DOE/CF-0214
Volume 3

Department of Energy
FY 2026 Congressional Justification

Cybersecurity, Energy Security, and Emergency Response
Petroleum Reserves Accounts
Indian Energy Policy and Programs
Power Marketing Administrations (PMAs)
Loan Programs

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May 2025 Office of the Chief Financial Officer Volume 3

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DEPARTMENT OF ENERGY
Appropriation Summary
FY 2026
(Dollars in Thousands)

	FY 2024 Enacted	FY 2025 Enacted	FY 2026 President's Budget	FY 2026 President's Budget vs. FY 2025 Enacted $	FY 2026 President's Budget vs. FY 2025 Enacted %
Department of Energy Budget by Appropriation					
Energy Efficiency and Renewable Energy[1]	3,460,000	3,460,000	888,000	-2,572,000	-74.3%
Electricity	280,000	280,000	193,000	-87,000	-31.1%
Cybersecurity, Energy Security and Emergency Response	200,000	200,000	150,000	-50,000	-25.0%
Strategic Petroleum Reserve	213,390	213,390	206,325	-7,065	-3.3%
Naval Petroleum and Oil Shale Reserves	13,010	13,010	13,000	-10	-0.1%
Strategic Petroleum Reserve Petroleum Account	100	100	100	+0	+0.0%
Northeast Home Heating Oil Reserve	7,150	7,150	3,575	-3,575	-50.0%
Office of Petroleum Reserves	**233,650**	**233,650**	**223,000**	**-10,650**	**-4.56%**
Nuclear Energy (270)[2]	1,525,000	1,525,000	1,210,000	-315,000	-20.7%
Fossil Energy	865,000	865,000	595,000	-270,000	-31.2%
Uranium Enrichment Decontamination and Decommissioning (UED&D)	855,000	855,000	814,380	-40,620	-4.8%
Energy Information Administration	135,000	135,000	135,000	+0	+0.0%
Non-Defense Environmental Cleanup	342,000	342,000	322,371	-19,629	-5.7%
Science	8,240,000	8,240,000	7,092,000	-1,148,000	-13.9%
Office of Technology Commercialization[3]	20,000	20,000	0	-20,000	-100.0%
Office of Clean Energy Demonstrations	50,000	50,000	0	-50,000	-100.0%
Grid Deployment[4]	60,000	60,000	15,000	-45,000	-75.0%
Office of Manufacturing & Energy Supply Chains[5]	0	0	15,000	+15,000	N/A
Advanced Research Projects Agency - Energy	460,000	460,000	200,000	-260,000	-56.5%
Nuclear Waste Disposal Fund	12,040	12,040	12,040	+0	+0.0%
Departmental Administration	286,500	286,500	174,926	-111,574	-38.9%
Indian Energy Policy and Programs	70,000	70,000	50,000	-20,000	-28.6%
Inspector General	86,000	86,000	90,000	+4,000	+4.7%
Title 17 Innovative Technology Loan Guarantee Program	58,719	-121,000	682,588	+803,588	-664.1%
Advanced Technology Vehicles Manufacturing Loan Program	13,000	13,000	9,500	-3,500	-26.9%
Tribal Energy Loan Guarantee Program	6,300	6,300	-12,000	-18,300	-290.5%
Total, Credit Programs	**78,019**	**-101,700**	**680,088**	**781,788**	**-768.72%**
Energy Projects	83,724	0	0	+0	N/A
Critical and Emerging Technologies	0	0	2,000	+2,000	N/A
Total, Energy Programs	**17,341,933**	**17,078,490**	**12,861,805**	**-4,216,685**	**-24.69%**
Weapons Activities[6]	19,108,000	19,293,000	24,856,400	+5,563,400	+28.8%
Defense Nuclear Nonproliferation	2,581,000	2,396,000	2,284,600	-111,400	-4.6%
Naval Reactors[2]	1,946,000	1,946,000	2,346,000	+400,000	+20.6%
Federal Salaries and Expenses	500,000	500,000	555,000	+55,000	+11.0%
Total, National Nuclear Security Administration	**24,135,000**	**24,135,000**	**30,042,000**	**5,907,000**	**+24.47%**
Defense Environmental Cleanup	7,285,000	7,285,000	6,956,000	-329,000	-4.5%
Other Defense Activities	1,080,000	1,107,000	1,182,000	+75,000	+6.8%
Defense Uranium Enrichment D&D	285,000	285,000	278,000	-7,000	-2.5%
Total, Environmental and Other Defense Activities	**8,650,000**	**8,677,000**	**8,416,000**	**-261,000**	**-3.01%**
Nuclear Energy (050)	160,000	160,000	160,000	+0	+0.0%
Total, Atomic Energy Defense Activities	**32,945,000**	**32,972,000**	**38,618,000**	**5,646,000**	**+17.12%**
Southeastern Power Administration	0	0	0	+0	+0.0%
Southwestern Power Administration	11,440	11,440	10,400	-1,040	-9.1%
Western Area Power Administration	99,872	99,872	63,372	-36,500	-36.5%
Falcon and Amistad Operating and Maintenance Fund	228	228	228	+0	+0.0%
Colorado River Basins Power Marketing Fund	0	0	0	+0	+0.0%
Total, Power Marketing Administrations	**111,540**	**111,540**	**74,000**	**-37,540**	**-33.66%**
Total, Energy and Water Development and Related Agencies	**50,398,473**	**50,162,030**	**51,553,805**	**1,391,775**	**+2.77%**
Excess Fees and Recoveries, FERC	-9,000	-9,000	-9,000	+0	+0.0%
Title XVII Loan Guar. Prog Section 1703 Negative Credit Subsidy Receipt	-6,493	-61,106	-65,805	-4,699	+7.7%
UED&D Fund Offset	-285,000	-285,000	-278,000	+7,000	-2.5%
Sale of Northeast Gasoline Supply Reserve	-98,000	0	0	+0	N/A
Sale of Northeast Home Heating Oil Reserve	0	0	-100,000	-100,000	N/A
Total Funding by Appropriation	**49,999,980**	**49,806,924**	**51,101,000**	**+1,294,076**	**+2.6%**
Total Discretionary Funding	***49,999,980***	***49,806,924***	***46,319,000***	***-3,487,924***	***-7.0%***
DOE Budget Function	**49,999,980**	**49,806,924**	**51,101,000**	**+1,294,076**	**+2.6%**
NNSA Defense (050) Total	24,135,000	24,135,000	30,042,000	+5,907,000	+24.5%
Non-NNSA Defense (050) Total	8,810,000	8,837,000	8,576,000	-261,000	-3.0%
Defense (050)	*32,945,000*	*32,972,000*	*38,618,000*	*5,646,000*	*17.12%*
Science (250)	8,240,000	8,240,000	7,092,000	-1,148,000	-13.9%
Energy (270)	8,814,980	8,594,924	5,391,000	-3,203,924	-37.3%
Non-Defense (Non-050)	*17,054,980*	*16,834,924*	*12,483,000*	*-4,351,924*	*-25.85%*

[1] The Office of Energy Efficiency and Renewable Energy funding levels for FY 2024 Enacted and FY 2025 Enacted included the Offices of State and Community Energy Programs, Federal Energy Management Program, and Manufacturing and Energy Supply Chains.

[2] Naval Reactors and Nuclear Energy (050) amounts do not reflect the mandated transfer of $92.8 million in FY 2024 and FY 2025 from Naval Reactors to the Office of Nuclear Energy for operation of the Advanced Test Reactor

[3] The Office of Technology Commercialization, formerly known as the Office of Technology Transitions, is funded in the Departmental Administration appropriation in FY 2026 at $10 million.

[4] Funding for the Grid Deployment account in FY 2026 will support OE programs and projects, with close coordination with CESER, that increase generation and transmission capacity and strengthen grid security.

[5] Funding for the MESC account in FY 2026 will support EERE and FE activities to address supply chain vulnerability areas, to include critical minerals and materials. The Office of Manufacturing and Energy Supply Chains was funded at $19 million in the Energy Efficiency and Renewable Energy appropriation in both FY 2024 Enacted and FY 2025 Enacted.

[6] FY 2026 Requested Funding includes $4.782 billion in mandatory Reconciliation resources for NNSA Weapons Activities.

Cybersecurity, Energy Security, and Emergency Response

Cybersecurity, Energy Security, and Emergency Response
($K)

FY 2024 Enacted	FY 2025 Enacted	FY 2026 Request	FY 2026 Request vs FY 2025 Enacted
200,000	200,000	150,000	-50,000

Proposed Appropriation Language

For Department of Energy expenses including the purchase, construction, and acquisition of plant and capital equipment, and other expenses necessary for energy sector cybersecurity, energy security, and emergency response activities in carrying out the purposes of the Department of Energy Organization Act (42 U.S.C. 7101 et seq.), including the acquisition or condemnation of any real property or any facility or for plant or facility acquisition, construction, or expansion, $150,000,000, to remain available until expended: Provided, that of such amount, $23,000,000 shall be available until September 30, 2027, for program direction.

Mission

The resilience and security of the energy sector is essential to America's economic prosperity and national security. While the federal government has designated energy as one of sixteen critical infrastructure sectors, the energy sector is also uniquely critical as it enables every other critical infrastructure sector, including the defense industrial base. The energy sector is confronted with a continuously evolving threat landscape, rapid technological advancements, and vulnerabilities in supply chain cybersecurity. The security of our energy systems is not only vital to our national economic security and military readiness, but also crucial for U.S. competitiveness in emerging fields such as artificial intelligence (AI), which require energy infrastructure that must be resilient and secure. The U.S. Department of Energy (DOE) Office of Cybersecurity, Energy Security, and Emergency Response (CESER) strengthens the resilience and security of America's energy sector by providing federal leadership in detecting, mitigating, countering, and responding to U.S. energy sector threats and emergencies through wide-ranging programs, activities, and collaborations with industry, regional, and state, local tribal and territorial (SLTT) entities.

The Secretary of Energy delegated CESER with statutory authority to represent the U.S. government (USG) and act on behalf of DOE as the Sector Specific Agency for the energy sector per the 2015 Fixing America's Surface Transportation Act. CESER assumes the critical roles as lead agency for Emergency Support Function #12 (Energy), or ESF #12, under the National Response Framework, and fulfills DOE's role as the Sector Risk Management Agency (SRMA) for the energy sector pursuant the 2002 Homeland Security Act (as amended). Accordingly, CESER has responsibility for protection of the U.S. energy critical infrastructure, risk management, sector coordination, incident management, and emergency activities. CESER also exercises delegated authority for energy sector emergency preparedness, response, and recovery under the Stafford Act, for energy national security under the Defense Production Act (as amended), and for emergency relief orders under the Federal Power Act (as amended), among other delegations.

In these capacities, CESER employs a risk-informed approach to identify, assess, mitigate, and prevent foreseeable consequences to energy reliability, which includes hardening of the U.S. energy infrastructure and adoption of advanced technologies and practices for energy resilience. Through integrated planning, CESER has also developed a comprehensive set of federal programs and deploys subject matter experts to assess and manage critical events caused by severe weather, wildfires, earthquakes, cyber and physical security breaches, electromagnetic interference, and supply chain interruptions.

Overview

CESER is at the forefront of transformations shaping the energy sector, including growing energy demand, the rapid construction of data centers, and the evolution of AI technologies. To build the energy infrastructure necessary to support demand from AI data centers, resilience and security must be prioritized. Likewise, CESER will develop an overarching program called AI-FORTS (Artificial Intelligence for Operationally Resilient Technologies and Systems) to advance three goals: secure the energy sector for AI, secure the energy sector with AI, and secure the energy sector from AI. Given the rapidly evolving threat and technology landscape, CESER programs adapt to ever more sophisticated threats affecting critical infrastructure and supply chains. For example, CESER experts advise and assist industry and SLTTs in replacing outmoded systems and aging architectures with practical, advanced technologies and security measures. Consistent with delegated authorities, CESER conducts energy sector risk analysis relevant to owners and operators; provides technical assistance to federal and SLTT partners on security, risk management, and resilience plans; performs wide-ranging exercises and training; and supports cybersecurity and energy resilience workforce development.

In collaboration with DOE National Laboratories and industry experts, CESER designs and deploys new tools and technologies and engages with USG-industry energy sector councils on electricity, oil, and natural gas to ensure the security of new systems, applications, and components. Through enduring constructive partnerships with industry owners and operators, SLTT entities, USG agencies, U.S. manufacturers, academic institutions, and international counterparts, CESER accomplishes all facets of its mission

Accordingly, the FY 2026 budget request for CESER focuses on the following priorities:

- **Bolster Energy Dominance through Infrastructure Resilience and Security:** Strengthen the resilience and security of critical energy infrastructure assets, including pipelines, refineries, power plants, transmission, and distribution systems against physical and cyber threats to ensure uninterrupted energy production and delivery. To support the development of AI, ensure the resilient and secure grid integration of large electric loads, including data centers. Prioritize projects that implement Cyber-Informed Engineering principles to integrate security considerations into the concept, design, development, and operation of cyber-physical systems.
- **Protect Defense Critical Energy Infrastructure (DCEI):** Recognizing the critical link between energy and national security, CESER will prioritize the security and resilience of energy infrastructure that supports military installations and defense activities. This includes conducting vulnerability assessments, implementing security upgrades, and enhancing cybersecurity measures to protect these vital assets from all threats. It also includes sponsored exercises focused on response and restoration of defense critical energy infrastructure. The Cyber ARMOR program (Advanced Resilience Measures for Operational Readiness) is established to accelerate cybersecurity improvements for resource-constrained energy entities critical to national security.
- **Counter Cyber Threats to Energy Systems and Build AI-FORTS:** Enhance efforts to detect, respond, recover, and mitigate cyber threats from nation-state adversaries and cyber criminals targeting U.S. energy infrastructure. Strengthen partnerships with the intelligence community and private sector to share risk information and develop proactive defense strategies. Build the AI-FORTS program (Artificial Intelligence for Operationally Resilient Technologies and Systems), which will use AI to develop defensive cyber tools, implement active defense measures to disrupt, deter, and recover from cyber attacks, and characterize and counter AI-enabled offensive cyber capabilities from threat actors.
- **Expand the Energy Threat Analysis Center (ETAC):** The Department operationalized the Energy Threat Analysis Center (ETAC) in FY 2025 to address the increasingly active and sophisticated cyber threats to the U.S. energy sector through operational collaboration. The ETAC will continue to leverage insights from energy sector owners and operators, the DOE National Laboratories, and the Intelligence Community to exchange data, identify risks and threats to critical energy infrastructure, and develop mitigation strategies and technical advisories that help energy owners and operators protect their systems from adversaries. As foreign adversaries increasingly view energy infrastructure as a strategic target, ETAC plays a pivotal role in national security by providing near real-time intelligence, predictive threat analysis, and coordinated response capabilities.
- **Secure the Energy Supply Chain from Foreign Adversaries:** Implement measures to secure the energy supply chain from foreign adversaries and mitigate vulnerabilities to supply chain security. This includes screening domestic and foreign equipment used in U.S. energy infrastructure, with an emphasis on equipment from countries that pose a national security risk. The goal is to ensure that the energy supply chain is resilient and secure against potential disruptions.
- **Enhance Emergency Response Capabilities for Energy Disruptions:** Strengthen CESER's ability to respond to hazards impacting the energy sector, including natural disasters, cyberattacks, and physical threats. Enhance coordination with SLTT entities and industry partners to ensure a swift and effective response to energy disruptions. This includes developing operate-through-compromise plans for various energy emergencies.
- **Build Capacity within State and Local Communities:** Provide technical and financial assistance to SLTT entities through tools and capability uplift that help state, local, tribal, and territorial governments boost emergency preparedness and strengthen response coordination to support state-led, risk-informed investments in energy sector risk mitigation and resilience. This includes supporting efforts to diversify energy sources, improve grid resilience, and enhance cybersecurity capabilities. The goal is to empower States and local communities to take ownership of their energy security.

Summary Funding Table by Budget Control
($K)

	FY 2024 Enacted	FY 2025 Enacted	FY 2026 Request	FY 2026 Request vs FY 2025 Enacted	
				$	%
Policy, Preparedness, and Risk Analysis	26,500	26,500	27,000	+500	+2%
Risk Management Tools & Technologies	113,000	113,000	74,000	-39,000	-35%
Response and Restoration	32,500	32,500	26,000	-6,500	-20%
Program Direction	28,000	28,000	23,000	-5,000	-18%
Total, Cybersecurity, Energy Security, and Emergency Response	**200,000**	**200,000**	**150,000**	**-50,000**	**-25%**

Preparedness, Policy, and Risk Analysis (PPRA)

Overview

The Preparedness, Policy, and Risk Analysis (PPRA) division cultivates strong partnerships across all levels of government and private industry, with insights and support from academia and the DOE National Laboratories to identify, assess, and manage risk. PPRA works to build critical energy security and resilience infrastructure capacity by sharing information, enhancing preparedness, and promoting learning and adaptation through training and exercises. PPRA's overarching goal is to buy down risks to the energy sector through the activities described in this Request. Within CESER, PPRA provides a point of entry for State, Local, Tribal, and Territorial (SLTT) governments and energy sector private partners when collaborating with DOE and the Federal Government on critical energy infrastructure protection including cybersecurity, energy security, risk mitigation, resilience, and emergency preparedness. In recognition of the critical link between energy and national security, CESER prioritizes the resilience and security of Defense Critical Energy Infrastructure (DCEI) companies and facilities. PPRA's extensive partnerships across energy stakeholders, Federal agencies, academia, National Laboratories, information sharing and analysis centers (ISACs), collectively enhance preparedness and resilience amid evolving threats, technological advancements, and energy system trends.

Highlights of the FY 2026 Budget Request

The FY 2026 Budget Request identifies a new baseline for CESER's activities to enhance the resilience and security of the Nation's critical energy infrastructure systems from a risk-informed threat perspective. This program not only fosters partnerships across the energy sector with owners and operators of energy critical infrastructure assets and systems and SLTT partners, but also develops risk assessments, enhances capacity of stakeholders, and supports targeted training and preparedness exercises.

Planning, Preparedness, and Resilience ($21 million)

This program line provides $11 million for SRMA planning, preparedness, risk analysis, and risk management activities to enhance the resilience and security of the Nation's critical energy infrastructure, addressing a diverse range of evolving risks, including severe weather, wildfires, cyber incidents, and supply chain vulnerabilities. This includes funding collaborative risk management activities such as:

- Engaging energy sector industry stakeholders through sector coordinating councils and associated working groups to foster public-private partnerships and cultivate trusted relationships.
- Assessing emerging and adaptive risks to energy infrastructure systems from risk-informed threats.
- Building capacity at SLTT partners; and
- Assessing the security of defense critical energy infrastructure assets and systems supporting critical defense facilities.

Key outcomes that will be completed during Fiscal Year 2026 include:

- Enhancement of CESER's Analysis of Risk in the Energy Sector (ARES) products that evaluate and characterize potential consequences from emerging or adaptive threats affecting the entire energy sector (electricity and oil and natural gas subsectors).
- Continue collaborative risk management activities with sector stakeholders to enable real, tangible risk reduction outcomes.
- Development of analysis products that respond to stakeholder needs and requirements for emerging and persistent threats and hazards, providing immediate risk and resilience analyses to mitigate and avoid the impacts of energy supply disruptions.
- Development of robust analytical products that support Department and Administration decision-making on national security or sensitive matters.
- In prioritizing defense critical energy infrastructure, develop a suite of assessment products that can support planning and operational decision-making for owners and operators that provide energy services to critical defense facilities.

Cybersecurity Advanced Resilience Measures for Operational Readiness (Cyber ARMOR) Program ($10 million)

The Cyber ARMOR Program is a targeted initiative supporting CESER's core mission to enhance the cybersecurity defense and operational resilience of energy asset owners and operators critical to national security. These organizations often face heightened cybersecurity risks as a direct consequence of their national security role yet may lack the resources or capacity to address these risks independently. Cyber ARMOR is designed to offset the "negative

externality" of increased cyber risk borne by these entities due to their service to military, defense industrial base and other national security related installations. The program provides direct support to help them meet elevated security requirements and address unique threat profiles associated with their critical roles.
The program streamlines application and reporting processes to reduce the administrative burden for smaller or resource-constrained utilities, ensuring equitable access to federal support.
The $20 million in funding is split between the Preparedness, Partnerships, and Response Assistance (PPRA) and Risk Management Tools (RMT) divisions.
PPRA: Focuses on tailored technical assistance, grants, and hands-on training for utilities and energy organizations. This includes incident response exercises, tabletop drills, and the development of organization-specific playbooks for high-risk scenarios.
RMT: Supports the applied research, development, and adoption of advanced resilience technologies specifically tailored for smaller, high-risk utilities. These efforts include areas such as development and deployment of lightweight, cost-effective monitoring and anomaly detection solutions suitable for limited-resource environments, development of rapid recovery and continuity-of-operations protocols for facilities with minimal IT staff, development and enhanced threat information sharing mechanisms designed for organizations with limited cybersecurity infrastructure.

Exercises, Training, and Workforce Development ($6 million)

In support of CESER's mission to be prepared for, respond to, and recover from, threats and hazards causing energy disruptions, this program line will elevate energy sector preparedness through platforms such as targeted cybersecurity training, exercises, and workforce development programs. Directed funding is provided for a new grants pilot program for cybersecurity upgrades, and related support to energy producers and distributors, that prioritizes owners and operators of assets critical to national security and who have limited resources.

- **Exercise, Training, and Workforce Development Programs ($6 million):** CESER's exercise, training, and workforce development programs focus on the preparation and collaboration of Emergency Support Function #12 and CESER's SRMA responsibilities. These programs support collaboration with the electricity and oil and natural gas subsectors, other Federal partners, and SLTT governments and organizations. Sponsored exercises (e.g. Clear Path and Liberty Eclipse) focus on the response and restoration missions leveraging realistic and complex scenarios that include physical security, cybersecurity, logistics and supply chain integrity, and defense critical electric infrastructure. The exercise scenarios and the cyber training programs (e.g. CyberStrike and OT Defender Fellowship) are directly influenced by trusted classified and unclassified reports and sources, with the goal to provide the identification, validation, and employment of mitigation efforts and actions in advance of a potential threat, hazard, or attack, resulting in additional security and resilience to energy sector infrastructure. Working with RMT, these programs continue to incorporate the use of new technologies to include the emergence of AI within the energy cybersecurity response domain. CESER's framework for promoting the energy sector's cybersecurity workforce development is aimed at expanding the talent pool by providing opportunities such as hosting cybersecurity competitions, promoting apprenticeships, and upskilling efforts.

