of revenue billing. Additionally, provide field-engineering services to ensure the correct operation of power system relaying and special control systems used to support interregional energy transmission capabilities.

Power System Control Maintenance
Test, repair, and provide field engineering support of Bonneville's highly complex equipment, communications, and control systems, including seven major microwave systems, fiber optic systems, and other critical communications and control equipment that support the power system.

Non-Electric Plant Maintenance
Maintain and manage Bonneville's non-electric facilities. This includes site, building, and building utility maintenance; custodial services; station utility; and other maintenance service activities; as well as facilities asset management on Bonneville-owned or Bonneville-leased non-electric facilities.

Maintenance Standards and Engineering
Establish, monitor, and update system maintenance standards, policies, and procedures, and review and update long-range plans for maintenance of the electric power transmission system.

Interest, Pension, and Post-Retirement Benefits Operating Expense
Funding Schedule by Activity
($K)

	2025 Actual	2026 Estimate	2027 Estimate	2028 Estimate	2029 Estimate	2030 Estimate	2031 Estimate
BPA Bond Interest (Net)	189,000	174,971	206,891	252,061	306,550	333,462	362,028
BPA Appropriation Interest	0	0	0	0	0	0	0
Corps of Engineers Appropriation Interest	34,000	26,835	28,238	28,407	14,564	9,755	18,948
Lower Snake River Comp Plan Interest	169	101	101	101	88	88	88
Bureau of Reclamation Appropriation Interest	716	1,081	1,081	1,081	1,081	409	409
Bond Premiums paid/Discounts (not capitalized)	0	8,434	2,027	527	3,870	2,259	3,751
Subtotal, Interest – Operating Expense	**223,885**	**211,422**	**238,338**	**282,177**	**326,153**	**345,973**	**385,223**
Additional Pension and Post-retirement Benefits	34,000	23,465	44,226	46,719	47,766	48,835	49,943
Total, Interest, Pension and Post-Retirement Benefits	**257,885**	**234,887**	**282,564**	**328,896**	**373,918**	**394,808**	**435,166**

Interest, Pension, and Post-Retirement Benefits Operating Expense

Overview

Interest expense provides for interest due on bonds issued to the U.S. Treasury and appropriations repayment responsibilities. The appropriation repayments relate to capital investment in FCRPS hydroelectric generating and transmission facilities of Bonneville, the Corps, and Reclamation. Investments were financed by Congressional appropriations and Bonneville borrowings from the U.S. Treasury. Bonneville repays these amounts through revenue raised in its power sales and transmission services revenues.

Background: Interest, Pension and Post-retirement Benefits Operating Expense

Since initially receiving U.S. Treasury borrowing authority in 1974 under the Transmission Act, all of Bonneville's U.S. Treasury borrowing has been at market rates. As of October 1, 1996, all of Bonneville's repayment obligations on FCRPS appropriated investment (Corps and Reclamation FCRPS investment and Bonneville investment financed with appropriations prior to the Transmission Act that were unpaid as of September 30, 1996) were restructured and assigned new current-market interest rates. The Bonneville Appropriations Refinancing Act of 1996 (Refinancing Act) called for re-setting (reducing) the unpaid principal of FCRPS appropriations and reassigning (increasing) interest rates. New principal amounts were established as of the beginning of FY 1997 at the present value of the principal and annual interest payments Bonneville would make to the U.S. Treasury for these obligations in the absence of the legislation, plus $100.0 million. The new principal amounts were assigned prevailing market interest rates as of October 1, 1996. Bonneville's outstanding appropriations repayment obligations at the end of FY 1996 were $6.7 billion with a weighted average interest rate of 3.4 percent. The refinancing reduced the principal amount to $4.1 billion with a weighted average interest rate of 7.1 percent. Implementation of the refinancing took place in 1997 after audited actual financial data were available. Pursuant to the legislation, Bonneville submitted its calculations and interest rate assignments implementing the Refinancing Act to the U.S. Treasury for its review and approval. The U.S. Treasury approved the implementation calculations in July 1997. The Refinancing Act also calls for all future FCRPS appropriations to be assigned prevailing U.S. Treasury yield curve interest rates. Bonneville's outstanding appropriations may be prepaid prior to their stated maturities.

Interest estimates are a function of costs of U.S. Treasury borrowing to Bonneville, repayment status of outstanding FCRPS investments, and projected additions to FCRPS plant in service. These estimates may change over time depending on forecasted market conditions. The interest cost estimates include the impact of Bonneville's appropriation refinancing legislation.

Federal employees associated with the operation of the FCRPS participate in either the Civil Service Retirement System or the Federal Employees Retirement System. Employees may also participate in the Federal Employees Health and Benefit Program and the Federal Employee Group Life Insurance Program. As a federal agency, all post-retirement activity is managed by the Office of Personnel Management; therefore, neither the assets of the plans or the accumulated plan benefits are recorded by Bonneville. Since 1997, Bonneville has made additional annual contributions to the General Fund of the U.S. Treasury (receipt account 892889) related to the federal post-retirement benefit programs provided to employees associated with the operation of the FCRPS.

Capital Transfers
Funding Schedule by Activity
($K)

	2025 Estimate	2026 Estimate	2027 Estimate	2028 Estimate	2029 Estimate	2030 Estimate	2031 Estimate
BPA Bond Amortization [1/]	838,400	761,783	747,067	543,289	598,787	779,648	649,868
Bureau of Reclamation Appropriation Amortization	5,780	0	0	0	20,883	0	0
BPA Appropriation Amortization	0	0	0	0	0	0	0
Lower Snake River Comp Plan Amortization	0	0	0	0	0	0	0
Corps of Engineers Appropriation Amortization	27,000	12,651	0	379,057	148,484	0	0
Total, Capital Transfers	**871,180**	**774,434**	**747,067**	**922,346**	**768,154**	**779,648**	**649,868**

[1/] Bonneville "Bond(s)" in this FY 2027 Budget refers to all bonds issued by Bonneville to and advances received from the U.S. Treasury. This reference is consistent with
Section 13(a) of the Transmission Act (P.L. 93-454), which defines Bonneville bonds as all bonds, notes, and other evidence of indebtedness issued and sold by
Bonneville to the U.S. Treasury.

Capital Transfers

Overview
This activity conveys funds to the U.S. Treasury for repayment of certain FCRPS costs not included in the Associated Projects budget. Since capital transfers are cash transactions, they are not considered budget obligations.

Additional Tables

BONNEVILLE POWER ADMINISTRATION
TOTAL OBLIGATIONS/OUTLAYS
Current Services
(in millions of dollars)
FISCAL YEAR

BP-1 SUMMARY[1/3/]	2025		2026		2027		2028	2029	2030	2031
	Oblig.	Outlays	Oblig.	Outlays	Oblig.	Outlays	Oblig.	Oblig.	Oblig.	Oblig.
1 Residential Exchange Program[9/]	274	274	287	287	287	287	288	293	299	306
2 Power Services [2/]	1,750	1,750	1,956	1,956	2,026	2,026	2,069	1,952	2,001	2,107
3 Transmission Services	1,473	1,473	1,685	1,685	2,185	2,185	2,142	1,916	1,940	1,999
4 Conservation & Energy Efficiency	150	150	125	125	132	132	143	146	149	153
5 Fish & Wildlife	397	397	418	418	429	429	436	518	451	444
6 Interest/ Pension [4/]	258	258	235	235	283	283	329	374	395	435
7 Associated Project Cost - Capital	262	262	265	265	309	309	310	305	307	308
8 Capital Equipment	6	6	36	36	37	37	39	31	29	30
9 AFUDC/Transmission Indirects/G&A Allocations	198	198	202	202	230	230	232	226	221	219
10 Planning Council	12	12	12	12	12	12	12	12	13	13
11 Projects Funded in Advance	27	27	36	36	30	30	30	30	30	30
12 Capitalized Bond Premiums	0	0	0	0	0	0	0	0	0	0
13 Power and Transmission Services Financed by Revenues/Reserves	89	89	94	94	168	168	169	187	179	193
14 TOTAL OBLIGATIONS/OUTLAYS [3/]	**4,898**	**4,898**	**5,351**	**5,351**	**6,128**	**6,128**	**6,198**	**5,989**	**6,015**	**6,237**

REVENUES AND REIMBURSEMENTS
Current Services
(in millions of dollars)
FISCAL YEAR

BP-1 SUMMARY	2025		2026		2027		2028	2029	2030	2031
	Oblig.	Outlays	Oblig.	Outlays	Oblig.	Outlays	Oblig.	Oblig.	Oblig.	Oblig.
15 Revenues [5/]	4,272	4,272	4,749	4,749	5,023	5,011	4,607	4,704	4,749	4,804
16 Project Funded in Advance	27	27	36	36	30	30	30	30	30	30
17 Power and Transmission Services Financed by Revenues/Reserves	89	89	94	94	168	168	169	187	179	193
18 TOTAL	**4,388**	**4,388**	**4,879**	**4,879**	**5,221**	**5,209**	**4,806**	**4,921**	**4,958**	**5,027**
19 BUDGET AUTHORITY (NET) [6/]	**(541)**		**663**		**1,174**		**895**	**795**	**697**	**840**
20 OUTLAYS (NET) [6/7/8]	**654**		**472**		**907**		**1,392**	**1,068**	**1,057**	**1,210**

These notes are an integral part of this table.