Preparedness, Policy, and Risk Analysis (PPRA) ($K)

	FY 2024 Enacted	FY 2025 Enacted	FY 2026 Request	FY 2026 Request vs FY 2025 Enacted	
				$	%
Preparedness, Policy, and Risk Analysis					
Planning, Preparedness, and Resilience	17,500	17,500	21,000	+3,500	+20%
Exercises, Training and Workforce Development	9,000	9,000	6,000	-3,000	-33%
Total, Preparedness, Policy, and Risk Analysis	**26,500**	**26,500**	**27,000**	**+500**	**+2%**

Explanation of Changes for Preparedness, Policy and Risk Analysis

The addition of $3.5M for the Planning, Preparedness, and Resilience line is specifically directed for the referenced new activity to improve the cybersecurity of owners and operations of energy assets that are critical to national security. The funding increase will be used to harden systems, increase cybersecurity resiliency, and expand participation in information sharing resulting in decreased national security risks, improved grid security and energy reliability. Defense Critical Energy Infrastructure activities will see an increase, as well as associated activities to develop Risk Analysis products for energy sector stakeholders.

Risk Management Tools and Technologies (RMT)

Overview

The Risk Management, Tools, and Technologies (RMT) division focuses on research and development (R&D) to address risk-based cybersecurity, physical, electromagnetic, and geomagnetic threats and hazards in the energy sector, through collaboration with industry, DOE National Laboratories, academia, and other federal agencies. RMT deploys innovative approaches and technologies to enhance the security and resilience of energy infrastructure. Furthermore, RMT develops tools to monitor and protect critical energy infrastructure, enabling automated threat analysis and response, while also identifying vulnerabilities and devising mitigation strategies. RMT supports industry partners in adopting new technologies and integrating improved processes and practices, while simultaneously leading Cyber-Informed Engineering across DOE's R&D initiatives, ensuring the enhanced inherent security of future energy systems.

Highlights of the FY 2026 Budget Request

Working closely with the energy sector, academia, and National Laboratories, the FY2026 request supports an economically competitive, secure, and resilient U.S. energy infrastructure. This funding focuses on specific areas, such as enhancing critical infrastructure cybersecurity through research and development, AI-driven solutions, supply chain risk management, and implementing tools to manage risk-based vulnerabilities and threats. This includes AI-FORTS (Artificial Intelligence for Operationally Resilient Technologies and Systems), an overarching program which will use AI to 1) develop defensive cyber tools, 2) implement active defense measures to disrupt, deter, and recover from cyber attacks, and 3) characterize and counter AI-enabled offensive cyber capabilities from threat actors. RMT will shift from more traditional cybersecurity R&D to focused research on AI dominance and an ability to operate through compromise.

Advance Tools to Manage Cyber Risks ($34.5 million)

- **R&D of Cybersecurity Tools and Technologies ($21.5 million)** CESER is strengthening the cybersecurity posture of the energy sector by advancing the development of next-generation artificial intelligence solutions through AI-FORTS, as well as the implementation of resilient operational strategies that enable energy systems to operate through compromise. AI-FORTS will drive the creation and deployment of AI-powered tools for enhanced protection, continuous monitoring, rapid detection, effective response, robust containment, thorough forensics, and swift recovery. By leveraging the physics of energy delivery and applying advanced AI analytics to operational data, CESER will equip owners and operators with actionable intelligence to detect and respond to anomalous cyber activities within industrial control systems and networks. Proactive initiatives, such as a dedicated AI testbed, will rigorously assess the security of AI deployments, ensuring energy systems remain resilient against AI-enabled threats and identifying vulnerabilities before they can be exploited. CESER is also prioritizing the ability to operate through compromise in recognition of the growing sophistication of Advanced Persistent Threats. Rather than relying solely on perimeter defenses, CESER's R&D will focus on developing tools and protocols that ensure essential energy functions can continue—even in the presence of active cyber intrusions. These efforts include designing containment strategies, forensic capabilities, and resilient architectures that limit adversary impact and enable rapid restoration of normal operations. A continuously evolving cybersecurity R&D gap analysis will guide these efforts to ensure maximum relevance and impact against the evolving threat landscape.

- **Cybersecurity Advanced Resilience Measures for Operational Readiness (Cyber ARMOR) Program ($10 million):** The Cyber ARMOR Program is a targeted initiative supporting CESER's core mission to enhance the cybersecurity defense and operational resilience of energy asset owners and operators critical to national security. These organizations often face heightened cybersecurity risks as a direct consequence of their national security role yet may lack the resources or capacity to address these risks independently. Cyber ARMOR is designed to offset the "negative externality" of increased cyber risk borne by these entities due to their service to military, defense industrial base and other national security related installations. The program provides direct support to help them meet elevated security requirements and address unique threat profiles associated with their critical roles.

  The program streamlines application and reporting processes to reduce the administrative burden for smaller or resource-constrained utilities, ensuring equitable access to federal support.
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RMT: Supports the applied research, development, and adoption of advanced resilience technologies specifically tailored for smaller, high-risk utilities. These efforts include areas such as development and deployment of lightweight, cost-effective monitoring and anomaly detection solutions suitable for limited-resource environments, development of rapid recovery and continuity-of-operations protocols for facilities with minimal IT staff, development and enhanced threat information sharing mechanisms designed for organizations with limited cybersecurity infrastructure.

- **R&D of Cybersecurity Situational Awareness & Information Sharing ($3 Million**): In support of CESER's mission to enhance cybersecurity threat awareness and information sharing within the U.S. energy sector. These funds will facilitate the modernization of Cyber Risk Information Sharing Program (CRISP) sensors and architecture, enabling the collection of a wider range of data types, including cloud telemetry, as well as improving automated reporting capabilities. This investment strengthens threat information sharing tools and technologies for critical energy systems, advancing their capabilities for proactive threat detection. Modernizing CRISP ensures that the energy sector remains resilient against evolving cyber threats.

Advance Tools to Manage Risks from Natural Hazards, Physical Threats, and EMP/GMD ($11.5 million)

- **RD&D of Risk Management Tools and Technologies for Natural Hazards ($4 million)** RMT will conduct research and development that is targeted toward weather-related risks such as extreme winter weather, seismic events, and hurricanes. RMT will leverage emerging technologies to develop tools that help identify, characterize, detect, and mitigate risks to energy infrastructure. These tools will enable long term planning, allowing the industry to more effectively prepare for and respond to incidents.
- **RD&D of Tools and Technologies for Energy Infrastructure Resilience to Wildfires ($4 million)** RMT will develop technology solutions that enable the prevention, detection, and dynamic mitigation of growing wildfire risks. RMT will focus on developing and validating technologies that utilize real-life information to more accurately determine probable equipment and infrastructure failures. These investments will result in advancements in technologies and approaches such as advanced sensors, grid data analytics, satellite imagery, drones, and application of artificial intelligence.
- **RD&D of Tools and Technologies for Addressing Physical Threats to Energy Systems ($1.5 million)** RMT will develop and tailor tools and technologies to address physical attacks on energy infrastructure, such as substation shootings like those at the Metcalf Substation or in Moore County, the use of unmanned aerial systems (UAS) or drones, and positioning, navigation, and timing (PNT) risks.
- **Electromagnetic Pulse and Geomagnetic Disturbances ($2 million)** DOE will accelerate efforts to mitigate electromagnetic pulse (EMP) and geomagnetic disturbances (GMD) risks. These will include activities such as performing critical asset vulnerability assessments; conducting modeling studies to understand these hazards, developing innovative cost-effective mitigation options, and make minor lab operational costs and improvements.

Supply Chain Cybersecurity Risk Management ($20 million)

- **Energy Cyber Sense/ Cybersecurity Testing for Resilient Industrial Control Systems (CyTRICS) ($20 million)** CESER's Energy Cyber Sense program focuses on addressing supply chain cybersecurity threats to energy systems. The broader program will review national-level principles that develop tools and technologies, enable supply chain transparency, promote standards and best practices, and enhance technology and system designs. The CyTRICS program specializes in testing. It focuses on identifying and prioritizing critical equipment, tracking provenance, offering mitigation solutions, and disclosing vulnerabilities. As foreign adversaries and cybercriminal organizations continue to target critical energy infrastructure, CyTRICS is essential in proactively identifying, testing, and mitigating systemic vulnerabilities before they can be exploited. CyTRICS collaborates with energy sector manufactures and asset owners, leveraging classified threat intelligence for expert testing.

  In FY 2026, the program will expand the CyTRICS approach through a risk-based prioritization of systems and component testing. Partnerships with operational technology manufacturers will be developed, integrating the testing pipeline into the Energy Cyber Sense program. By integrating cybersecurity protections at the engineering level, enhancing threat intelligence collaboration, and modernizing industrial security standards, CyTRICS is fortifying the U.S. energy sector, including burgeoning technologies such as geothermal energy systems, against adversarial cyberattacks, systemic supply chain risks, and emerging threats to industrial resilience.

Cyber Risk Assessments, Frameworks, and R&D Coordination ($8 million)

- **Cyber-Informed and Consequence Driven Engineering ($5 million)** The Consequence-Driven Cyber-Informed Engineering (CCE) initiative is a key component of national defense ensuring energy critical infrastructure remains operational, secure against geopolitical conflicts and resilient against adversarial manipulation –leveraging the CIE framework, focuses on ensuring the resilience of critical energy infrastructure. CCE identifies vital functions and potential adversary actions to implement targeted risk mitigation. Operational CCE assessments enhance Critical Function Assurance (CFA) for high-risk assets essential for fuel and electricity supply and national security, evaluating personnel, processes, and technologies to significantly reduce compromise consequences. As cyber threats evolve, CCE will remain one of the most critical national security programs, providing the technical foundation to protect America's energy independence, military readiness, and economic stability. By combining engineering excellence, cybersecurity best practices, and intelligence-driven risk mitigation, CIE ensures that the U.S. remains at the forefront of global energy dominance.
- **Risk Management Guidance and Frameworks ($3 million)** RMT will continue to develop guidance, tools, and capabilities that can be used by the energy industry to integrate cybersecurity maturity evaluations with quantitative and qualitative risk data. These frameworks and tools will enable risk-informed cybersecurity investment decisions allowing for optimal utilization of limited resources. RMT will also continue to develop and maintain the Cybersecurity Capability Maturity Model (C2M2) tool features and resources including user community forum, facilitated evaluations, and updates needed to align with Cybersecurity Framework (CSF) V2.0. RMT will also continue research of usage and impacts of NIST CSF, C2M2, and C2M2 derivatives.

Risk Management Tools & Technologies (RMT)
($K)

	FY 2024 Enacted	FY 2025 Enacted	FY 2026 Request	FY 2026 Request vs FY 2025 Enacted	
				$	%
Advance Tools to Manage Cyber Risk	31,000	31,000	34,500	+3,500	+11%
Advance Tools to Manage Risks from Natural Hazards, Physical Threats, and EMP/GMD	22,000	22,000	11,500	-10,500	-48%
Supply Chain Cybersecurity Risk Management	29,000	29,000	20,000	-9,000	-31%
Cyber Risk Assessments, Frameworks and RD&D Coordination	15,500	15,500	8,000	-7,500	-48%
University-based R&D and Cybersecurity Centers	15,500	15,500	0	-15,500	-100%
Total, Risk Management Tools & Technologies	**113,000**	**113,000**	**74,000**	**-39,000**	**-35%**

Explanation of Changes for Risk Management Tools & Technologies

A $39M decrease will be strategically redirected to streamline resource allocation towards advancing AI and Cyber Armor research, development, and implementation. This focused approach aims to accelerate cybersecurity defense innovations and bolster the resilience of owners and operators of critical energy assets.

Response and Restoration (R&R)

Overview

The Response and Restoration (R&R) division leads CESER's efforts to respond to incidents impacting the U.S. energy sector. The division maintains situational awareness, assesses threats, provides critical analysis of incident impact or potential impacts, and develops technical capabilities to support Federal interagency, State, Local, Tribal, and Territorial (SLTT), and industry partners. This division carries out DOE's emergency authorities for the energy sector. During a significant energy sector disruption requiring a coordinated Federal response, CESER's Energy Response Organization (ERO) activates to manage energy sector response efforts, share critical information, provide subject matter expertise and technical assistance to Federal and SLTT government partners and industry stakeholders.

Highlights of the FY 2026 Budget Request

CESER will prioritize risk-informed response efforts and maintain its focus on regionally tailored support. CESER programmatic highlights include funding for EAGLE-I to maintain critical situational awareness of the Nation's energy system and support response operations, development of cyber response capabilities to address the growing cyber threats from nation-state and criminal actors.

Incident Response ($3.5 million)

- **Operations ($2.5 million)** CESER Incident Response Operations supports DOE's response to disruptive incidents affecting the energy sector, including Stafford Act and non-Stafford Act disasters, and manages CESER's support for National Special Security Events. In FY 2026, CESER will continue to deliver risk-informed, regionally focused support to help states and industry better prepare for and respond to region-specific threats. This includes delivering subject matter expertise to SLTT and industry partners via participation in exercises and direct support from Regional Coordinators and deployed responders. CESER will continue to train and coordinate a cadre of volunteer responders from across DOE to deploy virtually or physically to affected regions during disasters. When deployed, DOE's responder cadre conducts damage assessments, assists with restoration planning, and provides technical assistance to states and industry partners. CESER will also maintain its cadre of Regional Coordinators, who provide technical expertise to SLTT partners and other stakeholders year-round.
- **Logistics, Finance, and Administration ($1 million)** CESER will support energy sector emergency response and essential logistics, finance, and administration activities. CESER will continue to administer delegated DOE emergency authorities, including the Federal Power Act, Defense Production Act, Jones Act, and concurrence on energy-related actions managed by other Departments and Agencies, such as the Environmental Protection Agency, Department of Transportation, and Department of Homeland Security.

Situational Awareness, Analysis, and Technical Capabilities ($12.5 million)

- **Situational Awareness and Analysis ($2.5 million)** CESER will maintain its situational awareness, analysis, and technical capabilities program to provide near continuous monitoring and analysis of incidents impacting, or potentially impacting, the U.S. energy sector to help ensure U.S. energy dominance. Funding will continue projects modeling potential impacts and rapid analysis to mitigate threats impacting U.S. energy systems, facilitating timely preparedness and response efforts across the full spectrum of hazards impacting the energy sector. CESER will further ongoing vulnerability analysis of key infrastructure assets and major metropolitan areas, which supports rapid response, contingency planning, and coordination with Federal partners, including the Department of Defense.
- **EAGLE-I and Situational Awareness Technical Capabilities ($6.1 million)** The Environment for Analysis of Geo-Located Energy Information (EAGLE-I) project encompasses both the flagship EAGLE-I data visualization web application and a number of associated initiatives and analytical capabilities to support energy sector situational awareness, predictive modeling, stakeholder exercises, and emergency response. CESER will continue to maintain the EAGLE-I situational awareness platform, expand the eligible user base, refine data sources and improve data quality, and use EAGLE-I as a training tool for Federal and state stakeholders. EAGLE-I will mature its remote sensing and modeling capabilities. EAGLE-I will continue to serve as a premiere energy sector situational awareness platform between deployed responders, DOE Headquarters personnel, and Federal and state stakeholders.
- **Cyber Technical Assistance Capabilities ($3.9 million)** The FY 2026 Budget ensures that CESER continues to provide leadership and energy sector cybersecurity expertise supporting significant energy sector cybersecurity incident response efforts, per the National Cyber Incident Response Plan (NCIRP) and other Administration

policies. Additionally, to fulfill DOE's responsibilities as the Sector Risk Management Agency for the energy sector, CESER will continue to develop and refine tools and capabilities for the rapid analysis of novel threats and focused technical assistance for industry partners, designed to address the unique complexities of the energy sector. These efforts ensure that the department can provide tailored support for cyber forensics in operational technology environments, analysis of malware, and conduct proactive and response focused cyber hunts with industry, to support the Departments national security mission.

Energy Threat Analysis Center (ETAC) ($10 million)

The Department operationalized the Energy Threat Analysis Center (ETAC) in FY 2025 to address the increasingly active and sophisticated cyber threats to the U.S. energy sector through operational collaboration. The ETAC will continue to leverage insights from energy sector owners and operators, the DOE National Laboratories, and the Intelligence Community to exchange data, identify risks and threats to critical energy infrastructure, and develop mitigation strategies and technical advisories that help energy owners and operators protect their systems from adversaries. As foreign adversaries increasingly view energy infrastructure as a strategic target, ETAC plays a pivotal role in national security by providing near real-time intelligence, predictive threat analysis, and coordinated response capabilities.

- **ETAC Operations and Maintenance** CESER will continue to operate as a classified and unclassified collaboration hub that integrates government, industry, and national laboratories capabilities to detect and respond to emerging threats before they cause widespread disruption includes maintaining a partnership structure and environment for operational collaboration that provides a common understanding of threats to the energy sector. CESER will operate and expand the in-person ETAC hub that brings together government and industry analysts for real-time collaboration on threats. CESER will also maintain capabilities, such as a data platform, which facilitates the exchange of information and collective analysis between government and industry.
- **ETAC Tools and Technology** CESER will operationalize advanced tools and analytic capabilities to enhance the analysis of sophisticated cyber threats. The FY 2026 Budget will support the deployment of new analytic capabilities for data aggregation and threat identification. These technologies directly support the ETAC's ability to develop products with specific recommendations and mitigation techniques tailored to the unique needs of the energy sector. Future developments may include AI-enhanced cyber intelligence operations, deep-learning threat detection, and autonomous cyber defense systems to counteract increasingly sophisticated adversarial cyber campaigns. By integrating cutting-edge intelligence operations with real-time cybersecurity and emergency preparedness, ETAC ensures that the U.S. remains energy-secure, cyber-resilient, and fully prepared for future adversarial threats.

Response and Restoration (R&R)
($K)

	FY 2024 Enacted	FY 2025 Enacted	FY 2026 Request	FY 2026 Request vs FY 2025 Enacted	
				$	%
Response and Restoration					
Incident Response	7,000	7,000	3,500	-3,500	-50%
Situational Awareness, Analysis, and Technical Capabilities	20,500	20,500	12,500	-8,000	-39%
Energy Threat Analysis Center (ETAC)	5,000	5,000	10,000	+5,000	+100%
Total, Response and Restoration	**32,500**	**32,500**	**26,000**	**-6,500**	**-20%**

Explanation of Changes for Response and Restoration

CESER will prioritize high-quality emergency response capabilities. CESER plans to realign R&R program controls to correspond with the organization and operational structure to support a more effective budget execution. While reduced, the Incident Response budget will provide contractor support and responder training, development, and recruitment. The Situational Awareness, Analysis, and Technical Capabilities enables continued operations for DOE's energy sector situational awareness platform (EAGLE-I), targeted refinement of tools and capabilities for rapid analysis of novel cyber security threats and allows for a smaller number of focused cyber technical assistance projects/activities with industry partners.

Program Direction (PD)

Overview

Salaries and Benefits support federal employees who provide executive management, programmatic oversight, and analysis for the effective implementation of the CESER program. This includes personnel at Headquarters in the National Capital Region and the National Energy Technology Laboratory (NETL) in West Virginia. While CESER funds NETL technical personnel within this budget, the salaries and benefits of NETL Federal employees are included within the full-time equivalent (FTE) total of the DOE Fossil Energy Research and Development account.

CESER's staffing efforts continue to focus on building core capabilities and partnerships with industry as the energy sector SRMA, including training, technical assistance, workforce development, SLTT support, risk analysis of cybersecurity, physical, and natural hazard risks, emergency response activities, long-term recovery efforts across the department and the interagency, and strengthening human resources, procurement and budget staff to support CESER programmatic activities.

Travel includes transportation, per diem, and incidental expenses allowing CESER to effectively deliver on its mission. Major drivers of travel include the need to oversee the development and deployment of risk management tools, programs, and projects in the field; attendance at industry, interagency and regional state government energy sector engagements as well as emergency response coordination meetings.

Support Services include contractor support to perform administrative and analytical tasks in support of CESER's mission. In addition, support services include assistance with communications and outreach to enhance external communications and engagement with the energy sector and other CESER stakeholders.

Other Related Expenses include DOE's Working Capital Fund support, Energy Information Technology Services (EITS), minor construction, equipment purchases, upgrades, and replacements, office furniture, commercial credit card purchases, general and advanced training, security clearances, and other miscellaneous expenditures.

Highlights of the FY 2026 Budget Request

This budget request accounts for essential personnel needed to execute CESER's national security and energy security mission that is focused on significant and increasing cyber, physical, and weather-based threats that face the U.S. energy system. The FY 2026 request ensures that Department has a strong federal team to manage these threats, and working in partnership with electricity, oil, and natural gas owners and operators, SLTT community, interagency partners, and other federal agencies to provide a secure and resilient energy sector for Americans.

Program Direction
Funding ($K)

	FY 2024 Enacted	FY 2025 Enacted	FY 2026 Request	FY 2026 Request vs FY 2025 Enacted	
				$	%
Salaries and Benefits	17,045	17,045	13,800	-3,245	-19%
Travel	400	400	300	-100	-25%
Support Services	4,016	4,016	3,000	-1,016	-25%
Other Related Expenses	2,739	2,739	2,450	-289	-11%
Total, Washington Headquarters	**24,200**	**24,200**	**19,550**	**-4,650**	**-19%**
Salaries and Benefits	2,000	2,000	1,900	-100	-5%
Travel	115	115	100	-15	-13%
Support Services	450	450	350	-100	-22%
Other Related Expenses	1,235	1,235	1,100	-135	-11%
Total, National Energy Technology Laboratory	**3,800**	**3,800**	**3,450**	**-350**	**-9%**
Salaries and Benefits	19,045	19,045	15,700	-3,345	-18%
Travel	515	515	400	-115	-22%
Support Services	4,466	4,466	3,350	-1,116	-25%
Other Related Expenses	3,974	3,974	3,550	-424	-11%
Total, Program Direction	**28,000**	**28,000**	**23,000**	**-5,000**	**-18%**
Federal FTEs	62	62	57	-5	-8%
Additional FE FTEs at NETL supporting CESER[1]	11	11	9	-2	-18%
Total CESER-funded FTEs	**73**	**73**	**66**	**-7**	**10%**
Technical Support	3,828	3,828	2,750	-1,078	-28%
Management Support	638	638	600	-38	-6%
Total, Support Services	**4,466**	**4,466**	**3,350**	**-1,116**	**-25%**
Other Services	200	200	266	+66	+33%
EITS Desktop Services	866	866	866	0	0%
WCF	2,908	2,908	2,418	-490	-17%
Total, Other Related Expenses	**3,974**	**3,974**	**3,550**	**-424**	**-11%**

[1] CESER funds FTEs at FE's National Energy Technology Laboratory who support CESER activities. These 11 FTEs are in FE's FTE totals and are not included in the CESER FTE totals shown on the "Federal FTEs" line.

Program Direction
Activities and Explanation of Changes
($K)

FY 2025 Enacted	FY 2026 Request	Explanation of Changes FY 2026 Request vs FY 2025 Enacted
Program Direction		
$28,000	**$23,000**	**-$5,000**
Salaries and Benefits		
$19,045	*$15,700*	*-$3,345*
For 62 FTEs at HQ and 11 FTEs at NETL that provide executive management, programmatic oversight, and analysis for the effective implementation of CESER programs.	For 57 FTEs at HQ and 9 FTEs at NETL that provide executive management, programmatic oversight, and analysis for the effective implementation of CESER programs.	Reduces 57FTEs at HQ and 2 FTEs at NETL in alignment with the reduction in program activities.
Travel		
$515	*$400*	*-$115*
Travel includes transportation, subsistence, and incidental expenses that allow CESER to effectively facilitate its mission.	Includes transportation, subsistence, and incidental expenses for both international and U.S. travel that allow CESER to effectively facilitate its mission.	Decreased due to decreased FTE count, and accounting for cost inflation and in-person travel needs.
Support Services		
$4,466	*$3,350*	*-$1,116*
Support Services includes contractor support directed by the federal staff to provide analysis to management.	Support budget, acquisition, human resources, communications, business systems, and administrative support needs.	Decreased due to restructuring of support for efficiency and cost effectiveness.
Other Related Expenses		
$3,974	*$3,550*	*-$424*
Includes equipment upgrades and replacements, office furniture, minor construction, commercial credit card purchases using simplified acquisition procedures when possible, and miscellaneous expenditures.	Includes required equipment upgrades and replacements for new and existing staff, office furniture, construction, commercial credit card purchases using simplified acquisition procedures when possible, general and advanced training, and miscellaneous expenditures.	Decreased WCF, EITS, and general training associated with Federal workforce growth.

DEPARTMENT OF ENERGY
Funding by Site Detail
TAS_2250 - Cybersecurity, Energy Security and Emergency Response (CESER) - FY 2026
($K)

	FY 2024 Enacted	FY 2025 Enacted	FY 2026 Request
Argonne National Laboratory			
Risk Management Tools and Technologies (270)	992	1,000	652
Response and Restoration (270)	300	1,150	580
Preparedness, Policy, and Risk Analysis (270)	3,425	2,512	3,025
Total Argonne National Laboratory	**4,717**	**4,662**	**4,257**
Idaho National Laboratory			
Risk Management Tools and Technologies (270)	17,654	18,548	246
Response and Restoration (270)	1,483	1,740	1,289
Preparedness, Policy, and Risk Analysis (270)	5,851	3,130	4,575
Total Idaho National Laboratory	**24,988**	**23,418**	**6,110**
Lawrence Berkeley National Laboratory			
Risk Management Tools and Technologies (270)	350	400	7,215
Total Lawrence Berkeley National Laboratory	**350**	**400**	**7,215**
Lawrence Livermore National Laboratory			
Risk Management Tools and Technologies (270)	7,584	14,450	598
Response and Restoration (270)	5,199	4,450	3,860
Preparedness, Policy, and Risk Analysis (270)	4,327	4,658	4,577
Total Lawrence Livermore National Laboratory	**17,110**	**23,558**	**9,035**
Los Alamos National Laboratory			
Risk Management Tools and Technologies (270)	725	1,100	0
Total Los Alamos National Laboratory	**725**	**1,100**	**0**
National Energy Technology Lab			
Risk Management Tools and Technologies (270)	51,017	18,159	22,651
Response and Restoration (270)	4,045	4,796	3,537
Preparedness, Policy, and Risk Analysis (270)	6,195	3,402	4,889
Program Direction - CESER (270)	3,790	4,517	3,412
Total National Energy Technology Lab	**65,047**	**30,874**	**34,489**
National Renewable Energy Laboratory			
Risk Management Tools and Technologies (270)	4,174	8,370	4,107
Response and Restoration (270)	2,449	1,528	1,591
Preparedness, Policy, and Risk Analysis (270)	2,050	1,015	1,561
Total National Renewable Energy Laboratory	**8,673**	**10,913**	**7,259**
Oak Ridge Institute for Science and Education			
Risk Management Tools and Technologies (270)	14	0	10
Total Oak Ridge Institute for Science and Education	**14**	**0**	**10**
Oak Ridge National Laboratory			
Risk Management Tools and Technologies (270)	1,850	4,850	2,194
Response and Restoration (270)	10,269	8,200	7,388
Total Oak Ridge National Laboratory	**12,119**	**13,050**	**9,582**
Pacific Northwest National Laboratory			
Risk Management Tools and Technologies (270)	15,345	11,200	8,692

Response and Restoration (270)	3,227	3,920	2,859
Preparedness, Policy, and Risk Analysis (270)	0	115	59
Total Pacific Northwest National Laboratory	**18,572**	**15,235**	**11,610**
Princeton Plasma Physics Laboratory			
Risk Management Tools and Technologies (270)	24	0	8
Total Princeton Plasma Physics Laboratory	**24**	**0**	**8**
Richland Operations Office			
Response and Restoration (270)	4,339	3,225	3,026
Preparedness, Policy, and Risk Analysis (270)	350	75	217
Total Richland Operations Office	**4,689**	**3,300**	**3,243**
Sandia National Laboratories			
Risk Management Tools and Technologies (270)	8,615	9,970	6,085
Total Sandia National Laboratories	**8,615**	**9,970**	**6,085**
Washington Headquarters			
Risk Management Tools and Technologies (270)	4,633	24,953	9,688
Response and Restoration (270)	1,189	3,491	1,870
Preparedness, Policy, and Risk Analysis (270)	4,302	11,593	8,097
Program Direction - CESER (270)	24,210	23,483	19,588
Total Washington Headquarters	**34,334**	**63,520**	**39,243**
Total Funding by Site for TAS_2250 - Cybersecurity, Energy Security and Emergency Response	**200,000**	**200,000**	**150,000**

Office of Petroleum Reserves

Strategic Petroleum Reserves
($K)

FY 2024 Enacted	FY 2025 Enacted	FY 2026 Request	FY 2026 Request vs FY 2025 Enacted
213,390	213,390	206,325	-7,065

Proposed Appropriation Language
For Department of Energy expenses necessary for Strategic Petroleum Reserve facility development and operations and program management activities pursuant to the Energy Policy and Conservation Act (42 U.S.C. 6201 et seq.), $206,325,000 to remain available until expended.

Mission
The Strategic Petroleum Reserve (SPR) protects the U.S. economy from disruptions in critical petroleum supplies and meets United States (U.S.) obligations under the International Energy Program (Energy Policy and Conservation Act, P.L. 94-163, as amended, Section 151). The SPR benefits the U.S. by providing an insurance policy against potential interruptions in U.S. petroleum supplies, whether originating from domestic or international supply disruptions, natural disasters, sabotage, or acts of terrorism. The SPR also provides limited capability to lease excess storage space to outside entities.

Overview

SPR's underground storage caverns require maintenance to assure their storage capability and integrity. Ongoing oil sale activities increase equipment usage and run times and require consistent preventive, predictive and corrective maintenance to prevent or address equipment or structural failures.

To accomplish its mission and address the challenges outlined above, the SPR program is organized into two subprograms: 1) Facilities Development and Operations and 2) Management. The Facilities Development and Operations subprogram funds all requirements associated with developing and maintaining facilities for the storage of petroleum, operations activities associated with placing petroleum into storage, and operational readiness initiatives associated with drawing down and distributing the inventory within 13 days' notice in the event of an emergency. The Management subprogram funds personnel and administrative expenses related to maintaining the Project Management Office (New Orleans, LA) and the Program Office (Washington, DC), as well as contract services required to support management and technical analysis of program initiatives and issues.

Strategic Petroleum Reserves
($K)

	FY 2024 Enacted	FY 2025 Enacted	FY 2026 Request	FY 2026 Request vs FY 2025 Enacted	
				$	%
Facilities Development & Operations	183,771	185,662	178,498	-7,164	-4%
Management	29,619	27,728	27,827	+99	0%
Total, Office of Strategic Petroleum Reserves	**213,390**	**213,390**	**206,325**	**-7,065**	**-3%**

Facilities Development and Operations

Overview

The Strategic Petroleum Reserve (SPR) protects the U.S. economy from disruptions in critical petroleum supplies and meets U.S. obligations under the International Energy Program (Energy Policy and Conservation Act, P.L. 94-163, as amended, Section 151). The SPR benefits the U.S. by providing an insurance policy against potential interruptions in U.S. petroleum supplies whether originating from domestic and international supply disruptions, natural disasters, sabotage, or acts of terrorism. By the end of 2024, the SPR had 393 million barrels of crude oil inventory stored in underground cavern storage, providing the U.S. with multiple geostrategic benefits, and bolstering the world's collective energy security system.

The SPR avails the U.S. with international emergency assistance through its participation in the International Energy Agency (IEA) energy supply security initiatives. IEA members are required to maintain 90 days' worth of net petroleum import protection in government-owned and/or commercial stocks and have a commitment to participate with other stockholding nations in a coordinated release of stocks in the event of a major supply disruption. While the U.S. is currently a net exporter of crude oil and all petroleum products as defined by the IEA, the inventory of 393 million barrels of crude oil would provide approximately 161 days of net crude oil import protection (based on net crude oil imports of 2.44 million barrels per day as reported in the U.S. Energy Information Administration's Petroleum Supply Monthly for the 12-month average covering FY 2023). SPR has a maximum drawdown capability of over 4 million barrels per day, which could be made available in the event of an IEA collective action. The United States percentage share of an IEA collective action release is 42.3% as of August 2023.

The Facilities Development and Operations subprogram funds activities to maintain the SPR's operational readiness capability for successful drawdowns/fills and operate the sites in a safe, secure, and environmentally acceptable manner. Despite a significant reduction in U.S. reliance on imported petroleum, with significant global reserves in regions of the world subject to political unrest, the U.S. economy remains vulnerable to price increases/decreases related to petroleum supply/demand disruptions. The SPR's stockpile of petroleum products and spare capacity diminishes these vulnerabilities to the effects of supply disruptions.

The SPR's underground storage caverns require maintenance to assure their storage capability and integrity. Surface and sub-surface infrastructure and systems that must be maintained to meet operational readiness requirements have been identified and are funded in this subprogram.

Highlights of the FY 2026 Budget Request

Cavern Integrity: The Casing Inspection and Cavern Remediation Program was developed in 2010 to remediate the anomalies in cavern wellbore casings. This is necessary to maintain the required level of operational and drawdown/fill capability. Cavern remediation and diagnostic workovers anticipate and remediate cavern wellbore failures that cause caverns to be removed from service, and in preventing potential environmental releases.

Maintenance and Major Maintenance: Maintenance of SPR equipment and facilities supports drawdown/fill readiness in a safe and environmentally compliant manner. Increased infrastructure uses due to legislatively directed, multi-year crude oil sales require additional Maintenance and Major Maintenance activities to sustain operational readiness. It includes the maintenance of infrastructure items that support Physical Security.

Facilities Development and Operations Funding ($K)

	FY 2024 Enacted	FY 2025 Enacted	FY 2026 Request	FY 2026 Request vs FY 2025 Enacted	
				$	%
Casing Inspections and Remediations	38,108	38,212	36,535	-1,677	-4%
Major Maintenance	7,000	7,202	2,691	-4,511	-63%
Maintenance	31,115	30,200	27,916	-2,284	-8%
Security	23,634	23,641	23,586	-55	0%
Data Systems & Support	83,914	86,407	87,770	+1,363	+2%
Total, Facilities Development & Operations	**183,771**	**185,662**	**178,498**	**-7,164**	**-4%**

Explanation of Change for Strategic Petroleum Reserves

- For FY 2025, there is 1 Remediation scheduled with 8 Workovers, while in FY 2026, there are 0 Remediations and 8 Workovers planned based on the Cavern Integrity schedule.
- In FY 2026, the slight reduction in funding available will result in minor reductions to Preventive & Corrective Maintenance, and Maintenance Discrete Projects.

Management

Overview

Management provides funding for the salaries and related requirements of the Headquarters federal workforce responsible for providing programmatic policy, planning and oversight, to include strategic project planning, budget formulation and financial management, operations, engineering, safety, security, and technical analysis of programmatic activity of the SPR. The additional Federal workforce of the SPR Project Management Office directs program execution and establishes technical performance standards as well as scope, cost, and schedule milestones for the Management and Operations contractor.

Highlights of the FY 2026 Budget Request

The Federal staff estimate is 120 FTEs that includes the anticipated offboarding of staff who elected to participated in the Deferred Resignation Program offered in FY 2025. Headquarters support services estimates are based on expected contract expenses and included anticipation of a new contract award. Other related expenses include travel (for operational field support and oversight, including site and vendor visits), field building leases and telecommunications activities.

Management
Funding ($K)

	FY 2024 Enacted	FY 2025 Enacted	FY 2026 Request	FY 2026 Request vs FY 2025 Enacted	
				$	%
Washington Headquarters					
Salaries and Benefits	5,972	5,972	5,515	-457	-8%
Support Services	1,758	1,758	1,624	-134	-8%
Other Related Expenses	1,940	1,940	1,792	-148	-8%
Total, Washington Headquarters	**9,670**	**9,670**	**8,931**	**-739**	**-8%**
SPR – Project Management Office					
Salaries and Benefits	16,739	16,648	17,166	+518	+3%
Other Related Expenses	3,210	1,410	1,730	+320	+23%
Total, SPR – Project Management Office	**19,949**	**18,058**	**18,896**	**+838**	**+5%**
Total Management					
Salaries and Benefits	22,711	22,620	22,681	+61	0%
Support Services	1,758	1,758	1,624	-134	-8%
Other Related Expenses	5,150	3,350	3,522	+172	+5%
Total, Management	**29,619**	**27,728**	**27,827**	**+99**	**0%**
Federal FTEs	**120**	**120**	**120**	**0**	**0%**

18-E-001, Strategic Petroleum Reserve (SPR) Modernization
Various locations

Project Data Sheet is for Design and Construction

1. Summary, Significant Changes, and Schedule and Cost History

Summary

Initially, the SPR Modernization Program was comprised of two projects: the Life Extension Phase II (LE2) project, and the Marine Terminal Distribution Capability Enhancements (MTE) project; however, the MTE project was cancelled on May 21, 2018, due to lack of current mission need. The LE2 project will modernize aging SPR infrastructure through systems upgrades and associated equipment replacement to ensure continued ability to meet mission requirements for the next 25 years. LE2 activities were planned to occur at all four SPR storage sites: Bryan Mound (BM), Big Hill (BH), West Hackberry (WH), and Bayou Choctaw (BC); however, due to unprecedented external impacts to the program, discrete scopes have been removed. Impacts from the pandemic (supply chain disruptions, inflation, and workforce challenges) and delays related to emergency sales in 2022 have caused the LE2 activities (procurement of long lead material and construction) at West Hackberry to be suspended. The emergency oil sale delayed the start of the site outage window by 12 plus months and increased the hotel load associated with engineering and construction support. In addition, the delay from the emergency oil sales caused additional cost to be incurred by the general contractor at the BM and BH sites.

CD-1, Approve Alternative Selection and Cost Range, marks the completion of the project definition phase and conceptual design which is an iterative process to define, analyze, and refine project concepts and alternatives along with providing a cost range for the preliminary estimate. CD-1 for LE2 was approved on December 22, 2016, with a total project cost range of $750 million to $1.4 billion, but does not reflect the supplemental funding that will be necessary to complete the scope that was deferred at BM, BH, and BC, and to re-start and complete WH. Long Lead Procurement packages (CD-3A-3D) were developed and approved to prepare each site for construction and purchase a total of 65 government furnished property packages which had long lead delivery times.

CD-2/CD-3, *Approve Performance Baseline/Approve Start of Construction/Execution*, was approved on June 17, 2021, for 3 of the 4 LE2 sites: BM, BH, and BC. This milestone marked completion of the preliminary designs and approval of the Performance Baselines, including the total project cost (TPC), scope, schedule, and minimal Key Performance Parameters (KPPs) that must be achieved by CD-4, *Approve Start of Operations or Project Completion*.
The scope identified in CD-2/3 is the scope authorized to be executed with the Energy Security and Infrastructure Modernization fund which was authorized for necessary expenses to carry out the LE2 project.

In May 2023, the Department of Energy Office of Project Management (PM-30) completed an External Independent Review (EIR) to approve a Baseline Change Proposal (BCP) to reallocate the WH subproject funding ($216 M) to the three baselined sites. The BCP included a new performance baseline, scope deferrals, and a new CD-4 Project Completion date of January 2027. The EIR resulted in six major findings and fourteen findings. One Major Finding was downgraded to a Finding. All major findings have been closed and BCP-01 was approved on December 1, 2023.
The Energy Security and Infrastructure Modernization (ESIM) Fund was established as the funding source for the SPR Modernization Program. The ESIM fund contains offsetting collections from the sale of SPR crude up to the authorized annual revenue ceiling. These sales are limited to the period of fiscal years 2017 through 2020. However, the final sale in FY 2020 did not occur because of a lack of demand related to the COVID-19 virus. Section 14002 of the CARES Act (P.L. 116-136) provided the Department flexibility to conduct the final sale in FY 2020, FY 2021, or FY 2022. The final sale was ultimately conducted in FY 2021.

Significant Changes

LE2 Project:

This Construction Project Data Sheet (CPDS) is an update from the Fiscal Year 2026 Congressional Request and does not include a new start for the budget year.

The Bayou Choctaw (BC) outage began in April 2023 and construction activities were completed in May 2024. Bayou Choctaw General Contractor (GC) demobilized in June 2024. On March 27, 2025, the Strategic Petroleum Reserve Life Extension Phase 2 (SPR-LE2) Bayou Choctaw subproject CD-4, Approve Start of Operations or Project Completion, presentation was provided to the Project Management Risk Committee (PMRC) by the Federal Project Director (FPD) for

review and comment. The approved total project cost (TPC) for the subproject is $369M; however, final actual costs will be less than $346M, the PMRC members unanimously endorsed and recommended CD-4 approval for the SPR-LE2 Bayou Choctaw subproject and is pending. The Bryan Mound (BM) outage began in May 2023, with construction coordinated with ongoing oil movements. The Bryan Mound General Contractor is near completion with punch list items remaining. Key Performance Parameters have been met for both the Bayou Choctaw and Bryan Mound subprojects. The Big Hill General Contractor continues to work with a focus on outage work since January 13, 2025, with an outage completion forecasted for May 26, 2026. Additionally at the Big Hill site, upgrades to the physical security systems have been forecasted to be completed by October 31, 2025.

The upper limit for the initial Total Project Cost for the LE2 project was $1,421,024,391, but the current risk adjusted estimate at complete (EAC) at a P90 confidence level $1,485 million as of April 2025 by $64M for the scope of work post BCP-01. These cost increases are contributed to land right-of-way actions that would delay the LE2 schedule an additional 12 months (totaling 17 months), resulting in increased support costs and extended construction duration. External factors have further complicated the timeline. Options under consideration include advancing the Big Hill outage schedule and deferring or descoping offsite work to mitigate schedule risk against the approved performance baseline.

The Federal Project Director (FPD) was officially selected in February 2024 and received her Project Management Career Development Program (PMCDP) Level II certification in July 2024 and completed a 6-month mentorship with a Level IV FPD in August 2024 to complete the requirements for the Level III FPD. The application was submitted in February 2025 and pending approval for Level III as of June 2025. The DOE LE 2 Team has acquired the consultant services of a Project Management Subject Matter Expert as of August 1, 2024, per the recommendation of the Office of Project Management.

MTE Project:

The Marine Terminal Distribution Capability Enhancements subproject scope did not receive Congressional funding authority in fiscal year 2018. On May 21, 2018, the Under Secretary for Infrastructure signed a memorandum to the Assistant Secretary for Fossil Energy, approving the cancellation of the Strategic Petroleum Reserve Marine Terminal Distribution Capability Enhancement project.