1/ This FY 2027 budget includes capital and expense estimates based on FY25 3rd quarter forecast, and BP-26 IPR for FY26-FY31.

Capital funding levels reflect external factors such as the significant changes affecting West Coast power and transmission markets, along with planned infrastructure investments designed to address the long-term needs of the region.

Budget estimates included in this budget are subject to change due to rapidly changing economic and institutional conditions in the evolving electric utility industry.

2/ Power Services doesn't include Fish & Wildlife, Residential Exchange Program, Planning Council, Conservation & Energy Efficiency and Associated Project Costs which have been shown separately for display purposes.

3/ This budget has been prepared in accordance with PAYGO. Under PAYGO all Bonneville budget estimates are treated as mandatory and are not subject to the discretionary caps included in the Budget Control Act of 2011. These estimates support activities that are separate from discretionary activities and accounts. Thus, any changes to Bonneville estimates cannot be used to affect any other budget categories which have their own dollar caps. Because Bonneville's obligations are and will be incurred under pre-existing legislative authority, Bonneville is not subject to a "pay-as-you-go" test regarding its revision of current-law funding estimates.
For BP-1 table, the CJ reflects forecasted outlays while the yearend GTAS reflects the actual outlay in the Budget Appendix.

4/ The costs of approriated interest and use of appropriated principal plus credits to Account #309900

5/ Revenues, included in the Net Outlay formulation, are calculated consistent with cash management goals and assume a combination of adjustments. Assumed adjustments include the use of a combination of tools, including upcoming rate adjustment mechanisms, a net revenue risk adjustment, debt service refinancing strategies and/or short-term financial tools to manage net revenues and cash. Some of these potential tools will reduce costs rather than generate revenue, causing the same Net Outlay result. Adjustments for depreciation and 4(h)(10)(C) credits of the Northwest Power Act are also assumed.

6/ Bonneville received $48.7 million of additional budget authority in FY 2007 to accommodate the work necessary to relocate the radio spectrum consistent with the Commercial Spectrum Enhancement Act (P.L. 108-494). In accordance with Federal law, Bonneville plans to return the forecasted unused balance of approximately $8.2 million to the U.S. Treasury as soon as the National Telecommunications Information Administration notifies the Federal Communications Commission that the DOE relocation effort is complete.

7/ Net Outlay estimates are based on current cost savings to date and anticipated cash management goals. They are expected to follow anticipated management decisions throughout the rate period that, along with actual market conditions, will impact revenues and expenses. Actual Net Outlays are volatile and are reported in Report on Budget Execution and Budgetary Resources (SF-133). Actual Net Outlays could differ from estimates due to changing market conditions, streamflow variability, continued restructuring of the electric industry, and other reasons.

8/ FY 2025 Net Outlays are calculated using Bonneville's FY 2025 3rd quarter forecast. FY 2026 to 2031 Net Outlays are based on BP-24 and BP-26 IPR assumptions, an escalation factor from using the FY 2025 Whitebook Loads and Resources Report, and the increased expenditures for Transmission Evolving Grid Projects.

9/ REP benefits were fixed through Sept. 30, 2028, pursuant to a settlement. This value is a placeholder and does not reflect an estimate of the REP benefits BPA may be required to pay under

EXPENSED OBLIGATIONS/OUTLAYS [1,4/]
Current Services
(in millions of dollars)
FISCAL YEAR

BP-2	2025		2026		2027		2028	2029	2030	2031
	Oblig.	Outlays	Oblig.	Outlays	Oblig.	Outlays	Oblig.	Oblig.	Oblig.	Oblig.
1 Residential Exchange Program	274	274	287	287	287	287	288	293	299	306
2 Power Services [2/]	1,750	1,750	1,956	1,956	2,026	2,026	2,069	1,952	2,001	2,107
3 Transmission Services	727	727	792	792	895	895	957	1,026	1,055	1,088
4 Conservation & Energy Efficiency	150	150	125	125	132	132	143	146	149	153
5 Fish & Wildlife	359	359	364	364	362	362	372	394	404	411
6 Interest/ Pension [3/]	258	258	235	235	283	283	329	374	395	435
7 Planning Council	12	12	12	12	12	12	12	12	13	13
8 TOTAL EXPENSE	3,532	3,532	3,772	3,772	3,997	3,997	4,170	4,196	4,316	4,513
9 Projects Funded in Advance	27	27	36	36	30	30	30	30	30	30
10 Power and Transmission Services Financed by Revenues/Reserves	89	89	94	94	168	168	169	187	179	193

CAPITAL OBLIGATIONS/OUTLAYS [1/]
Current Services
(in millions of dollars)
FISCAL YEAR

BP-2 continued	2025		2026		2027		2028	2029	2030	2031
	Oblig.	Outlays	Oblig.	Outlays	Oblig.	Outlays	Oblig.	Oblig.	Oblig.	Oblig.
11 Transmission Services	746	746	893	893	1,290	1,290	1,185	890	884	911
12 Associated Project Cost	262	262	265	265	309	309	310	305	307	308
13 Fish & Wildlife	38	38	53	53	67	67	64	124	47	33
14 Capital Equipment	6	6	36	36	37	37	39	31	29	30
15 Capitalized Bond Premiums	0	0	0	0	0	0	0	0	0	0
16 AFUDC/Transmission Indirects/G&A Allocations	198	198	202	202	230	230	232	226	221	219
17 **TOTAL CAPITAL INVESTMENTS**	**1,250**	**1,250**	**1,449**	**1,449**	**1,933**	**1,933**	**1,829**	**1,575**	**1,489**	**1,502**
18 **TREASURY BORROWING AUTHORITY TO**										
19 **FINANCE CAPITAL OBLIGATIONS [4/]**	**1,250**		**1,449**		**1,933**		**1,829**	**1,575**	**1,489**	**1,502**

These notes are an integral part of this table.

[1/] This FY 2027 budget includes capital and expense estimates based on FY25 3rd quarter forecast, and BP-26 IPR for FY26-FY31.

Capital funding levels reflect external factors such as the significant changes affecting West Coast power and transmission markets, along with planned infrastructure investments designed to address the long-term needs of the region.

Budget estimates included in this budget are subject to change due to rapidly changing economic and institutional conditions in the evolving electric utility industry.

[2/] Power Services doesn't include Fish & Wildlife, Residential Exchange Program, Planning Council, Conservation & Energy Efficiency and Associated Project Costs which have been shown separately for display purposes.

[3/] The costs of approriated interest and use of appropriated principal plus credits to Account #309900

[4/] This budget has been prepared in accordance with PAYGO. Under PAYGO all Bonneville budget estimates are treated as mandatory and are not subject to the discretionary caps included in the Budget Control Act of 2011. These estimates support activities that are separate from discretionary activities and accounts. Thus, any changes to Bonneville estimates cannot be used to affect any other budget categories which have their own dollar caps. Because Bonneville's obligations are and will be incurred under pre-existing legislative authority, Bonneville is not subject to a "pay-as-you-go" test regarding its revision of current-law funding estimates.

For BP-1 table, the CJ reflects forecasted outlays while the yearend GTAS reflects the actual outlay in the Budget Appendix.

BP-3

CURRENT SERVICES
(in millions of dollars)
FISCAL YEAR

CAPITAL TRANSFERS	2025 Actual	2026 Estimate	2027 Estimate	2028 Estimate	2029 Estimate	2030 Estimate	2031 Estimate
Amortization:							
20 BPA Bonds	885	762	747	543	599	780	650
21 Reclamation Appropriations	6	0	0	0	21	0	0
22 BPA Appropriations	0	0	0	0	0	0	0
23 Corps Appropriations	0	13	0	379	148	0	0
24 Lower Snake River Comp Plan Amortization	0	0	0	0	0	0	0
25 **TOTAL CAPITAL TRANSFERS**	**891**	**774**	**747**	**923**	**768**	**780**	**650**
26 **FULL-TIME EQUIVALENT (FTE)** [1/]	**3,311**	**3,460**	**3,560**	**3,660**	**3,760**	**3,860**	**3,960**

These notes are an integral part of this table.