Life Extension Phase II:

Critical Milestone History

	CD-0	Conceptual Design Complete	CD-1	CD-2	Final Design Complete	CD-3	CD-4
FY 2018*	10/30/2015	09/01/2016	12/22/2016	3QFY2019	3QFY2019	3QFY2019	4QFY2024
FY 2019*	10/30/2015	09/01/2016	12/22/2016	3QFY2019	3QFY2019	3QFY2019	4QFY2024
FY 2020*	10/30/2015	09/01/2016	12/22/2016	4QFY2020	4QFY2020	4QFY2020	4QFY2024
FY 2021*	10/30/2015	09/01/2016	12/22/2016	2QFY2021	2QFY2021	2QFY2021	4QFY2024**
FY 2022*	10/30/2015	09/01/2016	12/22/2016	3QFY2021	2QFY2021	3QFY2021	4QFY2024**
FY 2023***	10/30/2015	09/01/2016	12/22/2016	3QFY2021	2QFY2021	3QFY2021	4QFY2024**
FY 2024	10/30/2015	09/01/2016	12/22/2016	3QFY2021	2QFY2021	3QFY2021	TBD
FY 2025****	10/30/2015	09/01/2016	12/22/2016	3QFY2021	2QFY2021	3QFY2021	TBD
FY 2026****	10/30/2015	09/01/2016	12/22/2016	3QFY2021	2QFY2021	3QFY2021	TBD

CD-0 – Approved Mission Need for a construction project with a conceptual scope and cost range
Conceptual Design Complete – Actual date the conceptual design was completed (if applicable)
CD-1 – Approve Alternative Selection and Cost Range
CD-2 – Approve Performance Baseline
Final Design Complete – Estimated/Actual date the project design will be/was complete(d)
CD-3 – Approve Start of Construction
Deactivation & Decommissioning Complete –Completion of D&D work
CD-4 – Approve Start of Operations or Project Completion
PB – Indicates the Performance Baseline

***Project does not have CD-2 approval and has not been baselined.**

****CD-4 for three sites is currently estimated FY 2024; West Hackberry estimated CD-4 is to be determined according to availability of additional funding.**
***** Project had CD-2 and CD-3 approval for Bryan Mound, Bayou Choctaw, and Big Hill. West Hackberry anticipated CD-2 and CD-3 approvals in 1st Quarter FY 2022.**
****** Project has CD-2 and CD-3 approval for Bryan Mound, Bayou Choctaw, and Big Hill. West Hackberry anticipated CD-2 and CD-3 approvals are TBD. New CD-4 dates for baselined sites: Bryan Mound 1tst Qtr. FY 2026, Bayou Choctaw 2nd Qtr. FY 2025, and Big Hill 2nd Qtr. FY 2027**

Critical Milestone Big Hill							
	CD-0	Conceptual Design Complete	CD-1	CD-2	Final Design Complete	CD-3	CD-4
FY 2018	10/30/2015	09/01/2016	12/22/2016	3QFY2019	3QYF2019	3QFY2019	4QFY2024
FY 2019	10/30/2015	09/01/2016	12/22/2016	3QYF2019	3QYF2019	3QYF2019	4QFY2024
FY 2020	10/30/2015	09/01/2016	12/22/2016	4QFY2020	4QFY2020	4QFY2020	4QFY2024
FY 2021	10/30/2015	09/01/2016	12/22/2016	2QFY2021	2QFY2021	2QFY2021	4QFY2024
FY 2022	10/30/2015	09/01/2016	12/22/2016	3QFY2021	2QFY2021	3QFY2021	4QFY2024
FY 2023	10/30/2015	09/01/2016	12/22/2016	3QFY2021	2QFY2021	3QFY2021	4QFY2024
FY 2024	10/30/2015	09/01/2016	12/22/2016	3QFY2021	2QFY2021	3QFY2021	TBD
FY 2025	10/30/2015	09/01/2016	12/22/2016	3QFY2021	2QFY2021	3QFY2021	2QFY2027
FY 2026	10/30/2015	09/01/2016	12/22/2016	3QFY2021	2QFY2021	3QFY2021	2QFY2027

Critical Milestone Bryan Mound							
	CD-0	Conceptual Design Complete	CD-1	CD-2	Final Design Complete	CD-3	CD-4
FY 2018	10/30/2015	09/01/2016	12/22/2016	3QFY2019	3QFY2019	3QFY2019	4QFY2024
FY 2019	10/30/2015	09/01/2016	12/22/2016	3QFY2019	3QFY2019	3QFY2019	4QFY2024
FY 2020	10/30/2015	09/01/2016	12/22/2016	4QFY2020	4QFY2020	4QFY2020	4QFY2024
FY 2021	10/30/2015	09/01/2016	12/22/2016	2QFY2021	2QFY2021	2QFY2021	4QFY2024
FY 2022	10/30/2015	09/01/2016	12/22/2016	3QFY2021	2QFY2021	3QFY2021	4QFY2024
FY 2023	10/30/2015	09/01/2016	12/22/2016	3QFY2021	2QFY2021	3QFY2021	4QFY2024
FY 2024	10/30/2015	09/01/2016	12/22/2016	3QFY2021	2QFY2021	3QFY2021	TBD
FY 2025	10/30/2015	09/01/2016	12/22/2016	3QFY2021	2QFY2021	3QFY2021	1QFY2026
FY 2026	10/30/2015	09/01/2016	12/22/2016	3QFY2021	2QFY2021	3QFY2021	1QFY2026

Critical Milestone Bayou Choctaw							
	CD-0	Conceptual Design Complete	CD-1	CD-2	Final Design Complete	CD-3	CD-4
FY 2018	10/30/2015	09/01/2016	12/22/2016	3QFY2019	3QFY2019	3QFY2019	4QFY2024
FY 2019	10/30/2015	09/01/2016	12/22/2016	3QFY2019	3QFY2019	3QFY2019	4QFY2024
FY 2020	10/30/2015	09/01/2016	12/22/2016	4QFY2020	4QFY2020	4QFY2020	4QFY2024
FY 2021	10/30/2015	09/01/2016	12/22/2016	2QFY2021	2QFY2021	2QFY2021	4QFY2024
FY 2022	10/30/2015	09/01/2016	12/22/2016	3QFY2021	2QFY2021	3QFY2021	4QFY2024
FY 2023	10/30/2015	09/01/2016	12/22/2016	3QFY2021	2QFY2021	3QFY2021	4QFY2024
FY 2024	10/30/2015	09/01/2016	12/22/2016	3QFY2021	2QFY2021	3QFY2021	TBD
FY 2025	10/30/2015	09/01/2016	12/22/2016	3QFY2021	2QFY2021	3QFY2021	3QFY2025
FY 2026	10/30/2015	09/01/2016	12/22/2016	3QFY2021	2QFY2021	3QFY2021	3QFY2025

Critical Milestone West Hackberry							
	CD-0	Conceptual Design Complete	CD-1	CD-2	Final Design Complete	CD-3	CD-4
FY 2018	10/30/2015	09/01/2016	12/22/2016	TBD	3QFY2019	TBD	TBD
FY 2019	10/30/2015	09/01/2016	12/22/2016	TBD	3QFY2019	TBD	TBD
FY 2020	10/30/2015	09/01/2016	12/22/2016	TBD	4QFY2020	TBD	TBD
FY 2021	10/30/2015	09/01/2016	12/22/2016	TBD	2QFY2021	TBD	TBD
FY 2022	10/30/2015	09/01/2016	12/22/2016	TBD	2QFY2021	TBD	TBD
FY 2023	10/30/2015	09/01/2016	12/22/2016	TBD	2QFY2021	TBD	TBD
FY 2024	10/30/2015	09/01/2016	12/22/2016	TBD	2QFY2021	TBD	TBD
FY 2025	10/30/15	09/01/16	12/22/16	TBD	2QFY2021	TBD	TBD
FY 2026	10/30/15	09/01/16	12/22/16	TBD	2QFY2021	TBD	TBD

	Performance Baseline Validation	**CD-3A**	**CD-3B**	**CD-3C**	**CD-3D**	**CD-3E**
FY 2017		07/14/17				
FY 2018						
FY 2019			11/20/18	10/25/2019		
FY 2020					01/15/2021	
FY 2021	6/17/2021*					
FY 2022						TBD

CD-3A – Approve Long-Lead Procurements, Original Scope
CD-3B – Approve Long-Lead Procurements, Revised Scope
CD-3C – Approve Long-Lead Procurements, Revised Scope
CD-3D – Approve Long-Lead Procurements, Revised Scope
CD-3E – Approve Long-Lead Procurements, Revised Scope

***** Baseline validation for Bryan Mound, Bayou Choctaw, and Big Hill only

Project Cost History

	TEC, Design ($000)	TEC, Construction ($000)	TEC, Total ($000)	OPC Except D&D ($000)	OPC, D&D ($000)	OPC, Total ($000)	TPC ($000)
FY 2018	$100,628	$1,299,372	$1,400,000	$6,711	$0	$6,711	$1,406,711
FY 2019	$199,749*	$800,251	$1,000,000**	$5,250	$0	$5,250	$1,005,250
FY 2020	$276,383	$1,163,617***	$1,440,000***	$5,250	$0	$5,250	$1,445,250***
FY 2021	$392,886	$1,047,114	$1,440,000	$5,250	$0	$5,250	$1,445,250
FY 2022	$392,886	$1,022,888	$1,415,774	$5,250	$0	$5,250	$1,421,024
FY 2023	$354,657	$1,061,117	$1,415,774	$5,250	$0	$5,250	$1,421,024
FY 2024	$354,657	$1,561,117	$1,915,774	$5,250	$0	$5,250	$1,921,024****
FY 2025	$266,244	$1,149,530	$1,415,774	$5,250	$0	$5,250	$1,421,024
FY 2026	$266,244	$1,149,530	$1,415,774	$5,250	$0	$5,250	$1,421,024

The costs are only estimates as of July 2022 and consistent with the high end of the cost ranges. No construction funds, except for approved long lead procurement, will be used until the project performance baseline for each sub-

project has been validated and CD-3 has been approved. CD-3 was approved in June 2021 for the Bayou Choctaw, Big Hill, and Bryan Mound sites. The date of CD-2/3 approval for West Hackberry is dependent on receiving additional funding.

***The increase in design cost is due to 1) competing the design contract instead of using a reach-back contract to the M&O contractor partner; 2) adding fee to competed contract; 3) adding escalation to schedule delay caused by competing design contract; and 4) adding engineering cost associated with additional scope (deleted scope was represented completely in construction cost).**
**** In the 2019 CPDS submittal the Administration proposed $1B funding limitation. The maximum range project cost of $1.4B was approved at CD-1.**
*****The Project Scope was expanded to include drilling 17 new wells at two sites. The costs for FY 2020 entry have been revised to reflect the increase in scope. This scope has been removed to stay within the $1.42 B funding limit.**
******Additional funding of $500M was requested in supplemental funding within FY 2024 to address mandatory drawdown and macroeconomic impacts to the project.**

2. Project Scope and Justification

Scope

The Strategic Petroleum Reserve-Life Extension 2 (SPR-LE2) project involves work at all four SPR storage sites: Bryan Mound, Big Hill, West Hackberry, and Bayou Choctaw. The SPR-LE2 project will be managed as four sub-projects based on site location for baseline development, field execution, and project completion. Completion of the SPR-LE2 project will extend SPR key equipment and infrastructure capabilities for an additional 15-25 years and assure the required drawdown of 4.4 million barrels per day of hydraulic capability is maintained. Actual drawdown rate is highly dependent on cavern/site fill level. The scope at each of the four SPR storage facilities includes modernization of aging SPR infrastructure through systems upgrades and associated equipment replacement including repairing or replacing crude oil transfer systems, raw water systems, brine disposal systems, power distribution and lighting systems, and physical security systems. It also includes building and initially installing a new portable degasification plant at the Bayou Choctaw site.

Justification

In August 2016, the Department of Energy published a Long-Term Strategic Review (LTSR) of SPR capabilities and infrastructure. The LTSR compared current operational capability to Level 1 Technical and Performance Criteria and identified gaps within the storage site infrastructure and distribution system necessary to provide the design delivery rate of 4.4 million barrels per day if capacity is completely filled, now and for the next 25 years. The results indicated that a significant investment in infrastructure and process equipment is critical to ensure the SPR can maintain readiness, meet mission requirements, and operate in an environmentally responsible manner. The SPR-LE2 Project addresses these requirements. Current surface assets and systems are at or near their original design life of 25 years and early analysis suggests the required Life Extension Program (LEP) could take up to six years to complete. Revitalization of many, but not all, of those assets and systems last occurred from 1995 to 2000 under the first LEP. As these assets continue to age, modernization will be required – either through additional maintenance and/or repair, or outright replacement.

The project is being conducted in accordance with the project management requirements in DOE O 413.3B, Program and Project Management for the Acquisition of Capital Assets.

Key Performance Parameters (KPPs)

The Threshold KPPs represent the minimum acceptable performance that the project must achieve. Achievement of the Threshold KPPs will be a prerequisite for approval of CD-4, Project Completion. The Objective KPPs represent the desired project performance. The preliminary KPPs for West Hackberry will be finalized when the project was baselined at CD-2.

KPP per subproject			
	Bryan Mound	Big Hill	Bayou Choctaw
KPP-1	Raw water withdrawal rate: 1545 MBD	Raw water withdrawal rate: 1133 MBD	Raw water withdrawal rate: 530 MBD
KPP-2	Sustained Drawdown Rate: 1500 MBD	Sustained Drawdown Rate: 1100 MBD	Sustained Drawdown Rate: 515 MBD
KPP-3	Site fill rate: 225 MBD	Site fill rate: 225 MBD	Site fill rate: 110 MBD

MMBD is Million Barrels per day.
MBD is Thousand Barrels per day.

3. Project Cost and Schedule

Financial Schedule (LE2 Project Summary)

($K)

	Appropriations	Obligations	Costs
Total Estimated Cost (TEC)			
Design			
FY 2015	N/A	$0	$0
FY 2016	N/A	$0	$0
FY 2017	N/A	$137,215	$4,159
FY 2018	N/A	$116,377	$59,036
FY 2019	N/A	$68,480	$74,893
FY 2020	N/A	$7,760	$68,487
FY 2021	N/A	$28,315	$44,039
FY 2022	N/A	($75,561)	$10,367
FY 2023	N/A	$0	$4,769
FY 2024	N/A	($16,342)	$494
FY 2025	N/A	$0	$0
Total, Design **a**	N/A	$266,244	$266,244
Construction			
FY 2015	N/A	$0	$0
FY 2016	N/A	$0	$0
FY 2017	N/A	$27,400	$0
FY 2018 **b**	N/A	$338,284	$483
FY 2019	N/A	$262,459	$729
FY 2020	N/A	$0	$26,076
FY 2021	N/A	$429,483	$62,973
FY 2022	N/A	$75,561	$154,398
FY 2023	N/A	$0	$231,372
FY 2024	N/A	$16,343	$365,905
FY 2025	N/A	$0	$242,312
FY 2026	N/A	$0	$65,282
Total, Construction	N/A	$1,149,530	$1,149,530

($K)

	Appropriations	Obligations	Costs
TEC			
FY 2015	N/A	$0	$0
FY 2016	N/A	$0	$0
FY 2017	N/A	$164,615	$4,159
FY 2018	N/A	$454,661	$59,519
FY 2019	N/A	$330,939	$75,622
FY 2020	N/A	$7,760	$94,563
FY 2021	N/A	$457,798	$107,012
FY 2022	N/A	$0	$164,765
FY 2023	N/A	$0	$236,141
FY 2024	N/A	$0	$366,399
FY 2025	N/A	$0	$242,312
FY 2026	N/A	$0	$65,282
Total, TEC	N/A	$1,415,774	$1,415,774
Other Project Cost (OPC)			
FY 2015 **c,d**	$88	$88	$88
FY 2016 **c,d**	$4,190	$4,190	$4,190
FY 2017 **d**	$972	$972	$699
FY 2018 **d**	$0	$0	$273
FY 2019	$0	$0	$0
FY 2020	$0	$0	$0
FY 2021	$0	$0	$0
FY 2022	$0	$0	$0
FY 2023	$0	$0	$0
FY 2024	$0	$0	$0
FY 2025	$0	$0	$0
FY 2026	$0	$0	$0
Total, OPC	$5,250	$5,250	$5,250

($K)

	Appropriations	Obligations	Costs
Total Project Cost (TPC)			
FY 2015	$88	$88	$88
FY 2016	$4,190	$4,190	$4,190
FY 2017 e	$340,972	$165,587	$4,858
FY 2018 **f**	$350,000	$454,661	$59,792
FY 2019 g**, j**	$300,000	$330,939	$75,622
FY 2020 **h**	$0	$7,760	$94,563
FY 2021 **i**	$425,774	$457,798	$107,012
FY 2022	$0	$0	$164,765
FY 2023	$0	$0	$236,141
FY 2024	$0	$0	$366,399
FY 2025	$0	$0	$242,312
FY 2026	$0	$0	$65,282
Total, TPC **d, k**	$1,421,024	$1,421,023	$1,421,024

a: DOE and DOE support labor; M&O project support
b: Bayou Choctaw CD-3A Degas Plant
c: Includes costs for Office of Project Management
d: Funding requirements are included in the Facilities Appropriation 089X0218.
e: FY 2017 Omnibus authorized oil sales target of $340,000,000 (Appropriation). Actual proceeds were $323,195,827.
f: FY 2018 Omnibus authorized oil sales target of $350,000,000 (Appropriation). Actual proceeds were $347,828,624
g: FY 2019 Omnibus authorized oil sales target of $300,000,000 (Appropriation). Actual proceeds were $299,999,961
h: FY 2020 Omnibus authorized oil sales target of $450,000,000 (Appropriation). Sales postponed and authorized completion no later than FY 2022 as part of the CARES Act (P.L. 116-136).
i. FY 2021 Omnibus authorized oil sales target of $450,000,000 (Appropriation). Actual proceeds were $499,999,980
j: Includes costs for Office of Project Management EIR which will be funded from the DOE Contingency within LE 2 funds
k: The Total Project Cost (TPC) of $1,421,024,000 was approved at CD-1, and final scope will be established at CD-2. The TPC for obligations and costs is the total of funds from Facilities Appropriation and funding received through the sale of SPR crude oil.

Note: Project is being funded through the sale of SPR crude oil and not through the normal congressional appropriations process, with the possible exception of $500 million requested in supplemental funding.

Financial Schedule – Bryan Mound

	Obligations	Costs
Total Estimated Cost (TEC)		
Design		
FY 2015	$0	$0
FY 2016	$0	$0
FY 2017	$14,956	$874
FY 2018	$22,289	$11,676
FY 2019	$10,480	$11,699
FY 2020	$1,940	$12,747
FY 2021	$19,996	$9,125
FY 2022	($23,540)	$0
FY 2023	$0	$0
FY 2024	$0	$0
FY 2025	$0	$0
Total, Design	$46,121	$46,121
Construction		
FY 2015	$0	$0
FY 2016	$0	$0
FY 2017	$3,400	$0
FY 2018	$48,884	$353
FY 2019	$50,000	$0
FY 2020	$0	$2,289
FY 2021	$141,386	$14,679
FY 2022	$23,540	$66,040
FY 2023	$0	$59,310
FY 2024	$32,880	$106,605
FY 2025	$0	$50,814
FY 2026	$0	$0
Total, Construction	$300,090	$300,090

Financial Schedule – Bryan Mound, continued

(dollars in thousands)

	Obligations	Costs
TEC		
FY 2015	$0	$0
FY 2016	$0	$0
FY 2017	$18,356	$874
FY 2018	$71,173	$12,029
FY 2019	$60,480	$11,699
FY 2020	$1,940	$15,036
FY 2021	$161,382	$23,804
FY 2022	$0	$66,040
FY 2023	$0	$59,310
FY 2024	$32,880	$106,605
FY 2025	$0	$50,814
FY 2026	$0	$0
Total, TEC	$346,211	$346,211
Other Project Cost (OPC)		
FY 2015	$22	$22
FY 2016	$1,048	$1,048
FY 2017	$243	$175
FY 2018	$0	$68
FY 2019	$0	$0
FY 2020	$0	$0
FY 2021	$0	$0
FY 2022	$0	$0
FY 2023	$0	$0
FY 2024	$0	$0
FY 2025	$0	$0
Total, OPC	$1,313	$1,313

Financial Schedule – Bryan Mound, continued

(dollars in thousands)

	Obligations	Costs
Total Project Cost (TPC)		
FY 2015	$22	$22
FY 2016	$1,048	$1,048
FY 2017	$18,599	$1,049
FY 2018	$71,173	$12,097
FY 2019	$60,480	$11,699
FY 2020	$1,940	$15,036
FY 2021	$161,382	$23,804
FY 2022	$0	$66,040
FY 2023	$0	$59,310
FY 2024	$32,880	$106,605
FY 2025	$0	$50,814
FY 2026	$0	$0
Total, TPC	$347,524	$347,524

Financial Schedule – West Hackberry

	Obligations	Costs
Total Estimated Cost (TEC)		
Design		
FY 2015	$0	$0
FY 2016	$0	$0
FY 2017	$24,801	$1,072
FY 2018	$27,043	$14,861
FY 2019	$23,000	$21,382
FY 2020	$1,940	$16,889
FY 2021	$22,014	$12,622
FY 2022	$0	$10,367
FY 2023	$0	$4,769
FY 2024	($16,342)	$494
FY 2025	$0	$0
Total, Design	$82,456	$82,456
Construction		
FY 2015	$0	$0
FY 2016	$0	$0
FY 2017	$3,000	$0
FY 2018	$111,269	$130
FY 2019	$99,819	$710
FY 2020	$0	$1,426
FY 2021	($19,746)	$12,394
FY 2022	$0	$0
FY 2023	$0	$0
FY 2024	($179,682)	$0
FY 2025	$0	$0
FY 2026	$0	$0
Total, Construction	$14,660	$14,660

Financial Schedule – West Hackberry, continued

(dollars in thousands)

	Obligations	Costs
TEC		
FY 2015	$0	$0
FY 2016	$0	$0
FY 2017	$27,801	$1,072
FY 2018	$138,312	$14,991
FY 2019	$122,819	$22,092
FY 2020	$1,940	$18,315
FY 2021	$2,268	$25,016
FY 2022	$0	$10,367
FY 2023	$0	$4,769
FY 2024	($196,024)	$494
FY 2025	$0	$0
FY 2026	$0	$0
Total, TEC	$97,116	$97,116
Other Project Cost (OPC)		
FY 2015	$22	$22
FY 2016	$1,046	$1,046
FY 2017	$243	$175
FY 2018	$0	$68
FY 2019	$0	$0
FY 2020	$0	$0
FY 2021	$0	$0
FY 2022	$0	$0
FY 2023	$0	$0
FY 2024	$0	$0
FY 2025	$0	$0
Total, OPC	$1,311	$1,311

Financial Schedule – West Hackberry, continued

(dollars in thousands)

	Obligations	Costs
Total Project Cost (TPC)		
FY 2015	$22	$22
FY 2016	$1,046	$1,046
FY 2017	$28,044	$1,247
FY 2018	$138,312	$15,059
FY 2019	$122,819	$22,092
FY 2020	$1,940	$18,315
FY 2021	$2,268	$25,016
FY 2022	$0	$10,367
FY 2023	$0	$4,769
FY 2024	($196,024)	$494
FY 2025	$0	$0
FY 2026	$0	$0
Total, TPC	$98,427	$98,427

Financial Schedule – Bayou Choctaw

(dollars in thousands)

	Obligations	Costs
Total Estimated Cost (TEC)		
Design		
FY 2015	$0	$0
FY 2016	$0	$0
FY 2017	$33,074	$1,003
FY 2018	$43,111	$18,600
FY 2019	$19,000	$21,981
FY 2020	$1,940	$20,941
FY 2021	($2,787)	$9,535
FY 2022	($22,278)	$0
FY 2023	$0	$0
FY 2024	$0	$0
FY 2025	$0	$0
Total, Design	$72,060	$72,060
Construction		
FY 2015	$0	$0
FY 2016	$0	$0
FY 2017	$0	$0
FY 2018	$127,713	$0
FY 2019	$24,820	$19
FY 2020	$0	$5,146
FY 2021	$106,601	$20,778
FY 2022	$22,278	$33,174
FY 2023	$0	$114,388
FY 2024	$13,740	$89,169
FY 2025	$0	$32,478
FY 2026	$0	$0
Total, Construction	$295,152	$295,152

Financial Schedule – Bayou Choctaw, continued

(dollars in thousands)

	Obligations	Costs
TEC		
FY 2015	$0	$0
FY 2016	$0	$0
FY 2017	$33,074	$1,003
FY 2018	$170,824	$18,600
FY 2019	$43,820	$22,000
FY 2020	$1,940	$26,087
FY 2021	$103,814	$30,313
FY 2022	$0	$33,174
FY 2023	$0	$114,388
FY 2024	$13,740	$89,169
FY 2025	$0	$32,478
FY 2026	$0	$0
Total, TEC	$367,212	$367,212
Other Project Cost (OPC)		
FY 2015	$22	$22
FY 2016	$1,048	$1,048
FY 2017	$243	$175
FY 2018	$0	$68
FY 2019	$0	$0
FY 2020	$0	$0
FY 2021	$0	$0
FY 2022	$0	$0
FY 2023	$0	$0
FY 2024	$0	$0
FY 2025	$0	$0
Total, OPC	$1,313	$1,313

Financial Schedule – Bayou Choctaw, continued

	(dollars in thousands)	
	Obligations	Costs
Total Project Cost (TPC)		
FY 2015	$22	$22
FY 2016	$1,048	$1,048
FY 2017	$33,317	$1,178
FY 2018	$170,824	$18,668
FY 2019	$43,820	$22,000
FY 2020	$1,940	$26,087
FY 2021	$103,814	$30,313
FY 2022	$0	$33,174
FY 2023	$0	$114,388
FY 2024	$13,740	$89,169
FY 2025	$0	$32,478
FY 2026	$0	$0
Total, TPC	$368,525	$368,525

Financial Schedule – Big Hill

(dollars in thousands)

	Obligations	Costs
Total Estimated Cost (TEC)		
Design		
FY 2015	$0	$0
FY 2016	$0	$0
FY 2017	$64,384	$1,210
FY 2018	$23,934	$13,899
FY 2019	$16,000	$19,831
FY 2020	$1,940	$17,910
FY 2021	($10,908)	$12,757
FY 2022	($29,743)	$0
FY 2023	$0	$0
FY 2024	$0	$0
FY 2025	$0	$0
Total, Design	$65,607	$65,607
Construction		
FY 2015	$0	$0
FY 2016	$0	$0
FY 2017	$21,000	$0
FY 2018	$50,418	$0
FY 2019	$87,820	$0
FY 2020	$0	$17,215
FY 2021	$201,242	$15,122
FY 2022	$29,743	$55,183
FY 2023	$0	$57,674
FY 2024	$149,405	$170,131
FY 2025	$0	$159,020
FY 2026	$0	$65,283
Total, Construction	$539,628	$539,628

Financial Schedule – Big Hill, continued

	(dollars in thousands)	
	Obligations	Costs
TEC		
FY 2015	$0	$0
FY 2016	$0	$0
FY 2017	$85,384	$1,210
FY 2018	$74,352	$13,899
FY 2019	$103,820	$19,831
FY 2020	$1,940	$35,125
FY 2021	$190,334	$27,879
FY 2022	$0	$55,183
FY 2023	$0	$57,674
FY 2024	$149,405	$170,131
FY 2025	$0	$159,020
FY 2026	$0	$65,283
Total, TEC	$605,235	$605,235
Other Project Cost (OPC)		
FY 2015	$22	$22
FY 2016	$1,048	$1,048
FY 2017	$243	$175
FY 2018	$0	$68
FY 2019	$0	$0
FY 2020	$0	$0
FY 2021	$0	$0
FY 2022	$0	$0
FY 2023	$0	$0
FY 2024	$0	$0
FY 2025	$0	$0
Total, OPC	$1,313	$1,313

Financial Schedule – Big Hill, continued

	(dollars in thousands)	
	Obligations	Costs
Total Project Cost (TPC)		
FY 2015	$22	$22
FY 2016	$1,048	$1,048
FY 2017	$85,627	$1,385
FY 2018	$74,352	$13,967
FY 2019	$103,820	$19,831
FY 2020	$1,940	$35,125
FY 2021	$190,334	$27,879
FY 2022	$0	$55,183
FY 2023	$0	$57,674
FY 2024	$149,405	$170,131
FY 2025	$0	$159,020
FY 2026	$0	$65,283
Total, TPC	$606,548	$606,548

Details of Project Cost Estimate

(dollars in thousands)

	Current Total Estimate	Previous Total Estimate	Original Validated Baseline
Total Estimated Cost (TEC)			
Design (PED)			
Design	$266,244	$266,244	N/A
Contingency	$0	$0	N/A
Total,PED	$266,244	$266,244	N/A
Land Acquisition	$0	$0	N/A
Construction			
Site Facilities Construction	$804,237	$1,182,827	N/A
Off-Site Facilities	$10,000	$12,044	N/A
Drilling/Wellhead/Casings	$12,381	$33,831	N/A
Pipeline Construction	$110,000	$104,268	N/A
Construction Management	$37,628	$58,799	N/A
Project Support	$48,284	$68,286	N/A
Contingency	$127,000	$131,118	N/A
Total, Construction	$1,149,530	$1,591,172	N/A
Total, TEC	$1,415,774	$1,857,416	N/A
Contingency, TEC	$127,000	$131,118	N/A
Other Project Cost (OPC)			
OPC except D&D			
Conceptual Design	$1,365	$1,368	N/A
Other OPC Costs	$3,885	$3,884	N/A
Start-up	$0	$0	N/A
Contingency	$0	$0	N/A
Total, OPC except D&D	$5,250	$5,252	N/A
D&D			
D&D	$0	$0	N/A
Contingency	$0	$0	N/A
Total, D&D	$0	$0	N/A
Total, OPC	$5,250	$5,252	N/A
Contingency, OPC	$0	$0	N/A
Total, TPC	$1,421,024	$1,862,668	N/A
Total, Contingency	$127,000	$131,118	N/A

Note: Project is being funded through the sale of SPR crude oil and not through the normal congressional appropriations process, with the possible exception of $500 million requested in supplemental funding.

Details of Project Cost Estimate – Bryan Mound

(dollars in thousands)

	Current Total Estimate - Bryan Mound	Previous Total Estimate	Original Validated Baseline
Total Estimated Cost (TEC)			
Design (PED)			
Design	$46,121	$46,121	$69,661
Contingency	$0	$0	$0
Total,PED	$46,121	$46,121	$69,661
Land Acquisition	$0	$0	0
Construction			
Site Facilities Construction	$238,425	$353,382	$200,735
Off-Site Facilities	$0	$0	$0
Drilling/Wellhead/Casings	$8,381	$12,422	$7,640
Pipeline Construction	$0	$0	$0
Construction Management	$11,000	$16,709	$10,277
Project Support	$10,284	$15,638	$9,618
Contingency	$32,000	$41,372	$15,400
Total, Construction	$300,090	$439,522	$243,670
Total, TEC	$346,211	$485,643	$313,331
Contingency, TEC	$32,000	$41,372	$15,400
Other Project Cost (OPC)			
OPC except D&D			
Conceptual Design	$342	$342	$342
Other OPC Costs	$971	$971	$971
Start-up	$0	$0	$0
Contingency	$0	$0	$0
Total, OPC except D&D	$1,313	$1,313	$1,313
D&D			
D&D	N/A	N/A	N/A
Contingency	N/A	N/A	N/A
Total, D&D	N/A	N/A	N/A
Total, OPC	$1,313	$1,313	$1,313
Contingency, OPC	$0	$0	$0
Total, TPC	$347,524	$486,956	$314,644
Total, Contingency	$32,000	$41,372	$15,400

Details of Project Cost Estimate – West Hackberry

(dollars in thousands)

	Current Total Estimate - West Hackberry	Previous Total Estimate	Original Validated Baseline
Total Estimated Cost (TEC)			
Design (PED)			
Design	$82,456	$82,456	N/A
Contingency	$0	$0	N/A
Total,PED	$82,456	$82,456	N/A
Land Acquisition	$0	$0	N/A
Construction			
Site Facilities Construction	$14,660	$189,305	N/A
Off-Site Facilities	$0	$6,639	N/A
Drilling/Wellhead/Casings	$0	$14,677	N/A
Pipeline Construction	$0	$0	N/A
Construction Management	$0	$10,298	N/A
Project Support	$0	$10,022	N/A
Contingency	$0	$1,466	N/A
Total, Construction	$14,660	$232,408	N/A
Total, TEC	$97,116	$314,865	N/A
Contingency, TEC	$0	$1,466	N/A
Other Project Cost (OPC)			
OPC except D&D			
Conceptual Design	$340	$342	N/A
Other OPC Costs	$971	$971	N/A
Start-up	$0	$0	N/A
Contingency	$0	$0	N/A
Total, OPC except D&D	$1,311	$1,313	N/A
D&D			
D&D			N/A
Contingency			N/A
Total, D&D	$0	$0	N/A
Total, OPC	$1,311	$1,313	N/A
Contingency, OPC	$0	$0	N/A
Total, TPC	$98,427	$316,178	N/A
Total, Contingency	$0	$1,466	N/A

Details of Project Cost Estimate – Bayou Choctaw

(dollars in thousands)

	Current Total Estimate - Bayou Choctaw	Previous Total Estimate	Original Validated Baseline
Total Estimated Cost (TEC)			
Design (PED)			
Design	$72,060	$72,060	$94,338
Contingency	$0	$0	$0
Total,PED	$72,060	$72,060	$94,338
Land Acquisition	$0	$0	$0
Construction			
Site Facilities Construction	$226,152	$315,349	$220,800
Off-Site Facilities	$0	$0	$0
Drilling/Wellhead/Casings	$4,000	$6,732	$4,753
Pipeline Construction	$0	$0	$0
Construction Management	$10,000	$14,562	$10,281
Project Support	$21,000	$29,925	$8,300
Contingency	$34,000	$25,978	$15,000
Total, Construction	$295,152	$392,546	$259,134
Total, TEC	$367,212	$464,606	$353,472
Contingency, TEC	$34,000	$25,978	$15,000
Other Project Cost (OPC)			
OPC except D&D			
Conceptual Design	$342	$342	$342
Other OPC Costs	$971	$971	$971
Start-up	$0	$0	$0
Contingency	$0	$0	$0
Total, OPC except D&D	$1,313	$1,313	$1,313
D&D			
D&D	N/A	N/A	N/A
Contingency	N/A	N/A	N/A
Total, D&D	N/A	N/A	N/A
Total, OPC	$1,313	$1,313	$1,313
Contingency, OPC	$0	$0	$0
Total, TPC	$368,525	$465,919	$354,785
Total, Contingency	$34,000	$25,978	$15,000

Details of Project Cost Estimate – Big Hill

(dollars in thousands)

	Current Total Estimate - Big Hill	Previous Total Estimate	Original Validated Baseline
Total Estimated Cost (TEC)			
Design (PED)			
Design	$65,607	$65,607	$95,350
Contingency	$0	$0	$0
Total,PED	$65,607	$65,607	$95,350
Land Acquisition	$0	$0	$0
Construction			
Site Facilities Construction	$325,000	$324,791	$244,150
Off-Site Facilities	$10,000	$5,404	$4,000
Drilling/Wellhead/Casings	$0	$0	$0
Pipeline Construction	$110,000	$104,268	$77,176
Construction Management	$16,628	$17,230	$12,753
Project Support	$17,000	$12,701	$9,401
Contingency	$61,000	$62,301	$13,000
Total, Construction	$539,628	$526,694	$360,480
Total, TEC	$605,235	$592,301	$455,830
Contingency, TEC	$61,000	$62,301	$13,000
Other Project Cost (OPC)			
OPC except D&D			
Conceptual Design	$342	$342	$342
Other OPC Costs	$971	$971	$971
Start-up	$0	$0	$0
Contingency	$0	$0	$0
Total, OPC except D&D	$1,313	$1,313	$1,313
D&D			
D&D	N/A	N/A	N/A
Contingency	N/A	N/A	N/A
Total, D&D	N/A	N/A	N/A
Total, OPC	$1,313	$1,313	$1,313
Contingency, OPC	$0	$0	$0
Total, TPC	$606,548	$593,614	$457,143
Total, Contingency	$61,000	$62,301	$13,000

Schedule of Appropriations Requests

Section 404 of the Bipartisan Budget Act of 2015 authorizes drawdown and sale of SPR crude oil over four fiscal years (FY 2017 – FY 2020) to finance SPR modernization. This CPDS reflects the high end of the cost ranges. The Total Project Cost (TPC) of $1.4B was approved at CD-1, and final scope will be established when each subproject is baselined (WH) or re-baselined (BM, BH, or BC). The intent is to execute SPR modernization within the authorized revenue ceiling proposed in the FY 2020 budget request shown below, with the exception of an additional five hundred million dollars requested in supplemental funding. The table below assumes receipt of the additional funding. Should that not be made available, scope will be reduced to fit within the $1.4B raised under Section 404 of the Bipartisan Budget Act of 2015, which would limit LE2 work almost exclusively to the Bryan Mound, Big Hill, and Bayou Choctaw SPR sites.

Request		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	Total
FY 2018	TEC	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
	OPC	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
	TPC	$ -	$ -	$375,400	$350,000	$174,600	$100,000	$ -	$ -	$ -	$ -	$ -	$1,000,000
FY 2019	TEC	$ -	$ -	$ 340,000 *	$ 350,000	$ 300,000	$ 10,000	$ -	$ -	$ -	$ -	$ -	$1,000,000
	OPC	$ 88	$ 4,190	$ 972	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$5,250
	TPC	$ 88	$ 4,190	$ 340,972	$ 350,000	$ 300,000	$ 10,000	$ -	$ -	$ -	$ -	$ -	$1,005,250
FY 2020	TEC	$ -	$ -	$ 340,000 *	350,000 **	$ 300,000	$ 450,000	$ -	$ -	$ -	$ -	$ -	$1,440,000
	OPC	$ 88	$ 4,190	$ 972	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$5,250
	TPC	$ 88	$ 4,190	$ 340,972	$ 350,000	$ 300,000	$ 450,000	$ -	$ -	$ -	$ -	$ -	$1,445,250
FY 2021	TEC	$ -	$ -	$ 340,000 *	$ 350,000 **	$300,000 ***	$450,000 ***	$ -	$ -	$ -	$ -	$ -	$1,440,000
	OPC	$ 88	$ 4,190	$ 972	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$5,250
	TPC	$ 88	$ 4,190	$ 340,972	$ 350,000	$ 300,000	$ 450,000	$ -	$ -	$ -	$ -	$ -	$1,445,250
FY 2022	TEC	$ -	$ -	$ 340,000 *	$ 350,000 **	$300,000 ***	$ -	$425,774****	$ -	$ -	$ -	$ -	$1,415,774
	OPC	$ 88	$ 4,190	$ 972	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$5,250
	TPC	$ 88	$ 4,190	$ 340,972	$ 350,000	$ 300,000	$ -	$ 425,774	$ -	$ -	$ -	$ -	$1,421,024
FY 2023	TEC	$ -	$ -	$ 340,000 *	$ 350,000 **	$300,000 ***	$ -	$425,774*****	$ -	$ -	$ -	$ -	$1,415,774
	OPC	$ 88	$ 4,190	$ 972	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$5,250
	TPC	$ 88	$ 4,190	$ 340,972	$ 350,000	$ 300,000	$ -	$ 425,774	$ -	$ -	$ -	$ -	$1,421,024
FY 2024	TEC	$ -	$ -	$ 340,000 *	$ 350,000 **	$300,000 ***	$ -	$425,774*****	$ -	$500,000*****	$ -	$ -	$1,915,774
	OPC	$ 88	$ 4,190	$ 972	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$5,250
	TPC	$ 88	$ 4,190	$ 340,972	$ 350,000	$ 300,000	$ -	$ 425,774	$ -	$500,000*****	$ -	$ -	$1,921,024
FY 2025	TEC	$ -	$ -	$ 340,000 *	$ 350,000 **	$300,000 ***	$ -	$425,774*****	$ -	$ -	$ -	$ -	$1,415,774
	OPC	$ 88	$ 4,190	$ 972	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$5,250
	TPC	$ 88	$ 4,190	$ 340,972	$ 350,000	$ 300,000	$ -	$ 425,774	$ -	$ -	$ -	$ -	$1,421,024
FY 2026	TEC	$ -	$ -	$ 340,000 *	$ 350,000 **	$300,000 ***	$ -	$425,774*****	$ -	$ -	$ -	$ -	$1,415,774
	OPC	$ 88	$ 4,190	$ 972	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$5,250
	TPC	$ 88	$ 4,190	$ 340,972	$ 350,000	$ 300,000	$ -	$ 425,774	$ -	$ -	$ -	$ -	$1,421,024

***** FY 2017 Omnibus authorized oil sales target of $340,000,000 (Appropriation). Actual proceeds were $323,195,827.

****** FY 2018 Omnibus authorized oil sales target of $350,000,000 (Appropriation). Actual proceeds were $347,828,624.

*** FY 2019 Omnibus authorized oil sales target of $300,000,000 (Appropriation). Actual proceeds were $299,999,961.

**** FY 2020 Omnibus authorized oil sales target of $450,000,000 (Appropriation). Sale postponed, and authorized completion changed to no later than FY 2022 as part of the CARES Act (P.L. 116-136).

***** FY 2021 Omnibus authorized oil sales target of $450,000,000 (Appropriation). Actual proceeds were $499,999,980.

****** FY 2024 Anticipating $493,000,000 in additional funding to address mandatory drawdown and macroeconomic impacts to the project.

4. Related Operations and Maintenance Funding Requirements

Not applicable for Project Engineering and Design.

Start of Operation or Beneficial Occupancy (fiscal quarter or date)	Establish at CD-2
Expected Useful Life (number of years)	25
Expected Future Start of D&D of this capital asset (fiscal quarter)	N/A

(Related Funding requirements)

(dollars in thousands)

	Annual Costs		Life Cycle Costs	
	Current Total Estimate	Previous Total Estimate	Current Total Estimate	Previous Total Estimate
Operations		N/A		N/A
Maintenance & Repair		N/A		N/A
Total *		N/A		N/A

*** Funding requirements are included in the Facilities Appropriation 089X0218.**

5. D&D Information

This project does not require D&D funding.

6. Acquisition Approach

The existing Strategic Petroleum Reserve Management and Operating Contractor did originally procure the Architect-Engineer (A-E) contractor. With S-3 concurrence in FY 2019, the M&O Contractor self-performed the remaining A-E scope and procured all Government Furnished Property and firm fixed priced construction contracts and one time and material contract for drilling two microseismic wells at Bryan Mound and Bayou Choctaw.

SPR Petroleum Account
($K)

FY 2024 Enacted	FY 2025 Enacted	FY 2026 Request	FY 2026 Request vs FY 2025 Enacted
100	100	100	0

Proposed Appropriation Language
For the acquisition, transportation, and injection of petroleum products, and for other necessary expenses pursuant to the Energy Policy and Conservation Act of 1975, as amended (42 U.S.C. 6201 et seq.), $100,000, to remain available until expended.

Mission
Replenish crude oil from emergency drawdown and respond to emergency response directives as needed.

Overview

The SPR Petroleum Account funds activities related to the acquisition, transportation, and injection of petroleum products into the Strategic Petroleum Reserve; test sales of petroleum products from the Reserve; and the drawdown, sale, and delivery of petroleum products from the Reserve. Remaining funds in the Petroleum Account will be available to repurchase product as practicable.

SPR Petroleum Account activities can include: 1) the incremental costs of withdrawing oil from the storage caverns and transporting it to the sales point where purchasers take title; 2) petroleum inventory acquisitions and associated transportation costs; 3) U.S. Customs duties; and 4) terminal throughput charges and other related miscellaneous costs.

SPR Oil Acquisition/Transportation/Drawdown

By the end of 2024, the SPR crude oil inventory was 393 million barrels. Currently, the Department is undergoing a series of non-emergency, multi-year oil sales pursuant to the Bipartisan Budget Act (BBA) of 2015 (Public Law 114–74), and the Fixing America's Surface Transportation (FAST) Act (Public Law 114-94), the Act to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018.

Highlights of the FY 2026 Budget Request

Originally enacted drawdown and sales were scheduled as follows:

- From FY 2018 through FY 2025 (eight consecutive years) – sell 38 million barrels of crude oil, with 10 million barrels to be sold in FY 2023. Proceeds will be deposited into the General Fund of the Treasury (Bipartisan Budget Act, Section 403). NOTE: Sales for 2024 and 2025 under this Act (20MMB) were cancelled by the Consolidated Appropriations Act of 2023 in exchange for $10.4B in recissions ($74.25/bbl.)
- From FY 2017 through FY 2020 (four consecutive years) – sell the required volumes of SPR inventory to raise up to the authorized revenue ceiling to be deposited into the Energy Security and Infrastructure Modernization Fund (Bipartisan Budget Act, Section 404). In FY 2017, 6.3 million barrels were sold; in FY 2018, 4.7 million barrels were sold, and in FY2019 4.2 million barrels were sold. Oil sales of 6.6 million barrels scheduled for FY 2020 were postponed until FY 2021 with revenues totaling $1.4 billion. Section 14002 of the CARES Act (P.L. 116-136) provides the Department flexibility to postpose through Fiscal Year 2022 a sale of crude oil from the Strategic Petroleum Reserve that was originally authorized for FY 2020.
- From FY 2017 through FY 2019 (three consecutive years) – sell 10 million barrels of crude oil in FY 2017, 9 million barrels in FY 2018, and 6 million barrels in FY 2019, for a total of 25 million barrels. Proceeds will be deposited in the General Fund of the Treasury (21st Century Cures Act, Section 5010). 92,678 barrels from the 2019 ESIM sales were allocated to the 21st Century CURES Act.
- From FY 2020 through FY 2021, sell 10 million barrels of crude oil. Proceeds will be deposited in the General Fund of the Treasury (Consolidated Appropriations Act, 2018, Section 501).
- From FY 2023 through FY 2025 (three consecutive years) – sell 16 million barrels of crude oil in FY 2023, 25 million barrels in FY 2024, and 25 million barrels in FY 2025, for a total of 66 million barrels. Proceeds will be deposited in the General Fund of the Treasury (Fixing America's Surface Transportation Act, Section 32204) and (Bipartisan Budget Act of 2015 P.L 114-74 Section 403) NOTE: Sales for 2024 and 2025 under this Act (50MMB) were cancelled by the Consolidated Appropriations Act of 2023 in exchange for $10.4B in recissions ($74.25/bbl.)

- From FY 2026 through FY 2027, sell 7 million barrels of crude oil. Proceeds shall be deposited in the General Fund of the Treasury during the fiscal year in which the sale occurs (An Act to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018, Section 20003).
- From FY 2022 through FY 2027, sell 100 million barrels of crude oil, with 30 million barrels to be sold in FY 2022, 35 million in FY 2026, and 35 million in FY 2027. Proceeds will be deposited in the General Fund of the Treasury (Bipartisan Budget Act of 2018 P.L 115-123, Section 30204). NOTE: Sales for 2026 and 2027 (70MMB) were cancelled by the Consolidated Appropriations Act of 2023 in exchange for $10.4B in recissions ($74.25/bbl.)
- In FY 2028, sell 5 million barrels of crude oil. Proceeds will be deposited in the General Fund of the Treasury (America's Water Infrastructure Act of 2018, Section 3009).
- From FY 2028 through FY 2031 (four consecutive years) – sell 87.6 million barrels of crude oil as mandated in the Infrastructure Investment and Jobs Act, P.L. 117-58 90002. Proceeds will be deposited in the General Fund of the Treasury and the Secretary of the Treasury shall deposit in the SPR Petroleum Account established under section 167(a) of the Energy Policy and Conservation Act (42 U.S.C. 6247(a) $43,500,000, to be used to carry out the sale in accordance with section 167 of the Energy Policy and Conservation Act (42 U.S.C. 6247).
- Sales proceeds from Emergency Oil Sales executed in FY 2022 and FY 2023 are used for oil purchases and/or oil exchanges to replenish the SPR's oil inventory. This effort will help to ensure Drawdown Readiness remains at the forefront of the agency's mission.