[1/] As of 9/30/2025, BPA HR staff has reported FY 2025 BPA's FTE actuals at 3,311. This number includes 194 FTEs who have accepted the Deferred Resignation Program (DRP).

BONNEVILLE POWER ADMINISTRATION
BPA STATUS of U.S. TREASURY BORROWING

BP-4A

	Fiscal Year 2025 Actual			
	Net Capital Obs	Net Capital Obs Subject to BA	Net Capital Expend.	Bonds Out-Standing
Cum. - Start-of-Year: 1974 Act	**5,079**		**5,978**	
Start-of-Year: 1980 Act	**0**		**0**	
Start-of-Year: ARRA	**0**		**0**	
Start-of-Year: Total	5,079	4,537	5,978	5,961
Plus: Annual Increase				
Annual Increase: 1974 Act	**1,123**		1,123	
Annual Increase: 1980 Act	**0**		0	
Annual Increase: ARRA	**0**		0	
Cum.-Annual Treasury Borrowing Treasury Borrowing (Cash)	1,123	1,123	1,123	1,123
Less:				
Bond Amortization: 1974 Act	**838**		**838**	
Bond Amortization: 1980 Act	**0**		**0**	
Bond Amortization: ARRA	**0**		**0**	
BPA Bond Amortization	838	838	838	838
1974 Act	**285**		**285**	
1980 Act	**0**		**0**	
ARRA	**0**		**0**	
Net Increase/(Decrease):	285	285	285	285
Cum. - End-of-Year: 1974 Act	**5,364**		**6,263**	
End-of-Year: 1980 Act	**0**		**0**	
End-of-Year: ARRA	**0**		**0**	
Cum.-End-of-Year: Total	5,364	4,822	6,263	6,246
Total Remaining Treasury Borrowing Amount				7,454
Total Legislated Treasury Borrowing Amount				13,700

These notes are an integral part of this table.

In any given year, Bonneville may issue lower principal amount of bonds to the U.S. Treasury than forecast depending on net revenues, borrowing costs, and other cash management factors. In such cases, Bonneville accumulates a deferred borrowing balance that it accesses as necessary in the future.

Capital funding levels reflect external factors such as the significant changes affecting West Coast power and transmission markets, along with planned infrastructure investments designed to address the long-term needs of the region.

In this FY 2026 budget, Bonneville "bond(s)" refers to all bonds issued by Bonneville to and advances received from the U.S. Treasury. This reference is consistent with section 13 (a) of the Transmission Act, which defines Bonneville bonds as all bonds, notes, and other evidences of indebtednesses issued and sold by Bonneville to the U.S. Treasury.

As in the past, Bonneville may pursue future restructuring of total debt as opportunities arise.

Budget estimates included in this budget are subject to change due to rapidly changing economic and institutional conditions in the evolving electric utility industry.

Cumulative advance amortization payments as of the end of FY 2024 are $7.2 Billion.

Total includes BPA's self-financing activities. In addition, BPA has negotiated with the U.S. Treasury access to a $750 million short term note as part of the $17.7 billion borrowing authority.

Section 40110 of the Infrastructure Investment and Jobs Act of 2021, Public Law 117-58, enacted on November 15, 2021, provided the Bonneville Administrator with $10 billion in additional permanent borrowing authority "…to assist in the financing, acquisition and replacement of the Federal Columbia Power System and to implement the authority of the Administrator of the Bonneville Power Administration…" Section 40110 specifies that the "obligation"…of the $10 billion in additional borrowing authority…shall not exceed $6 billion by fiscal year 2028. BPA is authorized by Congress to have outstanding at any time up to $13.7 billion of bonds through fiscal year 2027. Beginning in fiscal year 2028, an additional $4 billion will become available to have outstanding for a total of $17.7 billion.

These notes are an integral part of this table.

BONNEVILLE POWER ADMINISTRATION
BPA STATUS of U.S. TREASURY BORROWING
CURRENT SERVICES
(in millions of dollars)

BP-4B

	2026 est.				2027 est.			
	Net Capital Obs	Net Capital Obs Subject to BA	Net Capital Expend.	Bonds Out-Standing	Net Capital Obs	Net Capital Obs Subject to BA	Net Capital Expend.	Bonds Out-Standing
Cum. - Start-of-Year: 1974 Act	**5,364**		**6,263**		**6,051**		**6,950**	
Start-of-Year: 1980 Act	**0**		**0**		**0**		**0**	
Start-of-Year: ARRA	**0**		**0**		**0**		**0**	
Start-of-Year: Total	5,364	4,822	6,263	6,246	6,051	5,509	6,950	6,933
Plus: Annual Increase								
Annual Increase: 1974 Act	**1,449**		1,449		**1,933**		1,933	
Annual Increase: 1980 Act	**0**		0		**0**		0	
Annual Increase: ARRA	**0**		0		**0**		0	
Cum.-Annual Treasury Borrowing	1,449	1,449	1,449	1,449	1,933	1,933	1,933	1,933
Treasury Borrowing (Cash)								
Less:								
Bond Amortization: 1974 Act	**762**		**762**		**747**		**747**	
Bond Amortization: 1980 Act	**0**		**0**		**0**		**0**	
Bond Amortization: ARRA	**0**		**0**		**0**		**0**	
Total BPA Bond Amortization	762	762	762	762	747	747	747	747
Net Increase/(Decrease):								
1974 Act	**688**		**688**		**1,186**		**1,186**	
	0		**0**		**0**		**0**	
ARRA	**0**		**0**		**0**		**0**	
Total	688	688	688	688	1,186	1,186	1,186	1,186
Cum. - End-of-Year: 1974 Act	**6,051**		**6,950**		**7,237**		**8,136**	
End-of-Year: 1980 Act	**0**		**0**		**0**		**0**	
End-of-Year: ARRA	**0**		**0**		**0**		**0**	
Cum.-End-of-Year: Total	6,051	5,509	6,950	6,933	7,237	6,695	8,136	8,119
Total Remaining Treasury Borrowing Amount				6,767				5,581
Total Legislated Treasury Borrowing Amount				13,700				13,700

These notes are an integral part of this table.

In any given year, Bonneville may issue lower principal amount of bonds to the U.S. Treasury than forecast depending on net revenues, borrowing costs, and other cash management factors. In such cases, Bonneville accumulates a deferred borrowing balance that it accesses as necessary in the future.

Capital funding levels reflect external factors such as the significant changes affecting West Coast power and transmission markets, along with planned infrastructure investments designed to address the long-term needs of the region.

In this FY 2026 budget, Bonneville "bond(s)" refers to all bonds issued by Bonneville to and advances received from the U.S. Treasury. This reference is consistent with section 13 (a) of the Transmission Act, which defines Bonneville bonds as all bonds, notes, and other evidences of indebtednesses issued and sold by Bonneville to the U.S. Treasury.

As in the past, Bonneville may pursue future restructuring of total debt as opportunities arise.

Budget estimates included in this budget are subject to change due to rapidly changing economic and institutional conditions in the evolving electric utility industry.

Cumulative advance amortization payments as of the end of FY 2024 are $7.2 Billion.

Total includes BPA's self-financing activities. In addition, BPA has negotiated with the U.S. Treasury access to a $750 million short term note as part of the $17.7 billion borrowing authority.

Section 40110 of the Infrastructure Investment and Jobs Act of 2021, Public Law 117-58, enacted on November 15, 2021, provided the Bonneville Administrator with $10 billion in additional permanent borrowing authority "…to assist in the financing, acquisition and replacement of the Federal Columbia Power System and to implement the authority of the Administrator of the Bonneville Power Administration…" Section 40110 specifies that the "obligation"…of the $10 billion in additional borrowing authority…shall not exceed $6 billion by fiscal year 2028. BPA is authorized by Congress to have outstanding at any time up to $13.7 billion of bonds through fiscal year 2027. Beginning in fiscal year 2028, an additional $4 billion will become available to have outstanding for a total of $17.7 billion.

These notes are an integral part of this table.