SPR Petroleum Account
($K)

	FY 2024 Enacted	FY 2025 Enacted	FY 2026 Request	FY 2026 Request vs FY 2025 Enacted	
				$	%
Petroleum Acquisition, Transportation and Drawdown	100	100	100	-	-
Total, SPR Petroleum Account	**100**	**100**	**100**	**-**	**-**

Explanation of Change for SPR Petroleum Account
No change. This account provides for the costs of certain statutorily mandated crude oil sales.

Naval Petroleum and Oil Shale Reserves
($K)

FY 2024 Enacted	FY 2025 Enacted	FY 2026 Request	FY 2026 Request vs FY 2025 Enacted
13,010	13,010	13,000	-10

Proposed Appropriation Language

For Department of Energy expenses necessary to carry out naval petroleum and oil shale reserve activities, $13,000,000 to remain available until expended: Provided, That notwithstanding any other provision of law, unobligated funds remaining from prior years shall be available for all naval petroleum and oil shale reserve activities.

Mission

The Naval Petroleum and Oil Shale Reserves (NPR) program manages five legal agreements that were executed as part of the 1998 sale of Naval Petroleum Reserve 1 (NPR-1) in Elk Hills, California. The legal agreements direct post-sale work, including environmental restoration and remediation, contract closeout, and records disposition. Legal agreements also include payment for post-employment medical and dental benefits to former NPR-1 Management & Operating (M&O) contractor employees. The NPR-1 program continues to work towards closing out the remaining environmental findings at the site, as required by the 2008 agreement between the Department of Energy (DOE) and the California Department of Toxic Substances Control (DTSC).

DOE also operated Naval Petroleum Reserve 3 (NPR-3) and the Rocky Mountain Oilfield Testing Center (RMOTC), co-located near Casper, Wyoming, until its sale in January 2015. DOE retains responsibility for Industrial Landfill number 2 (IND-2) located at NPR-3 in Natrona County WY until a closure permit is issued by the Wyoming Department of Environmental Quality (WDEQ). No new FY 2026 budget authority is requested for NPR-3.

Overview

The program will continue the ongoing activities to attain release from the remaining environmental findings related to the sale of NPR-1. All 131 areas of concern (AOC) have undergone an initial investigation, and the program has made recommendations to California's DTSC for either no further action (NFA) required status, additional field work investigation, or remedial action.

Naval Petroleum and Oil Shale Reserves
($K)

	FY 2024 Enacted	FY 2025 Enacted	FY 2026 Request	FY 2026 Request vs FY 2025 Enacted	
				$	%
Production Operations	11,010	11,010	11,000	-10	0%
Management	2,000	2,000	2,000	-	-%
Total, Naval Petroleum and Oil Shale Reserves	**13,010**	**13,010**	**13,000**	**-10**	**0%**

Production Operations

Overview

Funding will be applied to continued environmental assessment and remediation activity.

Highlights of the FY 2026 Budget Request

The Department is requesting FY 2026 budget authority of $13 million to fund the remediation work at the NPR-1 site. The NPR-1 program continues to work towards closing out the remaining environmental restoration and remediation activities for 14 remaining AOCs, as required by the 2008 agreement between DOE and California's DTSC. DOE will continue the monitoring and oversight of environmental remediation of the Elk Hills site and the work on records disposition. The clean closure to residential standards of the arsenic contaminated well pad sites (AOC 130) will be used with the remaining funds.

Production Operations Funding ($K)

	FY 2024 Enacted	FY 2025 Enacted	FY 2026 Request	FY 2026 Request vs FY 2025 Enacted	
				$	%
Production Operations	11,010	11,010	11,000	-10	0%
Total, Production Operations	**11,010**	**11,010**	**11,000**	**-10**	**0%**

Explanation of Change for Production Operations

The decrease will have a minimal impact.

Overview

Management provides funding for payments to former NPR-1 M&O contractor employees for post-medical and dental benefits, a legal requirement of the 1998 NPR-1 sales agreement. Management also provides the Federal staffing resources and associated costs required to provide overall direction and execution of the NPOSR. There are a variety of inherently governmental functions, such as program management, contract administration, and budget formulation and execution that require a dedicated Federal workforce. NPOSR uses contractor support services and other related expenses to support the field environmental assessment, remediation, and management of the program.

Highlights of the FY 2026 Budget Request

The NPR-1 funding supports Federal staff that provide oversight, monitor environmental clean-up, and manage disposition activities. The sales agreement also includes payments to former NPR-1 M&O contractor employees for post-employment medical and dental benefits.

Management Funding ($K)

	FY 2024 Enacted	FY 2025 Enacted	FY 2026 Request	FY 2026 Request vs FY 2025 Enacted	
				$	%
Salaries and Benefits	540	555	555	0	0%
Travel	40	30	30	0	0%
Support Services	420	415	415	0	0%
Other Related Expenses	1,000	1,000	1,000	0	0%
Total, Washington Headquarters	**2,000**	**2,000**	**2,000**	**0**	**0%**
Salaries and Benefits	0	0	0	0	0%
Travel	0	0	0	0	0%
Support Services	0	0	0	0	0%
Other Related Expenses	0	0	0	0	0%
Total, NPR – Wyoming	**0**	**0**	**0**	**0**	**0%**
Total Management					
Salaries and Benefits	540	555	555	0	0%
Travel	40	30	30	0	0%
Support Services	420	415	415	0	0%
Other Related Expenses	1,000	1,000	1,000	0	0%
Total, Management	**2,000**	**2,000**	**2,000**	**0**	**0%**
Federal FTEs	**4**	**4**	**4**	**0**	**0%**
Technical Support					
Environmental, Safety, Security & Health	0	0	0	0	0%
Technical Services	400	400	400	0	0%
Total, Technical Support	**400**	**400**	**400**	**0**	**0%**

Management Support					
Business Administration	0	0	0	0	0%
IT Support	20	15	15	0	0%
Total Management Support	20	15	15	0	0%
Total, Support Services	**420**	**415**	**415**	**0**	**0%**
Rent to Others	0	0	0	0	0%
Communications, Utilities & Misc.	0	0	0	0	0%
Other Services	1,000	1,000	1,000	0	0%
Operation and Maintenance of Equipment	0	0	0	0	0%
Supplies and Materials	0	0	0	0	0%
Total, Other Related Expenses	**1,000**	**1,000**	**1,000**	**0**	**0%**

Northeast Home Heating Oil Reserve
($K)

FY 2024 Enacted	FY 2025 Enacted	FY 2026 Request	FY 2026 Request vs FY 2025 Enacted
7,150	7,150	3,575	-3,575

Proposed Appropriation Language

For Department of Energy expenses necessary for Northeast Home Heating Oil Reserve storage, operation, and management activities pursuant to the Energy Policy and Conservation Act (42 U.S.C. 6201 et seq.), 3,575,000, to remain available until expended: Provided, That notwithstanding section 183 of the Energy Policy and Conservation Act (42 U.S.C. 6250b), the Secretary of Energy shall draw down and sell all barrels of petroleum distillate from the Northeast Home Heating Oil Reserve during fiscal year 2026: Provided, That notwithstanding section 184 of the Energy Policy and Conservation Act (42 U.S.C. 6250c), all proceeds collected from such sale shall be deposited into the general fund of the Treasuryduring fiscal year 2026: Provided further, That upon the completion of such sale, the Secretary shall carry out the closure of the Northeast Home Heating Oil Reserve.

Mission

The Northeast Home Heating Oil Reserve (NEHHOR) provides a short-term supplement to the Northeast systems' commercial supply of heating oil in the event of a supply interruption.

Overview

The FY 2026 Request will focus on sunsetting commercial leases, oversight, management, and quality analysis of the Reserve in preparation for its sale and closure in FY 2026, as the NEHHOR has never been used for its intended purpose – to provide emergency heating fuel in the Northeast US. The proceeds from such sale will be deposited in the general fund for deficit reduction.

Summary Funding Table by Budget Control
Northeast Home Heating Oil Reserve
($K)

	FY 2024 Enacted	FY 2025 Enacted	FY 2026 Request	FY 2026 Request vs FY 2025 Enacted	
				$	%
Northeast Home Heating Oil Reserve	7,150	7,150	3,575	-3,575	-50%
Total, Northeast Home Heating Oil Reserve	7,150	7,150	3,575	-3,575	-50%

Explanation of Change for Northeast Home Heating Oil Reserve

Funding in this account is for NEHHOR operations up and until its closure, as proposed in FY 2026.

DEPARTMENT OF ENERGY
Funding by Site Detail
Petroleum Reserves Accounts - FY 2026

TAS_0218 - Strategic Petroleum Reserve
($K)

	FY 2024 Enacted	FY 2025 Enacted	FY 2026 Request
National Energy Technology Lab			
Strategic Petroleum Reserve (SPR)	300	300	300
Total National Energy Technology Lab	**300**	**300**	**300**
Oak Ridge National Laboratory			
Strategic Petroleum Reserve (SPR)	600	600	600
Total Oak Ridge National Laboratory	**600**	**600**	**600**
Sandia National Laboratories			
Strategic Petroleum Reserve (SPR)	4,092	4,092	4,092
Total Sandia National Laboratories	**4,092**	**4,092**	**4,092**
Strategic Petroleum Reserve - Bayou Choctow			
Strategic Petroleum Reserve (SPR)	14,606	14,606	16,295
Total Strategic Petroleum Reserve - Bayou Choctow	**14,606**	**14,606**	**16,295**
Strategic Petroleum Reserve - Big Hill			
Strategic Petroleum Reserve (SPR)	20,779	20,779	23,182
Total Strategic Petroleum Reserve - Big Hill	**20,779**	**20,779**	**23,182**
Strategic Petroleum Reserve - Bryan Mound			
Strategic Petroleum Reserve (SPR)	21,279	21,279	23,739
Total Strategic Petroleum Reserve - Bryan Mound	**21,279**	**21,279**	**23,739**
Strategic Petroleum Reserve - West Hackberry			
Strategic Petroleum Reserve (SPR)	26,344	26,344	29,390
Total Strategic Petroleum Reserve - West Hackberry	**26,344**	**26,344**	**29,390**
Strategic Petroleum Reserve Project Office			
Strategic Petroleum Reserve (SPR)	19,949	18,058	18,896
Total Strategic Petroleum Reserve Project Office	**19,949**	**18,058**	**18,896**
Washington Headquarters			
Strategic Petroleum Reserve (SPR)	105,441	107,332	89,831
Total Washington Headquarters	**105,441**	**107,332**	**89,831**
Total Funding by Site for TAS_0218 - Strategic Petroleum Reserve	**213,390**	**213,390**	**206,325**

TAS_0316 - Northeast Home Heating Oil Reserve
($K)

	FY 2024 Enacted	FY 2025 Enacted	FY 2026 Request
Washington Headquarters			
Northeast Home Heating Oil Reserves	1,075	1,075	538
Total Washington Headquarters	**1,075**	**1,075**	**538**
Other			
Northeast Home Heating Oil Reserves	6,075	6,075	3,037
Total Other	**6,075**	**6,075**	**3,037**
Total Funding by Site for TAS_0316 - Northeast Home Heating Oil Reserve	**7,150**	**7,150**	**3,575**

TAS_0219 - Naval Petroleum and Oil Shale Reserve
($K)

	FY 2024 Enacted	FY 2025 Enacted	FY 2026 Request
Naval Petroleum Reserve No 1			
Total Naval Petroleum Reserve No 1	**11,016**	**11,010**	**11,010**
Washington Headquarters			
Total Washington Headquarters	**2,000**	**2,000**	**1,990**
Total Funding by Site for TAS_0219 - Naval Petroleum and Oil Shale Reserve	**13,016**	**13,010**	**13,000**

TAS_0233 - Strategic Petroleum Reserve Petroleum Account
($K)

	FY 2024 Enacted	FY 2025 Enacted	FY 2026 Request
Strategic Petroleum Reserve Project Office			
SPR Petroleum Account	100	100	**100**
Total Strategic Petroleum Reserve Project Office	**100**	**100**	**100**
Total Funding by Site for TAS_0233 - Strategic Petroleum Reserve Petroleum Account	**100**	**100**	**100**

Indian Energy Policy and Programs

Office of Indian Energy Policy and Programs
($K)

FY 2024 Enacted	FY 2025 Enacted	FY 2026 Request	FY 2026 Request vs FY 2025 Enacted
70,000	70,000	50,000	- 20,000

Proposed Appropriation Language
For necessary expenses for Indian Energy activities in carrying out the purposes of the Department of Energy Organization Act (42 U.S.C. 7101 et seq.), $50,000,000, to remain available until expended: *Provided,* That, of the amount appropriated under this heading, $10,000,000 shall be available until September 30, 2027, for program direction

Mission

The mission of the Office of Indian Energy Policy and Programs (45 U.S.C. § 7144e) is to: promote Tribal energy development, efficiency, and use; reduce or stabilize energy costs, enhance and strengthen Tribal energy and economic infrastructure; and electrify Indian lands and homes. The Office carries out this mission within the scope of DOE's mission and in accordance with Tribal self-determination policies.

Overview

The Office of Indian Energy Policy and Programs (IE) offers financial and technical assistance to Indian Tribes, including Alaska Native villages, and eligible Tribal entities for advancing electrification and energy development and deployment on Indian lands, reducing energy costs, and assisting economic development in Tribal communities where unemployment and poverty rates far exceed national averages. Through financial assistance and technical assistance, IE catalyzes American Indian and Alaskan Native nations to lead the development of reliable, firm power in Indian Country. These efforts advance energy abundance, help to restore American energy dominance, and address energy access challenges in Indian Country. Programs will not support work on solar, wind, or battery technologies. The FY 2026 Budget Request will focus on the following priorities:

- Expand reliable, firm energy development in Indian Country.
- Leverage IE's grant making authority to fund energy infrastructure planning and deployment.
- Provide expert assistance to Tribes for productive engagement with project developers to unleash new American energy.
- Improve energy access for Tribes.

Office of Indian Energy Policy and Programs
($K)

	FY 2024 Enacted	FY 2025 Enacted	FY 2026 Request	FY 2026 Request vs FY 2025 Enacted	
				$	%
Assistance Program	56,000	56,000	40,000	-16,000	-29%
Program Direction	14,000	14,000	10,000	-4,000	-29%
Total, Office of Indian Energy	**70,000**	**70,000**	**50,000**	**-20,000**	**-29%**

Assistance Programs

Overview

The Office of Indian Energy Policy and Programs (IE) serves all 574 federally recognized Indian Tribes, including Alaska Native Regional Corporations and Village Corporations, as well as Tribal and Intertribal organizations, and Tribal energy development organizations. Numerous factors challenge Indian Tribes interested in developing their vast energy resources. Energy and infrastructure development in Indian Country is constrained due to limited funding and financing, inadequate infrastructure, limited technical capacity, and a complicated legal and regulatory structure governing Indian lands. As a result, many Indian Tribes spend a disproportionate amount of their income on energy (28.3% higher on average than the U.S. National median energy burden of 3% with some paying well over 4 times the national average) and a significant number, especially in Alaska, experience a severe energy burden (i.e., paying more than 10% of income on energy)[1].

IE prioritizes expanding access to reliable, firm energy across Indian Country to reduce overall energy costs for consumers and create employment opportunities. To do so, IE supports unleashing Tribal energy development through financial assistance and technical assistance:

- **Financial assistance to increase affordable, reliable and secure power:** IE provides competitive funding opportunities for reliable, firm energy infrastructure deployment to American Indian and Alaska Native federally recognized Tribes across the Nation. Programs will not support work on solar, wind, or battery technologies.
- **Technical Assistance to overcome energy development barriers:** IE provides technical assistance at no cost to Indian Tribes to develop a tangible product or specific deliverable to address a need or barrier and move energy projects forward, and to enable a competitive business environment for energy development in Indian Country. The FY 2026 budget request enables IE to continue this assistance which leverages DOE's network of subject matter experts and partner organizations to unleash Tribal energy development. Programs will not support work on solar, wind, or battery technologies.

Highlights of the FY 2026 Budget Request

IE's FY 2026 budget streamlines the Office of Indian Energy's technology focus but proposes to expand energy development in Indian Country. The Budget requests a 29% reduction in funding.

Assistance Programs
($K)

	FY 2024 Enacted	FY 2025 Enacted	FY 2026 Request	FY 2026 Request vs FY 2025 Enacted	
				$	%
Technical Assistance	5,000	5,000	10,000	+5,000	+100%
Financial Assistance	51,000	51,000	30,000	-21,000	-41%
Total, Assistance Programs	**56,000**	**56,000**	**40,000**	**-16,000**	**-29%**

Explanation of Changes for Assistance

The increase in technical assistance funding will enable the expansion of technical assistance to more Tribes and increased local providers. The decrease in federal assistance funding focuses support on reliable, firm energy infrastructure.

[1] Megan Day, Ricardo Oliveira, Jon Weers, and Aaron Vimont. (2019). https://lead.openei.org/assets/docs/LEAD-Tool-Methodology.pdf.

Program Direction

Overview

Program direction provides federal staff responsible for the management and execution of IE's programs and activities, as well as the associated support contractors, rent, supplies, travel, and other related expenses. The staff is responsible for providing overall guidance and direction for DOE program offices on Tribal energy activities and initiatives necessary to achieve IE's mission and provides day-to-day management of financial assistance, technical assistance, and outreach and capacity building efforts. Program direction also provides managerial support for the reporting, compliance, and other statutory responsibilities.

Salaries and Benefits support federal employees who provide management and programmatic and project oversight, tribal affairs and engagement, and analysis for the effective implementation of the IE program. The FY 2026 Budget anticipates 24 federal staff.

Travel includes transportation, per diem, and incidental expenses allowing IE to effectively deliver on its mission. Major drivers of travel include the need to support Tribal energy engagement and capacity building, enhance energy planning and management while advancing energy deployment on Tribal lands, and raising awareness among Tribes of IE and DOE services and resources to unleash American energy through effective partnership with Tribes.

Support Services include contractor support to perform administrative and analytical tasks in support of IE's mission.

Other Related Expenses include DOE's Working Capital Fund support, Energy Information Technology Services, equipment purchases, upgrades, and replacements, office furniture, commercial credit card purchases, general and advanced training, security clearances, and other miscellaneous expenditures.

Highlights of the FY 2026 Budget Request

This budget request accounts for decreased on-board FTEs, supports project management and procurement across IE's portfolio of projects, and supports efforts to further the success of programs and projects across DOE programs through effective Tribal engagement and consultation.

Program Direction
Funding ($K)

	FY 2024 Enacted	FY 2025 Enacted	FY 2026 Request	FY 2026 Request vs FY 2025 Enacted	
				$	%
Salaries and Benefits	5,036	5,036	4,700	-336	-7%
Travel	265	265	200	-65	-25%
Support Services	5,396	5,396	2,800	-2,596	-48%
Other Related Expenses	3,303	3,303	2,300	-1.003	-30%
Total, Program Direction	**14,000**	**14,000**	**10,000**	**-4,000**	**-29%**
Federal FTEs	29	34	24	-10	-29%
Total, IE Funded FTEs	**29**	**34**	**24**	**-10**	**-29%**

Program Direction
Activities and Explanation of Changes
$K

FY 2025 Enacted	FY 2026 Request	Explanation of Changes FY 2025 Enacted vs FY 2026 Request
Program Direction		
$14,000	**$10,000**	**-$4,000**
Salaries and Benefits		
$5,036	*$4,700*	*-$336*
Provided salaries and benefits for 34 full-time equivalents (FTEs) that provide executive management, programmatic oversight, and analysis for the effective implementation of the IE program.	Provides salaries and benefits for 24 FTEs that provide executive management, programmatic oversight, and analysis for the effective implementation of the IE program.	The decrease is due to a lower number of FTEs.
Travel		
$265	*$200*	*-$65*
Provided for travel, subsistence and incidental expenses of FTEs to support the 574 federally recognized Indian Tribes throughout the nation, many of which are in remote and rural areas.	Provides travel, subsistence and incidental expenses of FTEs to support the 574 federally recognized Indian Tribes throughout the nation, many of which are located in remote and rural areas.	Decreased due to a lower number of FTEs.
Support Services		
$5,396	*$2,800*	*-$2,596*
Provided for management, administrative, and operations support to monitor grants, support execution of technical assistance, and outreach.	Provides for management, administrative, and operations support to monitor grants, support execution of technical assistance, support to DOE program offices on Tribal matters, energy access strategy and execution, and outreach.	Decreased due to streamlined scope of technologies.
Other Related Expenses		
$3,303	*$2,300*	*-$1,003*
Computer hardware and software provided through the Office of Chief Information Officer (OCIO), Working Capital Fund, office space, registration fees, supplies, and small purchases through the micro-purchase credit card.	Computer hardware and software provided through the OCIO, Working Capital Fund, office space, registration fees, supplies, and small purchases through the micro-purchase credit card.	Decreased due to a lower number of FTEs.

DEPARTMENT OF ENERGY
Funding by Site Detail
TAS_0342 - Office of Indian Energy Policy and Programs -
FY 2026
($K)

	FY 2024 Enacted	FY 2025 Enacted	FY 2026 Request
Indian Energy Policy & Programs	56,000	56,000	40,000
Program Direction - Indian Energy Program	14,000	14,000	10,000
Total Undesignated LPI	**70,000**	**70,000**	**50,000**
Total Funding by Site for TAS_0342 – Office of Indian Energy Policy and Programs	**70,000**	**70,000**	**50,000**

Power Marketing Administrations

	FY 2025 Enacted	FY 2026 Request	FY 2026 Request vs FY 2025 Enacted
Gross	94,468	105,030	+10,562
Offsets	-94,468	-105,030	-10,562
Net BA	0	0	-

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 2026 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).

Note.--This account is operating under the Full-Year Continuing Appropriations and Extensions Act, 2025 (Division A of Public Law 119-4).

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 energy efficiency, renewable energy, and 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.

Summary Funding Table by Budget Control
Southeastern Power Administration
($K)

	FY 2025 Enacted	FY 2026 Request	FY 2026 Request vs FY 2025 Enacted	
			$	%
Purchase Power and Wheeling (PPW)	86,019	95,745	+9,726	+11%
Program Direction (PD)	8,449	9,285	+836	+10%
Subtotal, Southeastern Power Administration	**94,468**	**105,030**	**+10,562**	**+11%**
Offsetting Collections, PPW	-71,850	-81,819	-9,969	+14%
Alternative Financing, PPW	-14,169	-13,926	+243	-2%
Offsetting Collections, Annual Expenses, PD	-8,449	-9,285	-836	+10%
Alternative Financing, PD	0	0	0	0%
Total, Southeastern Power Administration	**0**	**0**	**0**	**0%**

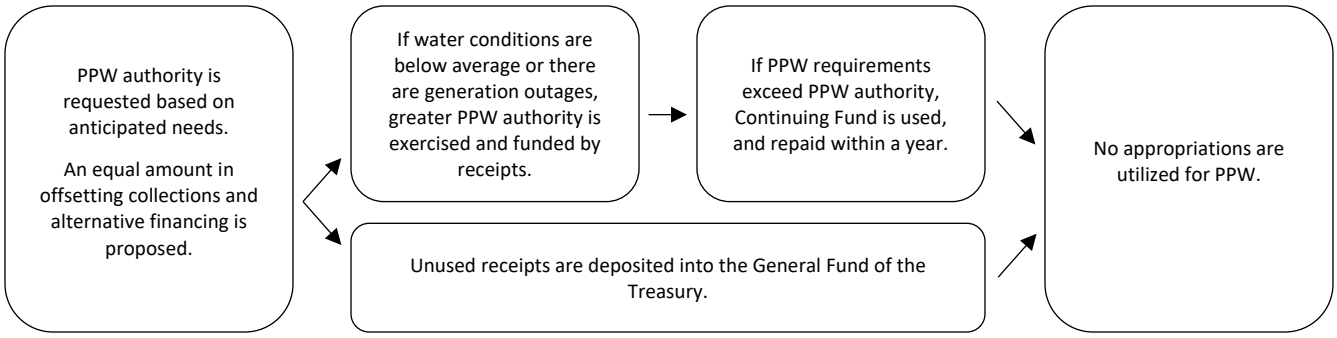
Purchase Power and Wheeling

Overview

The mission of Purchase Power and Wheeling (PPW) is to provide funding for acquisition of transmission services, ancillary services for the system, pumping energy for the Richard B. Russell and Carters Pumped Storage units, and support of the Jim Woodruff Project. Southeastern must purchase power on the open market when its Federal generating assets cannot provide enough power to fulfill its contracts with its customers.

Additionally, because Southeastern does not own or operate any transmission infrastructure, transmission expenses are based on contracts with area transmission providers to deliver specified amounts of Federal power from the hydropower projects to Federal power customers. 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.

The FY 2026 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 replacement power and transmission services directly from suppliers. Southeastern will continue to assist its customers by arranging funding for these activities through alternative financing instruments, as needed.



Highlights of the FY 2026 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. Compared to FY 2025 enacted levels, the FY 2026 request increases PPW ($9.726M), reflecting changes in transmission and rainfall estimates.

Purchase Power & Wheeling
Funding
($K)

	FY 2025 Enacted	FY 2026 Request
Purchase Power		
Replacement Power	2,115	2,145
Russell Project pumping power	12,405	14,180
Carters Project pumping power	11,303	14,165
Jim Woodruff Project support	0	0
Total, Purchase Power	25,823	30,490
Wheeling		
Wheeling service charges	55,456	60,155
Ancillary Services	4,740	5,100
Total, Wheeling	60,196	65,255
Total, Purchase Power and Wheeling	**86,019**	**95,745**
Alternative Financing		
Net Billing	-14,169	-13,926
Subtotal, Purchase Power and Wheeling	71,850	81,819
Offsetting Collections Realized	-71,850	-81,819
Total, Purchase Power and Wheeling Budget Authority	0	0

Explanation of Changes for Purchase Power and Wheeling

The increase ($4.667M) in Purchase Power budget request reflects anticipated needs for On-Peak replacement and Off-Peak pumping purchases based on projected market prices and rainfall estimates. On-Peak replacement power will be purchased to meet contract minimum service requirements and Off-Peak Pumping Power will be purchased to supplement stream flow energy demand.

The increase ($5.059M) in Wheeling budget request reflects anticipated transmission expenses based on contracts with area transmission service providers and the trend of increased transmission rates. Continued funding will support SEPA's efforts to deliver specified amounts of Federal power from the hydropower projects to Federal power customers.

Program Direction

Overview

Program Direction (PD) provides the Federal staffing resources and associated costs 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 2026 Budget Request

The FY 2026 Budget Request provides for the continuation of Southeastern's activities related to PD at the level necessary to meet mission requirements. Compared to FY 2025 enacted levels, the FY 2026 increases PD (+$0.836M) based on updated cost estimates.

Program Direction Funding
($K)

	FY 2025 Enacted	FY 2026 Request	FY 2026 Request vs FY 2025 Enacted	
			$	%
Salaries and Benefits	6,075	6,390	+315	+5%
Travel	120	130	+10	+8%
Support Services	0	70	+70	+100%
Other Related Expenses	2,254	2,695	+441	+20%
Subtotal, Southeastern Power Administration	**8,449**	**9,285**	**+836**	**+10%**
Offsetting Collections (annual expenses)	-8,449	-9,285	-836	+10%
Alternative Financing, PD	0	0	0	0%
Total, Program Direction	0	0	0	0%
Management and Professional Support Services	0	70	+70	+100%
Total, Support Services	**0**	**70**	+70	0%
Training	40	40	0	0%
Communications, Utilities, Misc.	287	287	0	0%
Equipment	250	164	-86	-34%
Maintenance Agreements	540	764	+224	+41%
Tuition	80	77	-3	-4%
Contract Services	617	925	+308	+50%
Audit of Financial Statements	260	272	+12	+5%
Supplies and Materials	95	78	-17	-18%
Working Capital Fund	75	82	+7	+9%
Printing and Reproduction	10	6	-4	-40%
Total, Other Related Expenses	**2,254**	**2,695**	**+441**	**+20%**

Program Direction
Activities, Milestones, and Explanation of Changes
($K)

FY 2025 Enacted	FY 2026 Request	Explanation of Changes FY 2026 Request vs FY 2025 Enacted
Program Direction		
$8,449	**$9,285**	**+$836**
Salaries and Benefits		
$6,075	*$6,390*	*+$315*
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.	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.	The increase is due to retirement payouts and salary increases.
Travel		
$120	*$130*	*+$10*
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.	The increase is due to increased cost of travel.
Support Services		
$0	*$70*	*+$70*
No funding enacted.	Funding supports preference customers' efforts in support of the Energy Policy Act of 2005.	The increase is due to new advisory and assistance services contract to support SEPA market operations.
Other Related Expenses		
$2,254	*$2,695*	*+$441*
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	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-	The increase is due to required hardware lifecycle purchases and software service agreements and updates along with increased cost of training, tuition, and communications costs.

the data to other transmission operators and NERC.	time data from the control area and provides the data to other transmission operators and NERC.	

Southwestern Power Administration ($K)

	FY 2025 Enacted	FY 2026 Request	FY 2026 Request vs FY 2025 Enacted
Gross	189,737	201,887	+12,150
Offsets	-178,297	-191,487	-13,190
Net Budget Authority	11,440	10,400	-1,040

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, $59,766,000 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 $49,366,000 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 2026 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).

Note.--This account is operating under the Full-Year Continuing Appropriations and Extensions Act, 2025 (Division A of Public Law 119-4).

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 operations & 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
($K)

	FY 2025 Enacted	FY 2026 Request	FY 2026 Request vs FY 2025 Enacted	
			$	%
Operation and Maintenance (O&M)	16,759	19,590	+2,831	+17%
Construction (CN)	8,048	14,879	+6,831	+85%
Purchase Power and Wheeling (PPW)	120,000	120,000	0	0%
Program Direction (PD)	44,930	47,418	+2,488	+6%
Subtotal, Operation and Maintenance	**189,737**	**201,887**	**+12,150**	**+6%**
Offsetting Collections (Annual Expenses), O&M	-8,884	-10,373	-1,489	+17%
Offsetting Collections (Annual Expenses), PD	-32,002	-38,993	-6,991	+22%
Offsetting Collections “up to”, PPW	-80,000	-80,000	0	0%
Alternative Financing, O&M	-4,388	-6,103	-1,715	+39%
Alternative Financing, CN	-8,048	-10,953	-2,905	+36%
Alternative Financing, PPW	-40,000	-40,000	0	0%
Alternative Financing, PD	-4,975	-5,065	-90	+2%
Net Budget Authority, Operation and Maintenance	**11,440**	**10,400**	**-1,040**	**-9%**

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 O&M 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 2026 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
Funding ($K)

	FY 2025 Enacted	FY 2026 Request	FY 2026 Request vs FY 2025 Enacted	
			$	%
Power Marketing	200	200	0	0%
Operations	9,215	11,016	+1,801	+20%
Maintenance	5,294	5,529	+235	+4%
Capitalized Moveable Equipment	2,050	2,845	+795	+39%
Subtotal, Operations and Maintenance	**16,759**	**19,590**	**+2,831**	**+17%**
Offsetting Collections (Annual Expenses)	-8,884	-10,373	-1,489	+17%
Alternative Financing	-4,388	-6,103	-1,715	+39%
Total, Operations and Maintenance	**3,487**	**3,114**	**-373**	**-11%**

Explanation of Change for Operation and Maintenance

The increase in the Operations subactivity is due to an increase in cost for required hardware and software related to communications and operations, as well as anticipated replacement of a cooling tower facility and the addition of a storm shelter. The increase in the Maintenance subactivity reflects increasing cost of materials. The increase in the Capitalized Moveable Equipment subactivity is due to an increase in cost of replacement vehicles and equipment.

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 2026 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.** 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 2026. 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 Funding ($K)

	FY 2025 Enacted	FY 2026 Request	FY 2026 Request vs FY 2025 Enacted	
			$	%
Transmission System				
Substation Upgrades	701	722	+21	+3%
Communication Upgrades	2,980	2,800	-180	-6%
Transmission Upgrades	4,367	11,357	+6,990	+160%
Subtotal, Construction	**8,048**	**14,879**	**+6,831**	**+85%**
Alternative Financing	-8,048	-10,953	-2,905	+36%
Total, Construction	**0**	**3,926**	**+3,926**	**+100%**

Explanation of Change for Construction

The Substation Upgrades subactivity increase reflects an increase in the cost of equipment and materials. The Communication Upgrades subactivity decrease reflects use of prior year funds for fiber terminal equipment replacements due to longer lead time of equipment procurement. The Transmission Upgrades subactivity increase reflects the FY 2025 decrease that allowed for utilization of prior year funds due to previous delays in contract awards for transmission line replacements.

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 2024, Southwestern's PPW reserve balance was $120 million.

Highlights of the FY 2026 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 2026 funding request reflects the projected cost for wheeling services based on contractual pricing and delivery terms.

Purchase Power and Wheeling
Funding ($K)

	FY 2025 Enacted	FY 2026 Request	FY 2026 Request vs FY 2025 Enacted	
			$	%
System Support	111,800	111,800	0	0%
Other Contractual Services	8,200	8,200	0	0%
Subtotal, Purchase Power and Wheeling	**120,000**	**120,000**	**0**	**0%**
Offsetting Collections (PPW)	-80,000	-80,000	0	0%
Alternative Financing	-40,000	-40,000	0	0%
Total, Purchase Power and Wheeling	**0**	**0**	**0**	**0%**

Explanation of Change 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.

Program Direction
Funding ($K)

	FY 2025 Enacted	FY 2026 Request	FY 2026 Request vs FY 2025 Enacted	
			$	%
Salaries and Benefits	34,537	33,887	-650	-2%
Travel	1,988	2,095	+107	+5%
Support Services	4,058	5,362	+1,304	+32%
Other Related Expenses	4,347	6,074	+1,727	+40%
Subtotal, Program Direction	**44,930**	**47,418**	**+2,488**	**+6%**
Offsetting Collections (Annual Expenses)	-32,002	-38,993	-6,991	+22%
Alternative Financing	-4,975	-5,065	-90	+2%
Total, Program Direction	**7,953**	**3,360**	**-4,593**	**-58%**
Federal FTEs	194	194	0	0%
Management Support				
Engineering and Technical Services	0	0	0	0%
Technical Support				
Management and Professional Support Services	4,058	5,362	+1,304	+32%
Total Support Services	4,058	5,362	+1,304	+32%
Total, Support Services	**4,058**	**5,362**	**+1,304**	**+32%**
Communication, Utilities, Misc.	908	883	-25	-3%
EITS	40	35	-5	-13%
Printing and Reproduction	45	45	0	0%
Other Services	1,080	2,141	+1,061	+98%
Training	368	390	+22	+6%
Power Marketing Liaison	358	145	-213	-59%
Financial Audit	526	625	+99	+19%
Supplies and Materials	138	133	-5	-4%
Equipment	513	917	+404	+79%
Working Capital Fund	371	760	+389	+105%
Total, Other Related Expenses	**4,347**	**6,074**	**+1,727**	**+40%**

Program Direction
Activities and Explanation of Changes
($K)

FY 2025 Enacted	FY 2026 Request	Explanation of Changes FY 2026 Request vs FY 2025 Enacted
Program Direction		
$44,930	**$47,418**	**+ $2,488**
Salaries and Benefits		
$34,537	*$33,887*	*- $650*
The FY 2025 level supports 194 Federal employees: 54 percent of the employees are GS; salaries of the remaining 46 percent (craft workers and power system dispatchers) are determined through union negotiations and wage surveys. This activity also includes overtime, awards, relocation, workers' compensation, recruitment bonuses, retention pay, and advanced in-hire rates. Southwestern will continue to invest in its employees, emphasizing strong development programs and completing skills gap analyses, and ensure needed workforce resources are in place.	The FY 2026 level supports 194 Federal employees: 54 percent of the employees are GS; salaries of the remaining 46 percent (craft workers and power system dispatchers) are determined through union negotiations and wage surveys. This activity also includes overtime, awards, relocation, workers' compensation, recruitment bonuses, retention pay, and advanced in-hire rates. Southwestern will continue to invest in its employees, emphasizing strong development programs and completing skills gap analyses, and ensure needed workforce resources are in place.	The decrease is reflective of previous aggressive recruiting to fill several technical hard to fill positions and back-filling retirees, which has shifted the workforce to on-average slightly lower graded employees.
Travel		
$1,988	*$2,095*	*+ $107*
This activity 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. The funding level for this activity is primarily derived from the daily requirement of the field maintenance personnel to maintain 1,381 miles of transmission lines, 26 substations/switchyards, 51 microwave/radio sites, communication equipment, and the Supervisory Control and Data Acquisition network. Travel for the performance of general and administrative functions is also included.	This activity 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. The funding level for this activity is primarily derived from the daily requirement of the field maintenance personnel to maintain 1,381 miles of transmission lines, 26 substations/switchyards, 51 microwave/radio sites, communication equipment, and the Supervisory Control and Data Acquisition network. Travel for the performance of general and administrative functions is also included.	The increase is due to inflation.
Support Services		
$4,058	*$5,362*	*+ $1,304*
This activity funds contracted management support services including information technology, E-Government, and administrative/records management support. The funding level for this activity is derived from the most	This activity funds contracted management support services including information technology, E-Government, and administrative/records management support. The funding level for this activity is derived from the most	The increase is due to the recently negotiated contract for support services for information technology and administrative management support services to achieve Southwestern's mission.

recent negotiated contract for support services essential to achieve Southwestern's mission.	recent negotiated contract for support services essential to achieve Southwestern's mission.	
Other Related Expenses		
$4,347	*$6,074*	*+ $1,727*
This activity funds facility security, the financial audit, services of the Power Marketing Liaison Office, the Human Resources Shared Service Center (HRSSC), the 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 workforce planning and required training to meet the NERC emergency operations requirement. Costs are based on the historical usage and actual cost of similar items.	This activity funds facility security, the financial audit, services of the Power Marketing Liaison Office, the Human Resources Shared Service Center (HRSSC), the 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 workforce planning and required training to meet the NERC emergency operations requirement. Costs are based on the historical usage and actual cost of similar items.	The increase is due to facility security, Working Capital Fund, EITS, and technology refresh of hardware and software associated with Federal workforce.

Southwestern Power Administration
Revenues and Receipts
Funding ($K)

	FY 2023 Actual	FY 2024 Actual	FY 2025 Estimate	FY 2026 Estimate	FY 2027 Estimate	FY 2028 Estimate	FY 2029 Estimate	FY 2030 Estimate
Gross Revenues								
Sale and Transmission of Electric Energy	204,802	195,367	203,000	245,000	245,000	245,000	245,000	245,000
Alternative Financing Credited as an Offsetting Receipt (O&M, CN, PD, PPW), Net Billing	-33,911	-57,411	-33,487	-62,121	-65,826	-64,116	-65,693	-62,104
Alternative Financing Credited as an Offsetting Receipt (Section 212), Net Billing[1]	-78,431	-58,473	-81,602	-52,000	-48,000	-49,000	-44,000	-48,000
Offsetting Collections, Annual Expenses (Net Zero)	-42,880	-40,886	-40,886	-49,366	-49,465	-50,640	-53,512	-53,144
Offsetting Collections, Purchase Power and Wheeling ('up to' ceiling)[2]	-21,000	-38,585	-46,000	-80,000	-80,000	-80,000	-80,000	-80,000
Total Proprietary Receipts	28,580	12	1,025	1,513	1,709	1,244	1,795	1,752
Percent of Sales to Preference Customers	100%	100%	100%	100%	100%	100%	100%	100%
Energy Sales from Power Marketed (billions of kilowatt hours)	4.2	4.1	4.1	5.3	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 2029, 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]
($K)

	FY 2025	FY 2026
Offsetting Collections for Reimbursable Work [2]		
Alternative Financing		
Operations and Maintenance	4,388	6,103
Construction	8,048	10,953
Purchase Power and Wheeling	40,000	40,000
Program Direction	4,975	5,065
Subtotal, Alternative Financing	**57,411**	**62,121**
Offsetting Collections not anticipated for obligation in budget year	0	0
Subtotal, Offsetting Collections for Reimbursable Work	**57,411**	**62,121**
Offsetting Collections for Reimbursable Work-for-Others [3]		
Non-Federal	12,589	12,879
Federal	6,000	6,000
Total, Offsetting Collections for Reimbursable	**76,000**	**81,000**

[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 2023 Actual	FY 2024 Actual	FY 2025 Estimate	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	2,242,500	2,242,500
Marketed Capacity	2,068,338	2,068,538	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	24	24
Substations/Switchyards (Number)	26	27	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	1,026,900	1,026,900
Available Energy[1] (megawatt-hours)								
Energy Generated	3,904,621	3,777,321	3,812,700	5,014,300	5,027,900	5,022,900	5,022,900	5,022,900
Energy Received	341,379	341,379	254,300	255,600	250,600	255,600	255,600	255,600
Total, Energy Available for Marketing	4,246,000	4,118,700	4,067,000	5,269,900	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	1,118	1,118
138-KV	164	164	164	164	164	164	164	164
69-KV	99	99	99	99	99	99	99	99
Total, Transmission Lines	1,381	1,381	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 2023 power repayment studies.

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

State	No. of Plants	Installed Capacity (kW)	Marketed Capacity (kW)	FY 2023 Actual Energy (GWh)	FY 2024 Actual Energy (GWh	FY 2025 Estimate Energy (GWh)	FY 2026 Estimate Energy (GWh)	FY 2027 Estimate Energy (GWh)	FY 2028 Estimate Energy (GWh)	FY 2029 Estimate Energy (GWh)	FY 2030 Estimate Energy (GWh)
Power Marketed											
Integrated System:											
Missouri	4	470,000	675,700	1,438	1,411	1,402	1,853	1,856	1,856	1,856	1,856
Arkansas	9	1,058,050	376,000	801	800	795	1,050	1,052	1,052	1,052	1,052
Oklahoma	7	514,100	408,488	874	807	802	1,060	1,062	1,062	1,062	1,062
Texas	2	141,000	251,000	398	396	394	520	521	521	521	521
Louisiana	0	0	144,000	288	211	210	277	278	278	278	278
Kansas	0	0	154,000	332	300	298	394	395	395	395	395
Subtotals	22	2,183,150	2,009,188	4,131	3,925	3,901	5,156	5,164	5,164	5,164	5,164
Isolated:											
(Sam Rayburn and Robert D. Willis Projects)											
Texas	2	59,350	56,660	106	186	159	110	110	110	110	110
Louisiana	0	0	2,690	9	7	6	4	4	4	4	4
Subtotals	2	59,350	59,350	115	194	166	114	114	114	114	114
Total, Power Marketed[1]	24	2,242,500	2,068,338	4,246	4,119	4,067	5,270	5,279	5,279	5,279	5,279
Power Wheeled (MW)[2]				717	760	788	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 2023 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 2023 power repayment studies.

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

FY 2025 Enacted	FY 2026 Request	FY 2026 Request vs FY 2025 Enacted
99,872	63,372	-36,500

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, $311,035,000, including official reception and representation expenses in an amount not to exceed $1,500, to remain available until expended, of which $311,035,000 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 $247,663,000 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 $63,372,000 of which $63,372,000 is derived from the Reclamation Fund: Provided further, That notwithstanding 31 U.S.C. 3302, up to $475,000,000 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.

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

	FY 2025 Enacted	FY 2026 Request	FY 2026 Request vs FY 2025 Enacted	
			$	%
Operation and Maintenance	42,076	22,830	-19,246	-46%
Construction and Rehabilitation	0	0	0	0%
Purchase Power and Wheeling (net)	0	0	0	0%
Program Direction	57,796	40,542	-17,254	-30%
Total, CROM	**99,872**	**63,372**	**-36,500**	**-37%**

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 40 million Americans across its 15-state footprint.

Operations and Maintenance ($22.8 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 Request	FY 2026 Request vs FY 2025 Enacted	
			$	%
Regular Operation and Maintenance	76,763	42,412	-34,351	-45%
Replacements, Additions & Upgrades	76,366	76,387	+21	0%
Subtotal	**153,129**	**118,799**	**-34,330**	**-22%**
Alternative Financing	-79,848	-59,732	+20,116	-25%
Colorado River Dam Fund	-1,756	-2,592	-836	+48%
Offsetting Collections	-29,449	-33,645	-4,196	+14%
Use of Prior Year Balances	0	0	0	0%
Total Operations and Maintenance	**42,076**	**22,830**	**-19,246**	**-46%**

Explanation of Changes for Operations and Maintenance

Changes in O&M funding were made to meet overall funding targets.