BONNEVILLE POWER ADMINISTRATION
BPA STATUS of U.S. TREASURY BORROWING
CURRENT SERVICES
(in millions of dollars)

BP-4C Fiscal Year

	2028 est.				2029 est.			
	Net Capital Obs	Net Capital Obs Subject to BA	Net Capital Expend.	Bonds Out-Standing	Net Capital Obs	Net Capital Obs Subject to BA	Net Capital Expend.	Bonds Out-Standing
Cum. - Start-of-Year: 1974 Act	**7,237**		**8,136**		**8,523**		**9,422**	
Start-of-Year: 1980 Act	**0**		**0**		**0**		**0**	
Start-of-Year: ARRA	**0**		**0**		**0**		**0**	
Start-of-Year: Total	7,237	6,695	8,136	8,119	8,523	7,981	9,422	9,405
Plus: Annual Increase								
Annual Increase: 1974 Act	**1,829**		1,829		**1,575**		1,575	
Annual Increase: 1980 Act	**0**		0		**0**		0	
Annual Increase: ARRA	**0**		0		**0**		0	
Cum.-Annual Treasury Borrowing Treasury Borrowing (Cash)	1,829	1,829	1,829	1,829	1,575	1,575	1,575	1,575
Less:								
Bond Amortization: 1974 Act	**543**		**543**		**599**		**599**	
Bond Amortization: 1980 Act	**0**		**0**		**0**		**0**	
Bond Amortization: ARRA	**0**		**0**		**0**		**0**	
Total BPA Bond Amortization	543	543	543	543	599	599	599	599
Net Increase/(Decrease):								
1974 Act	**1,286**		**1,286**		**976**		**976**	
1980 Act	**0**		**0**		**0**		**0**	
ARRA	**0**		**0**		**0**		**0**	
ıl	1,286	1,286	1,286	1,286	976	976	976	976
Cum. - End-of-Year: 1974 Act	**8,523**		**9,422**		**9,499**		**10,398**	
End-of-Year: 1980 Act	**0**		**0**		**0**		**0**	
End-of-Year: ARRA	**0**		**0**		**0**		**0**	
Cum.-End-of-Year: Total	8,523	7,981	9,422	9,405	9,499	8,957	10,398	10,381
Total Remaining Treasury Borrowing Amount				8,295				7,319
Total Legislated Treasury Borrowing Amount				17,700				17,700

These notes are an integral part of this table.

In any given year, Bonneville may issue lower principal amount of bonds to the U.S. Treasury than forecast depending on net revenues, borrowing costs, and other cash management factors. In such cases, Bonneville accumulates a deferred borrowing balance that it accesses as necessary in the future.

Capital funding levels reflect external factors such as the significant changes affecting West Coast power and transmission markets, along with planned infrastructure investments designed to address the long-term needs of the region.

In this FY 2026 budget, Bonneville "bond(s)" refers to all bonds issued by Bonneville to and advances received from the U.S. Treasury. This reference is consistent with section 13 (a) of the Transmission Act, which defines Bonneville bonds as all bonds, notes, and other evidences of indebtednesses issued and sold by Bonneville to the U.S. Treasury.

As in the past, Bonneville may pursue future restructuring of total debt as opportunities arise.

Budget estimates included in this budget are subject to change due to rapidly changing economic and institutional conditions in the evolving electric utility industry.

Cumulative advance amortization payments as of the end of FY 2024 are $7.2 Billion.

Total includes BPA's self-financing activities. In addition, BPA has negotiated with the U.S. Treasury access to a $750 million short term note as part of the $17.7 billion borrowing authority.

Section 40110 of the Infrastructure Investment and Jobs Act of 2021, Public Law 117-58, enacted on November 15, 2021, provided the Bonneville Administrator with $10 billion in additional permanent borrowing authority "…to assist in the financing, acquisition and replacement of the Federal Columbia Power System and to implement the authority of the Administrator of the Bonneville Power Administration…" Section 40110 specifies that the "obligation"…of the $10 billion in additional borrowing authority…shall not exceed $6 billion by fiscal year 2028. BPA is authorized by Congress to have outstanding at any time up to $13.7 billion of bonds through fiscal year 2027. Beginning in fiscal year 2028, an additional $4 billion will become available to have outstanding for a total of $17.7 billion.

These notes are an integral part of this table.

BONNEVILLE POWER ADMINISTRATION
BPA STATUS of U.S. TREASURY BORROWING
CURRENT SERVICES
(in millions of dollars)

BP-4D

	Fiscal Year 2030 est.				Fiscal Year 2031 est.			
	Net Capital Obs	Net Capital Obs Subject to BA	Net Capital Expend.	Bonds Out-Standing	Net Capital Obs	Net Capital Obs Subject to BA	Net Capital Expend.	Bonds Out-Standing
Cum. - Start-of-Year: 1974 Act	**9,499**		**10,398**		**10,209**		**11,108**	
Start-of-Year: 1980 Act	**0**		**0**		**0**		**0**	
Start-of-Year: ARRA	**0**		**0**		**0**		**0**	
Start-of-Year: Total	9,499	8,957	10,398	10,381	10,209	9,667	11,108	11,091
Plus: Annual Increase								
Annual Increase: 1974 Act	**1,489**		1,489		**1,502**		1,502	
Annual Increase: 1980 Act	**0**		0		**0**		0	
Annual Increase: ARRA			0		**0**		0	
Cum.-Annual Treasury Borrowing	1,489	1,489	1,489	1,489	1,502	1,502	1,502	1,502
Treasury Borrowing (Cash)								
Less:								
Bond Amortization: 1974 Act	**780**		**780**		**650**		**650**	
Bond Amortization: 1980 Act	**0**		**0**		**0**		**0**	
Bond Amortization: ARRA	**0**		**0**		**0**		**0**	
Total BPA Bond Amortization	780	780	780	780	650	650	650	650
Net Increase/(Decrease):								
1974 Act	**709**		**709**		**852**		**852**	
1980 Act	**0**		**0**		**0**		**0**	
ARRA	**0**		**0**		**0**		**0**	
al	709	709	709	709	852	852	852	852
Cum. - End-of-Year: 1974 Act	**10,209**		**11,108**		**11,060**		**11,959**	
End-of-Year: 1980 Act	**0**		**0**		**0**		**0**	
End-of-Year: ARRA	**0**		**0**		**0**		**0**	
Cum.-End-of-Year: Total	10,209	9,667	11,108	11,091	11,060	10,518	11,959	11,942
Total Remaining Treasury Borrowing Amount				6,609				5,758
Total Legislated Treasury Borrowing Amount				17,700				17,700

These notes are an integral part of this table.

In any given year, Bonneville may issue lower principal amount of bonds to the U.S. Treasury than forecast depending on net revenues, borrowing costs, and other cash management factors. In such cases, Bonneville accumulates a deferred borrowing balance that it accesses as necessary in the future.

Capital funding levels reflect external factors such as the significant changes affecting West Coast power and transmission markets, along with planned infrastructure investments designed to address the long-term needs of the region.

In this FY 2026 budget, Bonneville "bond(s)" refers to all bonds issued by Bonneville to and advances received from the U.S. Treasury. This reference is consistent with section 13 (a) of the Transmission Act, which defines Bonneville bonds as all bonds, notes, and other evidences of indebtednesses issued and sold by Bonneville to the U.S. Treasury.

As in the past, Bonneville may pursue future restructuring of total debt as opportunities arise.

Budget estimates included in this budget are subject to change due to rapidly changing economic and institutional conditions in the evolving electric utility industry.

Cumulative advance amortization payments as of the end of FY 2024 are $7.2 Billion.

Total includes BPA's self-financing activities. In addition, BPA has negotiated with the U.S. Treasury access to a $750 million short term note as part of the $17.7 billion borrowing authority.

Section 40110 of the Infrastructure Investment and Jobs Act of 2021, Public Law 117-58, enacted on November 15, 2021, provided the Bonneville Administrator with $10 billion in additional permanent borrowing authority "…to assist in the financing, acquisition and replacement of the Federal Columbia Power System and to implement the authority of the Administrator of the Bonneville Power Administration…" Section 40110 specifies that the "obligation"…of the $10 billion in additional borrowing authority…shall not exceed $6 billion by fiscal year 2028. BPA is authorized by Congress to have outstanding at any time up to $13.7 billion of bonds through fiscal year 2027. Beginning in fiscal year 2028, an additional $4 billion will become available to have outstanding for a total of $17.7 billion.

These notes are an integral part of this table.

Program and Fianacing Summary
Current Services
($M)

Identification Code: 89-4045-0-3-271

		Actual	Estimate					
		FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Program by activities:								
	Operating expenses:							
0.01	Power Services	1,387	1,499	1,544	1,587	1,588	1,635	1,753
0.02	Residential Exchange Program [10/]	274	287	287	288	293	299	306
	Associated Project Costs:							
0.05	Bureau of Reclamation	179	195	207	208	213	218	222
0.06	Corps of Engineers	284	301	316	333	349	356	365
0.07	Colville Settlement	21	28	28	29	29	30	31
0.08	Spokane Settlement	5	7	7	7	7	8	8
0.19	U.S. Fish & Wildlife Service	28	34	35	36	36	37	38
0.20	Planning Council	12	12	12	12	12	13	13
0.21	Fish & Wildlife	359	364	362	372	394	404	411
0.23	Transmission Services	573	685	785	826	755	773	779
0.24	Conservation & Energy Efficiency	150	125	132	143	146	149	153
0.25	Interest	224	211	238	282	326	346	385
0.26	Pension and Health Benefits [1/]	34	23	44	47	48	49	50
	Misc Adjustments							
0.91	Total operating expenses [2/]	**3,532**	**3,771**	**3,998**	**4,170**	**4,196**	**4,316**	**4,513**
	Capital investment:							
1.01	Power Services	262	265	309	310	305	307	308
1.02	Transmission Services	746	893	1,290	1,185	890	884	911
1.04	Fish & Wildlife	38	53	67	64	124	47	33
1.05	Capital Equipment	6	36	37	39	31	29	30
1.06	Capitalized Bond Premiums							
1.07	Capital G&A / Indirects	198	202	230	232	226	221	219
1.08	Total Capital Investment [3/]	**1,250**	**1,449**	**1,933**	**1,829**	**1,575**	**1,489**	**1,502**
2.01	Projects Funded in Advance	27	36	30	30	30	30	30
2.02	Power and Transmission Services Financed by Revenues/Reserves	89	94	168	169	187	179	193
10.00	Total obligations [4/]	**4,898**	**5,350**	**6,128**	**6,198**	**5,989**	**6,015**	**6,237**

See notes to the table on following page.

These notes are an integral part of this table.

1/ The costs of appropriated interest and use of appropriated principal plus credits to Account #309900

2/ Assumes expense obligations, not accrued expenses.

Power Services doesn't include Fish & Wildlife, Residential Exchange Program, Planning Council, Conservation & Energy Efficiency and Associated Project Costs which have been shown separately for display purposes.

3/ Assumes capital obligations, not capital expenditures.

4/ This FY 2027 budget includes capital and expense estimates based on FY25 actual results, and BP-26 IPR for FY26-FY31.

For purposes of this table, this FY 2027 budget reflects, for FY 2025, forecast third party financing expense only for PFIA.

Capital funding levels reflect external factors such as the significant changes affecting West Coast power and transmission markets, along with planned infrastructure investments designed to address the long-term needs of the region.

Budget estimates included in this budget are subject to change due to rapidly changing economic and institutional conditions in the evolving electric utility industry.

Refer to 16 USC Chapters 12B, 12G, 12H, and Bonneville's other organic laws, including P.L. 100-371, Title III, Sec. 300, 102 Stat. 869, July 19, 1988, regarding Bonneville's ability to obligate funds.

Program and Financing (continued)

Current Services

(in millions of dollars)

		Actual	Estimate					
		2025	2026	2027	2028	2029	2030	2031
Financing:								
1000	Unobligated balance available, start of year. [5/]	9	8	8	0	0	0	0
1050	Unobligated balance available, end of year.[5/]	8	8	8	0	0	0	0
1200	Appropriation[6/]							
1236	Appropriations applied to repay debt[6/]							
1900	**Budget authority (gross)**	**4,747**	**5,554**	**6,407**	**5,713**	**5,728**	**5,667**	**5,879**
Budget Authority:								
1400	Permanent Authority: Authority to borrow from Treasury (indefinite)[7/]	1,250	1,449	1,933	1,829	1,575	1,489	1,502
1800	Spending authority from off-setting collections	4,388	4,879	5,221	4,806	4,921	4,958	5,027
1825	Portion applied to debt reduction	(891)	(774)	(747)	(923)	(768)	(780)	(650)
1850	**Spending authority from offsetting collections (adjusted)**	**3,497**	**4,105**	**4,474**	**3,883**	**4,153**	**4,178**	**4,377**
900	Total obligations	4,898	5,351	6,128	6,198	5,989	6,015	6,237
4110	Outlays (gross)	4,898	5,351	6,128	6,198	5,989	6,015	6,237
Adjustments to budget authority and outlays:								
	Deductions for offsetting collections:							
4120	Federal funds	(90)	(90)	(90)	(90)	(90)	(90)	(90)
4121	Interest on Federal Securities	(12)	(12)	(12)	(12)	(12)	(12)	(12)
4123	Non-Federal sources	(4,298)	(4,789)	(5,131)	(4,716)	(4,831)	(4,868)	(4,937)
4130	Total, offsetting collections	(4,400)	(4,891)	(5,233)	(4,818)	(4,933)	(4,970)	(5,039)
4160	**Budget authority (net)**	**(541)**	**663**	**1,174**	**895**	**795**	**697**	**840**
4170	**Outlays (net)[8/9/]**	**654**	**472**	**907**	**1,392**	**1,068**	**1,057**	**1,210**

These notes are an integral part of this table.

5/ Reflects estimated cost for radio spectrum fund.

6/ This entry reflects a unique mechanism developed by U.S. Treasury and implemented by U.S. Treasury and BPA to apply earned BPA fish credits to the repayment of BPA bonded debt owed to the U.S . Treasury. This entry does not reflect a taxpayer appropriation.

7/ The Permanent Authority: Authority to borrow (indefinite) from the U.S. Treasury amounts reflect both Bonneville's capital program financing needs and either the use of, or creation of, deferred borrowing. Deferred borrowing is created when, as a cash and debt management decision, Bonneville uses cash from revenues to liquidate capital obligations in lieu of borrowing at that time from the U.S. Treasury. This temporary use of cash on hand instead of borrowed funds creates the ability in future years to borrow money, when fiscally prudent. The FY 1989 Energy and Water Development Appropriations Act (P.L. 100-371 0f 7/19/88) confirmed that Bonneville has authority to incur obligations in excess of U.S. Treasury borrowing authority and cash in the BPA fund.

Total includes BPA's self-financing activities and funds for Radio Spectrum Relocation. In addition, BPA has negotiated with the U.S. Treasury access to a $750 million short-term note as part of the $17.7 billion borrowing authority.

Net Outlay estimates are based on current cost savings to date and anticipated cash management goals. They are expected to follow anticipated management decisions throughout the rate period that, along with actual market conditions, will impact revenues and expenses. Actual Net Outlays are volatile and are reported in Report on Budget Execution and Budgetary Resources (SF-133). Actual Net Outlays could differ from estimates due to changing market conditions, streamflow variability, continued restructuring of the electric industry, and other reasons.

Revenues, included in the Net Outlay formulation, are calculated consistent with cash management goals and assume a combination of adjustments. Assumed adjustments include the use of a combination of tools, including upcoming rate adjustment mechanisms, a net revenue risk adjustment, debt service refinancing strategies and/or short-term financial tools to manage net revenues and cash. Some of these potential tools will reduce costs rather than generate revenue, causing the same Net Outlay result. Adjustments for depreciation and 4(h)(10)(C) credits of the Northwest Power Act are also assumed.

8/ This budget has been prepared in accordance with PAYGO. Under PAYGO all Bonneville budget estimates are treated as mandatory and are not subject to the discretionary caps included in the Budget Control Act of 2011. These estimates support activities that are separate from discretionary activities and accounts. Thus, any changes to Bonneville estimates cannot be used to affect any other budget categories which have their own dollar caps. Because Bonneville's obligations are and will be incurred under pre-existing legislative authority, Bonneville is not subject to a "pay-as-you-go" test regarding its revision of current-law funding estimates.

For BP-1 table, the CJ reflects forecasted outlays while the yearend GTAS reflects the actual outlay in the Budget Appendix.

9/ FY 2025 Net Outlays are calculated using Bonneville's FY 2025 actual results. FY 2026 to 2031 Net Outlays are based BP-26 IPR, an escalation factor from using the FY 2025 Whitebook Loads and Resources Report.

10/ REP benefits were fixed through Sept. 30, 2028, pursuant to a settlement. This value is a placeholder and does not reflect an estimate of the REP benefits BPA may be required to pay under federal law. Actual REP benefits for this year may be higher or lower depending upon the outcome of settlement negotiations and applicable legal processes.

U.S. TREASURY PAYMENTS

(in millions of dollars)

		FISCAL YEAR						
		Actual	Estimate					
		2025	2026	2027	2028	2029	2030	2031
A.	**INTEREST ON BONDS & APPROPRIATIONS**							
	Bonneville Bond Interest							
1	Bonneville Bond Interest (net)	189	175	207	252	307	333	362
2	AFUDC [1/]	34	67	67	62	52	43	37
	Appropriations Interest							
3	Bonneville							
4	Corps of Engineers [2/]	34	27	28	28	15	10	19
5	Lower Snake River Comp. Plan	0	0	0	0	0	0	0
6	Bureau of Reclamation [3/]	1	1	1	1	1	0	0
7	Bond Premiums paid/Discounts (not capitalized)	0	8	2	1	4	2	4
8	**Total Bond and Approp. Interest**	**258**	**278**	**306**	**344**	**378**	**389**	**422**
B.	**ASSOCIATED PROJECT COST**							
9	Bureau of Reclamation Irrigation Assistance	14	21	6	12	4	2	11
10	Bureau of Rec. O & M [4/]	0	0	0	0	0	0	0
11	Corps of Eng. O & M [4/]	0	0	0	0	0	0	0
12	L. Snake River Comp. Plan O & M [4/]	0	0	0	0	0	0	0
13	COE Approp CRFM Studis Expense	20	0	0	0	0	0	0
14	**Total Assoc. Project Costs**	**35**	**21**	**6**	**12**	**4**	**2**	**11**
C.	**CAPITAL TRANSFERS**							
	Amortization							
15	Bonneville Bonds [6/]	838	762	747	543	599	780	650
16	Bureau of Reclamation Appropriations	6	0	0	0	21	0	0
17	Corps of Engineers Appropriations	27	13	0	379	148	0	0
18	Lower Snake River Comp. Plan	0	0	0	0	0	0	0
19	Bonneville Appropriations	0	0	0	0	0	0	0
20	**Total Capital Transfers [/8]**	**871**	**774**	**747**	**923**	**768**	**780**	**650**
D.	**OTHER PAYMENTS**							
21	Unfunded Post-Retirement Liability [5/]	34	23	44	47	48	49	50
22	**TOTAL TREASURY PAYMENTS**	**1,198**	**1,097**	**1,103**	**1,326**	**1,198**	**1,219**	**1,133**

These notes are an integral part of this table.

1/ This interest cost is capitalized and included in BPA's Transmission System Development, System Replacements, and Associated Projects Capital programs. AFUDC is financed through the sale of bonds.

2/ Includes interest on construction funding for Corp of Engineers (Corps) fish bypass facilities at Corps dams in the Columbia River Basin, including Lower Monumental, Ice Harbor, and The Dalles.

3/ Includes payments paid by Reclamation to the U.S. Treasury on behalf of Bonneville.

4/ Costs for power O&M is funded directly by Bonneville as follows (in millions):

	FISCAL YEAR						
	Actual	Estimate					
	2025	2026	2027	2028	2029	2030	2031
Bureau of Reclamation	179	195	207	208	213	218	222
Corps of Engineers	284	301	316	333	349	356	365
Subtotal Bureau and Corps	463	496	523	541	561	574	587
Lower Snake River Comp. Plan	28	34	35	36	36	37	38
Total	491	530	557	577	598	611	625

5/ The costs of approriated interest and use of appropriated principal plus credits to Account #309900

6/ In this FY 2027 budget, Bonneville "bond(s)" refers to all bonds issued by Bonneville to and advances received from the U.S. Treasury. This reference is consistent with section 13 (a) of the Transmission Act, which defines Bonneville bonds as all bonds, notes, and other evidences of indebtednesses issued and sold by Bonneville to the U.S. Treasury.

7/ Does not include Treasury bond premiums on refinanced Treasury bonds.

8/ FY 2025 data reflects BPA's FY 2025 year end results.

BONNEVILLE POWER ADMINISTRATION
POTENTIAL THIRD PARTY FINANCING TRANSPARENCY
(in millions of dollars)

BP-5

		Fiscal Year						
		Actual	Estimate					
Transmission Services - Capital		**2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**
Main Grid	Requirements	71	26	318	285	176	164	154
Area & Customer Services		70	134	140	132	95	92	90
Upgrades & Additions		153	217	303	181	107	104	96
System Replacements		456	552	564	621	540	550	599
Projects Funded in Advance		27	36	30	30	30	30	30
Revenue Financing		55	55	125	125	140	140	155
Transmission Services Indirect, G&A, AFUDC		176	182	210	211	174	178	183
Total, Transmission Services - Capital		1,009	1,202	1,690	1,585	1,262	1,259	1,306
Power Services - Capital								
Associated Project Costs	Requirements	262	265	309	310	305	307	308
Projects Funded in Advance[1/]		0	0	0	0	0	0	0
Fish & Wildlife		38	53	67	64	27	27	27
Other Power Services		1	0	1	5	100	23	9
Revenue Financing		34	39	43	44	47	39	38
Transmission Services Indirect, G&A, AFUDC		22	20	20	20	0	0	0
Total, Associated Project Costs - Capital		357	377	441	443	478	396	382
Federal and Non-Federal Funding								
Projects Funded in Advance	Sources	27	36	30	30	30	30	30
U.S. Treasury Borrowing Authority		1,339	1,543	2,101	1,998	1,711	1,625	1,658
Scenario								
Projects Funded in Advance[1/]	Scenario	0	0	0	0	0	0	0
Third Party Financing		188	232	331	305	230	228	235
Alternate Treasury Borrowing Authority		1,151	1,311	1,769	1,694	1,481	1,397	1,424

These notes are an integral part of this table.

1/ In this instance, Projects Funded in Advance represents prepayment of Power customers' bills reimbursed by future credits and third party non-federal financing for Conservation initiatives. Also this category includes those facilities and/or equipment where Bonneville retains control or ownership which are funded or financed by a third party, revenue, or with Power or Transmission reserves, either in total or in part.

The table above shows both the potential use of U.S. Treasury borrowing authority for transmission capital projects based on this FY 2025 budget and the use adjusted for potential third-party financing to fund appropriate capital expenditures when feasible in lieu of U.S. Treasury borrowing. Estimates included in this FY 2025 budget are uncertain and may change due to revised capital investment plans, changing economic conditions, and an evolving financial market environment. The estimates of third-party financing included in the table show a reduction in the use of U.S. Treasury borrowing and do not reflect the actual notional third party financing commitment Bonneville may enter into in that particular year. The difference of reduction in use of U.S. Treasury borrowing and the actual notional third party financing commitment is primarily due to the difference in the timing of financing transactions between U.S. Treasury and third-party financing for capital projects with multi-year construction schedules.

Bonneville's Third Party Financing for Transmission Services consists primarily of lease-purchase agreements, which are capitalized obligations that enable Bonneville to acquire the use of transmission facilities over time. Bonneville also undertakes the construction and installation of facilities from funds that customers advance to Bonneville for construction of BPA-owned facilities that assist the customers in obtaining necessary transmission service from Bonneville. These customers receive monetary payment credits in bills for transmission services from Bonneville up to the amount of funds advanced to Bonneville, plus interest.

Bonneville's historical Third Party Financing amounts may vary over time due to re-assignment of certain lease-purchase agreements to Treasury Financing.

Bonneville Status of U.S. Treasury Borrowing with Potential Third Party Financing & PFIA Scenario

With the potential use of third party financing assumed in the scenario above, Bonneville's total remaining U.S. Treasury Borrowing Amount would be extended to the following amounts. See BP-4 BPA Status of Treasury Borrowing- Current Services.

	Fiscal Year						
	Actual	Estimate					
	2025	2026	2027	2028	2029	2030	2031
Start-of-Year: Total Bonds Outstanding	5,961	6,373	6,425	6,781	7,662	8,719	9,467
Plus:							
U.S. Treasury Borrowing (Cash)	1,250	1,123	1,449	1,933	1,829	1,575	1,489
Less:							
Potential Third Party Financing & PFIA	188	232	331	305	230	228	235
BPA Bond Amortization	838	838	762	747	543	599	780
Net Increase/(Decrease) Bonds Outstanding:	412	52	356	881	1,056	749	475
Cum.-End-of-Year: Total	6,373	6,425	6,781	7,662	8,719	9,467	9,942
Total Remaining U.S. Treasury Borrowing Amount	7,327	7,275	6,919	6,038	8,981	8,233	7,758
Total Legislated U.S.Treasury Borrowing Amount	13,700	13,700	13,700	13,700	17,700	17,700	17,700

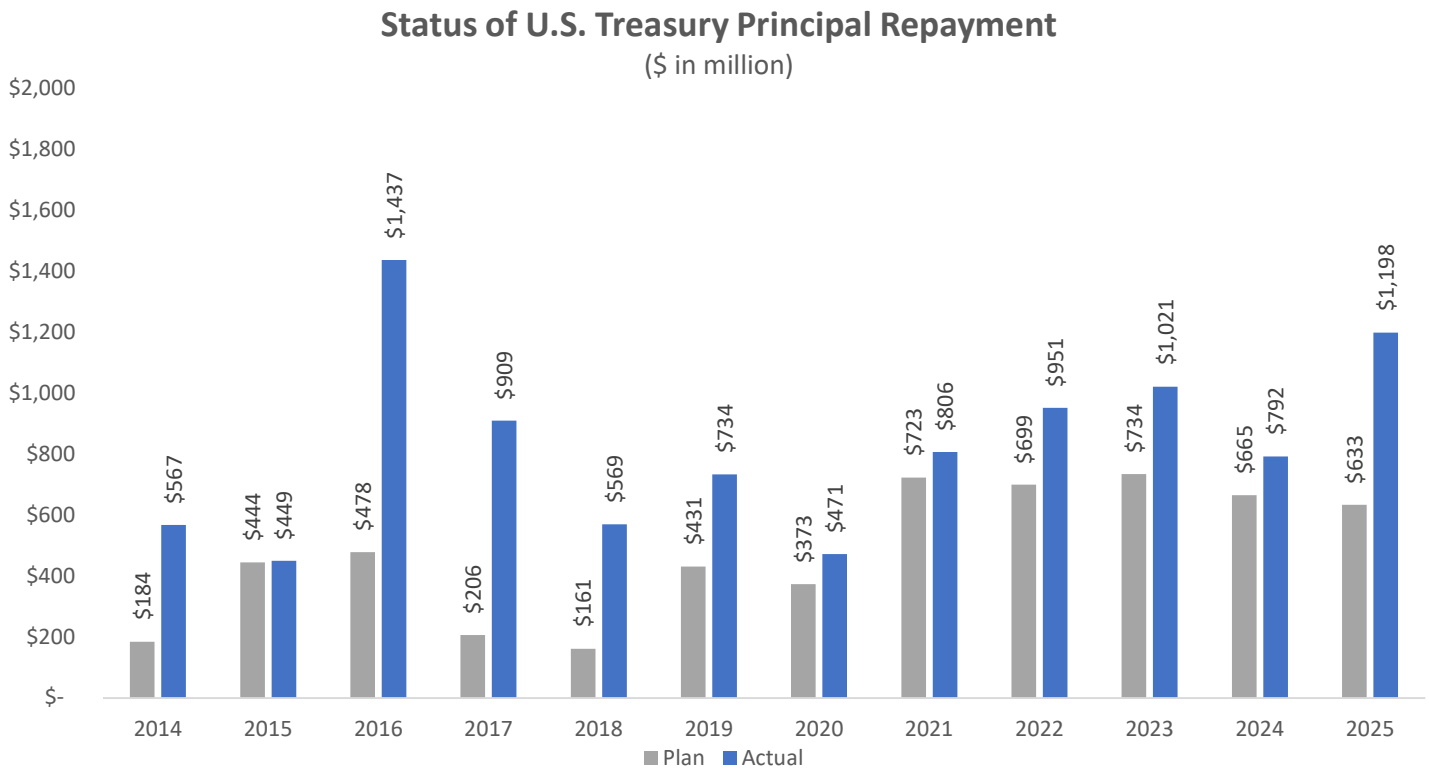


Chart Notes

- This chart displays principal repayment only.
- U.S. Treasury payment outyear estimates for planned amortization of principal are based on rate case estimates when available and are planned amortization for future rate case periods. These estimates may change due to revised capital investment plans, actual U.S. Treasury borrowing, and advanced amortization payments. Bonneville's FY 2025 payment to the U.S. Treasury was $1.2 billion. This was the 42nd consecutive year that Bonneville made its scheduled payments to the U.S. Treasury on time and in full. The payment included $885.4 million in principal, $258.7 million for interest and $54.3 million in other payments.
- Advance amortization due to sale of transmission facilities includes $0.4 million in FY 2013 and $0.4 million in FY 2014, and $0.6 million in FY 2017.
- The cumulative balance of advance amortization payments as of the end of FY 2025 was $7.8 billion.
- FYs 2014-2024 include advance amortization under the Regional Cooperation Debt initiative with Energy Northwest (EN) under which EN extended maturities on Bonneville-backed debt which enabled the early amortization of higher cost appropriations and bonds.

OBJECT CLASSIFICATION STATEMENT

(in millions of dollars)

		actuals		ESTIMATES		
		2025		2026		2027
11.1	Full-time permanent	328		364		417
11.3	Other than full-time permanent	3		3		4
11.5	Other personnel compensation	104		115		132
11.9	**Total personnel compensation**	**435**		**483**		**553**
12.1	Civilian personnel benefits	207		230		263
13.0	Benefits for former personnel	-		-		-
21.0	Travel and transportation of persons	7		8		9
22.0	Transportation of things	3		3		4
23.1	Rental payments to GSA	0		0		0
23.2	Rents, other	37		41		47
23.3	Communication, utilities & misc. charges	15		16		19
25.1	Consulting Services	154		171		196
25.2	Other Services	3,340		3,619		4,145
25.5	R & D Contracts	2		2		2
26.0	Supplies and materials	56		62		71
31.0	Equipment	40		44		51
32.0	Lands and structures	264		293		335
41.0	Grants, subsidies, contributions	52		57		66
43.0	Interest and dividends	289		321		368
99.0	**Total obligations**	**4,898**		**5,350**		**6,128**

Estimate of Receipts
(in millions of dollars)

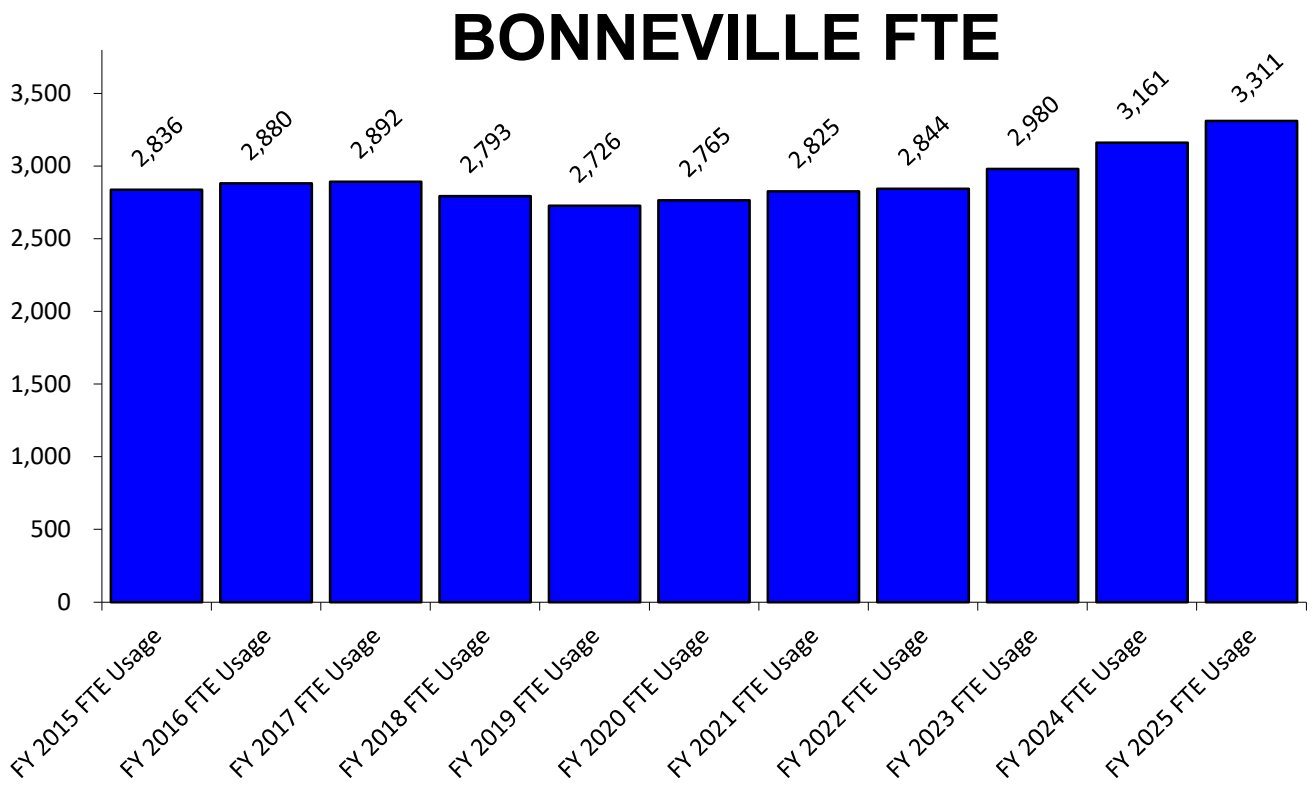
	FISCAL YEAR						
	Actual	Estimate					
	2025	2026	2027	2028	2029	2030	2031
Reclamation Interest	1	1	1	1	1	0	0
Reclamation Amortization	6	0	0	0	21	0	0
Reclamation O&M	0	0	0	0	0	0	0
Reclamation Irrig. Assist.	14	21	6	12	4	2	11
Revenues Collected by Reclamation	-16	-7	-1	-1	-7	4	3
Distributed in Treasury Account (credit)							
Colville Settlement (credit)	-5	-5	-5	-5	-5	-5	-5
Total 1/ Reclamation Fund	**0**	**10**	**1**	**7**	**14**	**1**	**10**
Corps O&M	0						
COE Approp CRFM Studies Expense	20						
CSRS	34	23	44	47	48	49	50
Total 2/ Repayments on miscellaneous costs	**54**	**23**	**44**	**47**	**48**	**49**	**50**
Appropriated Interest and Appropriations Principle plus Credits	35	35	35	35	35	35	35
Total 3/ Miscellaneous Recoveries and Refunds	**35**	**35**	**35**	**35**	**35**	**35**	**35**

1/ Includes amortization of appropriations and irrigation assistance, and interest costs for Reclamation. The cost of power O&M for Reclamation is no longer included in Proprietary Receipts due to Direct Funding by Bonneville. Represents transfer to Account #895000.26

2/ The costs of power O&M for the Corps and Lower Snake River Comp. Plan are no longer included in Proprietary Receipts due to Direct Funding by Bonneville. Represents transfers to Account #892889, Repayments on misc. recoverable costs, not otherwise classified. Costs for power O&M is funded directly by Bonneville as follows (in millions).

3/ The costs of approriated interest and use of appropriated principal plus credits to Account #309900

	FISCAL YEAR						
	Actual	Estimate					
	2025	2026	2027	2028	2029	2030	2031
Bureau of Reclamation	179	195	207	208	213	218	222
Corps of Engineers	284	301	316	333	349	356	365
Lower Snake River Comp. Plan	28	34	35	36	36	37	38
Total	**491**	**530**	**557**	**577**	**598**	**611**	**625**



These notes are an integral part of this chart.

1/ Actual FTE data is consistent with DOE personnel reports.

2/ FTE outyear data are estimates and may change. Bonneville is facing a dynamic and changing transmission marketplace and operations, and it is important to continue to attract and retain skilled individuals to meet the growing demands of a competitive and rapidly changing industry. Accordingly, FTE estimates may need to be adjusted in the future.

3/ As of September 30, 2025, BPA HR staff has reported FY 2025 BPA's FTE actuals at 3,311. This number includes 194 FTEs who have accepted the Deferred Resignation Program (DRP).

Total Cost of BPA Fish & Wildlife Actions

COST ELEMENT	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
CAPITAL INVESTMENTS [1/]											
BPA FISH AND WILDLIFE	21.4	16.0	5.4	30.7	22.3	40.2	41.9	16.1	14.6	27.8	38.0
BPA SOFTWARE DEVELOPMENT COSTS	1.4	1.2	1.4	0.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0
ASSOCIATED PROJECTS (FEDERAL HYDRO)	81.4	34.1	58.9	51.8	55.5	106.6	66.7	10.4	4.7	11.5	9.1
TOTAL CAPITAL INVESTMENTS	**104.1**	**51.4**	**65.7**	**83.2**	**77.9**	**146.7**	**108.6**	**26.5**	**19.3**	**39.3**	**47.1**
PROGRAM EXPENSES											
BPA DIRECT FISH AND WILDLIFE PROGRAM	258.2	258.1	254.7	258.7	240.4	238.1	253.6	249.4	260.9	270.8	317.2
FISH & WILDLIFE SOFTWARE EXPENSE COSTS	0.1	0.0	0.0	0.1	0.0	0.0	0.0	0.2	1.0	1.4	1.7
SUPPLEMENTAL MITIGATION PROGRAM EXPENSES [2/]	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
REIMBURSABLE/DIRECT-FUNDED PROJECTS [3/]											
O & M LOWER SNAKE RIVER HATCHERIES	30.9	28.6	26.0	31.4	26.7	31.9	30.7	33.0	34.9	40.2	38.2
O & M CORPS OF ENGINEERS	46.4	48.2	46.8	47.5	48.9	46.3	48.3	47.4	46.0	51.1	50.1
O & M BUREAU OF RECLAMATION	2.6	6.0	7.0	5.5	8.7	5.8	6.5	7.2	6.5	7.4	6.9
NW POWER AND CONSERVATION COUNCIL ALLOCATED @ 50%	4.9	5.4	5.4	5.5	5.6	5.6	5.5	6.0	5.9	5.1	6.1
SUBTOTAL (REIMB/DIRECT-FUNDED)	84.9	88.2	85.2	89.9	89.9	89.6	91.0	93.6	93.3	103.8	101.3
TOTAL OPERATING EXPENSES	**343.17**	**346.34**	**339.90**	**348.65**	**330.30**	**327.66**	**344.60**	**343.23**	**355.20**	**376.00**	**420.20**
PROGRAM RELATED FIXED EXPENSES [4/]											
INTEREST EXPENSE	89.2	85.6	58.6	41.0	39.7	32.5	29.3	29.4	30.3	24.7	22.0
AMORTIZATION EXPENSE	41.3	42.5	42.5	43.4	45.1	46.7	47.4	56.0	54.9	54.3	54.2
DEPRECIATION EXPENSE	20.1	20.1	20.3	20.8	21.0	21.1	22.0	22.0	22.1	22.2	22.2
TOTAL FIXED EXPENSES	**150.6**	**148.2**	**121.4**	**105.1**	**105.8**	**100.3**	**98.7**	**107.4**	**107.3**	**101.2**	**98.4**
GRAND TOTAL PROGRAM EXPENSES	**493.7**	**494.6**	**461.3**	**453.7**	**436.1**	**428.0**	**443.3**	**450.6**	**462.5**	**477.2**	**518.6**
FORGONE REVENUES AND POWER PURCHASES											
FOREGONE REVENUES	195.8	76.6	9.6	2.9	174.4	33.4	190.6	251.9	89.3	36.6	126.6
BPA POWER PURCH. FOR FISH ENHANCEMENT	67.5	50.3	(20.5)	24.3	177.6	150.0	110.6	237.9	879.3	856.2	364.0
TOTAL FOREGONE REVENUES AND POWER PURCHASES	**263.3**	**126.9**	**(10.9)**	**27.2**	**352.0**	**183.4**	**301.2**	**489.8**	**968.6**	**892.8**	**490.6**
TOTAL PROGRAM EXPENSES, FOREGONE REVENUES, & POWER PURCHASES	**757.0**	**621.5**	**450.4**	**480.9**	**788.1**	**611.5**	**744.5**	**940.5**	**1431.1**	**1370.0**	**1009.2**
CREDITS											
4(h)(10)(C)	(77.7)	(72.6)	(53.7)	(70.1)	(98.2)	(95.5)	(90.6)	(112.3)	(257.7)	(257.8)	(160.8)
FISH COST CONTINGENCY FUND	-	-	-	-	-	-			-	-	-
TOTAL CREDITS	**(77.7)**	**(72.6)**	**(53.7)**	**(70.1)**	**(98.2)**	**(95.5)**	**(90.6)**	**(112.3)**	**(257.7)**	**(257.8)**	**(160.8)**

This information has been made publicly available by BPA on 3/25/2008. The figures shown are consistent with audited actuals that contain Agency approved financial information, except for forgone revenues and power purchases which are estimates and do not contain Agency approved financial information

1/ Capital Investments include both BPA's direct Fish and Wildlife Program capital investments, funded by BPA's Treasury borrowing, and "Associated Projects", which include capital investments at Corps of Engineers' and Bureau of Reclamation projects, funded by appropriations and repaid by BPA. The negative amount in FY 1997 reflects a decision to reverse "plant-in-service" investment that was never actually placed into service. The annual expenses associated with these investments are included in "Program-Related Fixed Expenses", below.

2/ Includes High Priority and Action Plan Expenses and other supplemental programs.

3/ "Reimbursable/Direct-Funded Projects" includes the portion of costs BPA pays to or on behalf of other entities that is determined to be for fish and wildlife purposes.

4/ "Fixed Expenses" include depreciation, amortization and interest on investments on the Corps of Engineers' projects, and amortization and interest on the investments associated with BPA's direct Fish and Wildlife Program.