Construction and Rehabilitation

Overview

The Construction and Rehabilitation (C&R) subprogram supports WAPA's mission to deliver reliable, clean Federal hydroelectric power by emphasizing the construction of new facilities that provide service to new customers, expand service to existing customers, or provide cost-effective benefits across the customer base intended to provide continued reliability, improved connectivity, and increased resilience, flexibility and capability to the power grid; or major rehabilitation of existing infrastructure intended to restore assets to acceptable operating or environmental conditions.

The C&R program will consist of only projects exceeding $34M that represent a change in mission or new business line. Financing of the C&R subprogram is expected to rely primarily on voluntary stakeholder participation in alternative methods for capital financing except where specific infrastructure appropriations are made available. Stakeholder financing may be provided as either advances that are re-paid to the stakeholder through bill credits or as direct work for others financing resulting in contributed assets to WAPA without repayment to the stakeholder.

Construction and Rehabilitation ($K)

	FY 2025 Enacted	FY 2026 Request	FY 2026 Request vs FY 2025 Enacted	
			$	%
Construction and Rehabilitation	0	0	0	0%
Nogales to Saguaro Transmission Line	0	0	0	0%
Transmission Lines and Terminal Facilities	0	0	0	0%
Substations	0	0	0	0%
Other	0	0	0	0%
Subtotal, Construction and Rehabilitation	**0**	**0**	**0**	**0%**
Alternative Financing	0	0	0	0%
Total, Construction and Rehabilitation (Budget Authority)	**0**	**0**	**0**	**0%**

Explanation of Changes for Construction and Rehabilitation

WAPA does not currently have any planned C&R projects.

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 ($475 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 Request	FY 2026 Request vs FY 2025 Enacted	
			$	%
Central Valley	257,035	365,567	+108,532	+42%
Pick-Sloan Missouri Basin and other Programs	381,310	379,604	-1,706	0%
Subtotal, Purchase Power and Wheeling	**638,345**	**745,171**	**+106,826**	**+17%**
Alternative Financing Needed	-163,345	-270,171	-106,826	+65%
Offsetting Collections	-475,000	-475,000	0	0%
Total	**0**	**0**	**0**	**0%**

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 ($40.5 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 Request	FY 2026 Request vs FY 2025 Enacted	
			$	%
Construction, Rehabilitation, Operation and Maintenance/Program Direction				
Salaries and Benefits	219,572	232,959	+13,387	+6%
Travel	10,336	8,965	-1,371	-13%
Support Services	35,737	34,951	-786	-2%
Other Related Expenses	43,095	41,862	-1,233	-3%
Total, Program Direction	**308,740**	**318,737**	**+9,997**	**+3%**
Use of Alternative Financing	-57,657	-54,476	+3,181	-6%
Use of Receipts from Colorado River Dam Fund	-9,319	-9,701	-382	+4%
Offsetting Collections, Other Expenses	-183,968	-214,018	-30,050	+16%
Use of Prior Year Balances	0	0	0	0%
Total, Program Direction (Budget Authority)	**57,796**	**40,542**	**-17,254**	**-30%**
Federal FTEs	**1,215**	**1,208**	**-7**	**-1%**
Economic and Environmental Analysis	15,777	14,731	-1,046	-7%
Total, Technical Support	**15,777**	**14,731**	**-1,046**	**-7%**
Management Support	0	0		
Automated Data Processing	11,525	12,009	+484	+4%
Training and Education	3,000	2,614	-386	-13%
Reports and Analysis, Mgmt and General Administrative Support	5,435	5,597	+162	+3%
Total, Management Support	**19,960**	**20,220**	**+260**	**+1%**
Total, Support Services	**35,737**	**34,951**	**-786**	**-2%**
Other Related Expenses				
Rent to GSA	2,423	2,524	+101	+4%
Communication, Utilities, Misc.	7,140	5,712	-1,428	-20%
Printing and Reproduction	65	69	+4	+6%
Other Services	17,874	16,750	-1,124	-6%
Training	0	0	0	0%
Purchases from Gov. Accounts	924	996	+72	+8%
Operation and Maintenance of Equipment	7,273	7,650	+377	+5%
Supplies and Materials	2,076	2,369	+293	+14%
Equipment	2,603	2,875	+272	+10%
Working Capital Fund	2,717	2,917	+200	+7%
Total, Other Related Expenses	**43,095**	**41,862**	**-1,233**	**-3%**

Program Direction
Activities and Explanation of Changes
($K)

FY 2025 Enacted	FY 2026 Request	Explanation of Changes FY 2026 vs FY 2025
Program Direction		
$308,740	**$318,737**	**+$9,997**
Salaries and Benefits		
$219,572	*$232,959*	*+$13,387*
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		
$10,336	*$8,965*	*-$1,371*
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		
$35,737	*$34,951*	*-$786*
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 funds information technology, job related training and education, engineering, miscellaneous advisory and reporting services, and general administrative support services.	Request reflects slight decrease in overall engineering and general administrative support, and training, offset by slight increase for information technology services.
Other Related Expenses		
$43,095	*$41,862*	*-$1,233*
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 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.	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 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.	The primary decrease is attributable to a reduction in A&E service contracts and telecommunications costs.

Falcon and Amistad
($K)

FY 2025 Enacted	FY 2026 Request	FY 2026 Request vs FY 2025 Enacted
228,000	228,000	-

Proposed Appropriation Language

For operation, maintenance, and emergency costs for the hydroelectric facilities at the Falcon and Amistad Dams, $6,510,000 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 $6,282,000 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 2026 appropriation 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 2026, the Administrator of the Western Area Power Administration may accept up to $1,072,000 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 2026 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 Request	FY 2026 Request vs FY 2025 Enacted	
			$	%
Falcon & Amistad Operating & Maintenance				
IBWC O&M	6,147	9,221	+3,074	+50%
IBWC Capital Investment	1,913	1,300	-613	-32%
WAPA Marketing, Contracts, Repayment	50	61	+11	+22%
Subtotal, Falcon & Amistad Operating and Maintenance Fund	**8,110**	**10,582**	**+2,472**	**+30%**
Offsetting Collections	-3,197	-6,282	-3,085	+96%
Use of Prior Year Balances	-3,000	-3,000	0	0%
Alternative Financing	-1,685	-1,072	+613	-36%
Total, Falcon and Amistad Operating and Maintenance Fund	**228**	**228**	**0**	**0%**

Explanation of Changes for Falcon and Amistad

The request reflects projects in the 10-year work plan that was developed to address recommendations from the U.S. Army Corps of Engineers (USACE).

Colorado River Basin Power Marketing Fund

FY 2025 Enacted	FY 2026 Request	FY 2026 Request vs FY 2025 Enacted
0	0	0

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 ($K)

	FY 2025 Enacted	FY 2026 Request	FY 2026 Request vs FY 2025 Enacted	
			$	%
Equipment, Contracts and Related Expenses	500,538	362,477	-138,061	-28%
Program Direction	83,693	89,204	+5,511	+7%
Subtotal, CRBPMF Program	584,231	451,681	-132,550	-23%
Offsetting Collections	-584,231	-451,681	+132,550	-23%
Total, CRBPMF	**0**	**0**	**0**	**0%**

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 ($362.5 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 2026 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 Request	FY 2026 Request vs FY 2025 Enacted	
			$	%
Colorado River Basin Power Marketing Fund				
Salaries and Benefits	61,586	66,426	+4,840	+8%
Travel	2,966	2,690	-276	-9%
Support Services	7,940	7,872	-68	-1%
Other Related Expenses	11,201	12,216	+1,015	+9%
Total, Program Direction	**83,693**	**89,204**	**+5,511**	**+7%**
Federal FTEs	**302**	**309**	**+7**	**+2%**
Engineering and Technical Services	2,411	2,268	-143	-6%
Total, Technical Support	**2,411**	**2,268**	**-143**	**-6%**
Automated Data Processing	3,063	3,141	+78	+3%
Training and Education	744	726	-18	-2%
Reports and Analyses Mgmt and General Administrative Support	1,722	1,737	+15	+1%
Total, Management Support	**5,529**	**5,604**	**+75**	**+1%**
Total, Support Services	**7,940**	**7,872**	**-68**	**-1%**
Rent to GSA	187	696	+509	+272%
Communication, Utilities, Misc.	1,941	1,804	-137	-7%
Printing and Reproduction	15	19	+4	+27%
Other Services	3,894	3,649	-245	-6%
Training	0	0	0	0
Purchases from Gov. Accounts	249	280	+31	+12%
Operation and Maintenance of Equipment	2,573	3,105	+532	+21%
Supplies and Materials	670	691	+21	+3%
Equipment	907	838	-69	-8%
Working Capital Fund	765	1,134	+369	+48%
Total, Other Related Expenses	**11,201**	**12,216**	**+1,015**	**+9%**

Program Direction
Activities and Explanation of Changes
($K)

FY 2025 Enacted	FY 2026 Request	Explanation of Changes FY 2026 vs FY 2025
Program Direction		
$83,693	**$89,204**	**+$5,511**
Salaries and Benefits		
$61,586	*$66,426*	*+$4,840*
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.	The increase is for maintenance and capital activities as well as known and anticipated increases for Within Grade Increases, Wage Board and Administratively Determined employees.
Travel		
$2,966	*$2,690*	*-$276*
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.	The decrease in travel reflects continued effort to use technological capabilities to decrease travel requirements.
Support Services		
$7,940	*$7,872*	*-$68*
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 decrease is primarily due to services that support technical engineering and advisory activities.
Other Related Expenses		
$11,201	*$12,216*	*+$1,015*
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.

Transmission Infrastructure Program ($K)

FY 2025 Enacted	FY 2026 Request	FY 2026 Request vs FY 2025 Enacted
0	0	0

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.

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.

Highlights of the FY 2026 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.

The WAPA Construction, Rehabilitation, Operation and Maintenance account includes non-reimbursable appropriated funding to supplement other resources available for TIP programmatic staffing and other administrative expenses to ensure continuation of this program.

Transmission Infrastructure Program
($K)

	FY 2025 Enacted	FY 2026 Request	FY 2026 Request vs FY 2025 Enacted	
			$	%
New Borrowing Authority	0	0	0	0%
Repayment of Borrowing Authority	0	0	0	0%
Net, Borrowing Authority	**0**	**0**	**0**	**0%**
Operating Expenses	5,930	4,702	-1,228	-21%
Interest Payments to Treasury	2,311	3,800	+1,489	+64%
Other Uses	1,489	1,489	0	0%
Gross, Operating & Debt Service	**9,730**	**9,991**	**+261**	**+3%**
Collections from Projects	-9,730	-9,991	-261	+3%
Net, Operating & Debt Service	**0**	**0**	0	0%
Total Mandatory	**0**	**0**	0	0%
Federal FTEs (Mandatory)	**1**	**1**	0	0%
Discretionary, Reimbursable Budget Authority				
Program Direction	6,624	6,386	-238	-4%
Equipment, Contracts and Related Expenses	74	87	+13	+18%
Gross, Discretionary	**6,698**	**6,473**	**-225**	**-3%**
Advance Funding (Non-Federal)	-5,002	-5,000	+2	0%
Reimbursable Funding (Federal)	-1,250	-1,000	+250	-20%
Offsetting Collections	-446	-473	-27	+6%
Net, Discretionary	**0**	**0**	**0**	**0%**
Federal FTEs (Discretionary)	**3**	**3**	**0**	**0%**

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.

Program Direction
Funding ($K)

	FY 2025 Enacted	FY 2026 Request	FY 2026 Request vs FY 2025 Enacted	
			$	%
Transmission Infrastructure Project				
Salaries and Benefits	312	375	+63	+20%
Travel	39	29	-10	-26%
Support Services	1,917	1,882	-35	-2%
Other Related Expenses	4,356	4,100	-256	-6%
Subtotal, Program Direction	**6,624**	**6,386**	-238	-4%
Use of Offsetting Collections	-6,624	-6,386	+238	-4%
Total, Program Direction	**0**	**0**	0	0%
Federal FTEs (Mandatory)	1	1	0	0%
Federal FTEs (Discretionary)	3	3	0	0%
Federal FTEs (Total TIP)	**4**	**4**	0	0%
Engineering and Technical Services	1,913	1,881	-32	-2%
Automated Data Processing	0	0	0	0%
Training and Education	4	1	-3	-75%
Reports and Analyses, Mgmt and General Administrative Support	0	0	0	0%
Total, Support Services	**1,917**	**1,882**	-35	-2%
Other Related Expenses				
Communication, Utilities, Misc.	6	0	-6	-100%
Other Services	4,350	4,100	-250	-6%
Working Capital Fund	0	0	0	0%
Total, Other Related Expenses	**4,356**	**4,100**	-256	-6%

Program Direction
Activities and Explanation of Changes
($K)

FY 2025 Enacted	FY 2026 Request	Explanation of Changes FY 2026 vs FY 2025
Program Direction		
$6,624	**$6,386**	**-$238**
Salaries and Benefits		
$312	*$375*	*+$63*
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.	The increase is due to known and anticipated increases for Within Grade Increases, Wage Board and Administratively Determined employees.
Travel		
$39	*$29,000*	*-$10,000*
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 can be attributed to a greater use of available technology to facilitate TIP activities as well as a reduction in FTEs.
Support Services		
$1,917	*$1,882,000*	*-$35,000*
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, and general administrative support.	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 education, and general administrative support.	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.
Other Related Expenses		
$4,356	*$4,100,000*	*-$256,000*
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 decrease is due to lower anticipated outside financial support and legal counsel.

FY 2026 Expenditure Authorization

Expenditures from the Bonneville Power Administration Fund, established pursuant to Public Law 93-454, are approved for official reception and representation expenses in an amount not to exceed $5,000: Provided, That during fiscal year 2026, no new direct loan obligations may be made.

Explanation of Changes

Expenditure authority is proposed to allow official reception and representation expenses and restrict new direct loans in FY 2026 as in FY 2025. This loan limitation bill language is drafted consistent with the Credit Reform Act of 1990.

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 Pacific Northwest Electric Power Planning and Conservation Act of 1980 (Northwest Power Act) (Public Law 96-501) 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 2026 obligations and cash transfers total approximately $6.1 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 2026 Bonneville Congressional Budget submission includes FY 2025 budget estimates.

Bonneville Funding Profile by Subprogram[1/]
Bonneville Power Administration
Funding Profile by Subprogram

(Accrued Expenditures in Thousands of Dollars)

	Fiscal Year	
	2025 Estimate	2026 Budget
Capital Investment Obligations		
Associated Project Costs	265,600	305,475
Fish & Wildlife	58,817	49,710
Subtotal, Power Services	324,417	355,185
Transmission Services	1,147,700	1,649,921
Capital Equipment & Bond Premium	21,823	35,460
Total, Capital Obligations	1,493,940	2,040,566
Expensed and Other Obligations		
Expensed	3,406,488	3,472,558
Projects Funded in Advance	70,957	36,029
Revenue Financing	88,740	162,000
Total, Obligations	5,060,126	5,711,153
Capital Transfers (cash)	732,438	654,673
Bonneville Total (Obligations & Capital Transfers)	5,792,564	6,365,826
Bonneville Net Outlays	602,428	1,195,125
Full-time Equivalents (FTEs)	3,360	3,460

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

Description of Bonneville Operations & Services

Bonneville markets power, provides transmission services, and acquires energy efficiency from its power customers. Bonneville's service territory is defined as the Pacific Northwest, which includes a 300,000 square mile area including the states of Oregon, Washington, Idaho, western Montana, and small parts of eastern Montana, California, Nevada, Utah, and Wyoming, with a population of about 14 million people. Bonneville markets the electric power produced from 31 FCRPS hydro projects in the Pacific Northwest owned by the Corps and 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 Federal Columbia River Power System 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 conservation and energy efficiency, 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 2026 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 Efficiency, the Residential Exchange Program, Federal Projects Operations & Maintenance (O&M) Costs, and the Northwest Power and Conservation Council (NPCC or Council).
- Transmission Service's costs include line items for Engineering, Operations, and Maintenance 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 of the end of FY 2023, Bonneville had revolving U.S. Treasury borrowing authority of $13.7 billion, of which approximately $7.9 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 2026 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.

Budget Estimates & Planning

This FY 2026 Budget proposes estimated accrued expenditures of $3,473 million for operating expenses, $36 million for Projects Funded in Advance (PFIA), $2,041 million for capital investments, and $655 million for capital transfers in FY 2026.

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 2026 Budget includes capital and expense estimates based on initial approved cost forecasts from Bonneville's BP-26 Integrated Program Review (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 2026 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, energy efficiency, 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 $2,041 million in bonds to be issued and sold to the U.S. Treasury in FY 2026.

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 2026 Budget includes updated capital investment levels for FY 2025 estimated at $1,494 million. Utilizing this review process helps Bonneville in its efforts as a participant in wholesale energy markets. Bonneville will continue to work with the 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 2026, total budget expense and capital obligations are estimated at $6,366 million. The total program requirements of all Bonneville programs, including total obligations and $655 million of capital transfers, are estimated at $5,711 million for FY 2026.

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. The 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 grow by an average of 6.9%, or $105 million per year; and Transmission business line costs are projected to grow an average of 10.5%, or $70 million per year. While this exceeds the average inflation rate of 3.4% 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 at the link "BP-26 IPR Initial Publication". 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. The following pages provide more specific details on the primary budget categories and subcategories.

Power Services – Capital

Funding Schedule by Activity

Power Services - Capital	FY 2025 Estimate	FY 2026 Budget	FY 2026 Request vs FY 2025 Estimate	
			$	%
Associated Projects	265,600	305,475	+39,875	+15
Fish & Wildlife	58,817	49,710	-9,107	-16%
Total, Power Services - Capital	**324,417**	**355,185**	**+30,768**	**+10%**

Overview

Under the Power Services – Capital category, there are three 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 the availability and increasing the efficiency of the FCRPS is critical to ensuring that 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 2026 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 and Wildlife Program and implemented consistent with the NPCC's Columbia Basin Fish and Wildlife Program (NPCC'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.

There are no anticipated expenditures under the third Power Services—Capital subcategory, **Projects Funded In Advance,** during this budget period.

Explanation of Changes

Bonneville's budget includes $355.2 million in FY 2026 for Power Services – Capital, which is a .5 percent increase from the FY 2025 forecasted level. The FY 2026 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 the BiOps, Fish Accord extensions, and other Columbia Basin fish and wildlife activities.

The FY 2026 budget increases the levels for Associated Projects by $39.8 million and decreases the funding level for Fish & Wildlife, by $9.1 million compared to FY 2025.

Strategic Management

Bonneville markets available electric power to meet requested load while supporting the achievement of its vital responsibilities for fish and wildlife, energy efficiency, 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. Bonneville is committed to funding efforts to protect listed fish and wildlife species in the Columbia Basin under the ESA and working closely with the NPCC, regional fisheries managers, and other Federal agencies to prioritize and manage projects to mitigate fish and wildlife impacts by the FCRPS.
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.
5. Bonneville has assisted with a DOE Wind Power cross-cutting initiative to strengthen energy security.

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 pages discuss budget specifics under two of the three 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.

The text below discusses Corps projects first, followed by Reclamation projects.

Corps of Engineers Projects ($K)

FY 2025 Estimate	FY 2026 Budget
220,500	265,444

Bonneville Dam:

- FY 2026. Continue digital governors replacement, headgate repair pit rehabilitation, main unit breaker replacement, trashracks replacement, tailrace gantry crane replacement and spillway gate repair. Begin Preferred AC/DC Improvement and spillway cranes replacement.

John Day Dam:

- FY 2026. Continue BLH turbine hub upgrades and fixed blade conversions, generator cooling water system, HVAC system upgrades, trashracks replacement, turbine pit pumps, submerged traveling screens replacement, turbine runner replacements and generator rewinds and powerhouse oil detection system.

The Dalles Dam:

- FY 2026. Complete intake and tailrace crane rails replacement. Continue intake gantry crane replacement and oil accountability measures.

Willamette Plants:

- FY 2026. Continue butterfly valve replacement and spillway gates at Cougar, electrical reliability upgrades and turbine and generator rehabilitation at Foster, spillway gate rehabilitation, spillway rock removal and main unit breakers and electrical reliability upgrades at Hills Creek, intake gantry crane replacement and oil spill prevention system at Big Cliff, and trashracks and intake gates at Dexter. Begin bridge crane replacement and main unit breaker and electrical reliability upgrades at Green Peter.

Albeni Falls Dam:

- FY 2026. Continue bridge crane rehabilitation. Begin intake gates replacement and Clark Fork drift yard new breakwater 3 and breakwater 2 extension.

Libby Dam:

- FY 2026. Continue 6th unit installation and GDACS installation. Begin turbine runners replacement and generator rewinds.

Chief Joseph Dam:

- FY 2026. Continue intake gantry crane rehabilitation, generator rewinds and upgrades for station service units, exciters replacement, and powerbus replacement. Begin facility electrical upgrade.

Dworshak Dam:

- FY 2026. Begin EIM generation metering enhancements and powerhouse roof replacement.

McNary Dam:

- FY 2026. Complete digital and mechanical governors upgrade and exciters upgrade. Continue headgate system rehabilitation, intake gantry crane replacement, tailrace gantry crane replacement, iso-phase bus replacement, turbine design and replacement and drainage, unwatering and equalization system rehabilitation, fire alarm system upgrades and spillway gate hoists replacement. Begin fish pump system upgrade, spillway cranes 6 & 7 replacement, and spillway gates replacement.

Ice Harbor Dam:

- FY 2026. Continue Units 1-3 turbine runner replacements, stator winding replacements, intake gate hydraulic system upgrades. Begin life safety fire alarm system upgrades, powerhouse HVAC system upgrade, and fish ladder entrance hoist machinery replacement.

Little Goose Dam:

- FY 2026. Continue DC system and LV switchgear upgrades, headgate repair pit upgrade, intake gate rehabilitation, main Unit 1-6 discharge ring upgrades and turbine blade cavitation repair, powerhouse control and annunciation system upgrades, and spare transformer purchase. Begin intake gate hydraulic system upgrades and life safety fire alarm system upgrades.

Lower Granite Dam:

- FY 2026. Continue main Unit 2 blade sleeve upgrade and rehabilitation and Turbine Intake Gate Hydraulic System Upgrade. Begin 500kV transmission line upgrade and fire alarm system upgrades.

Lower Monumental Dam:

- FY 2026. Complete DC system and LV switchgear upgrades and iso-phase bus upgrades. Continue powerhouse bridge crane and drive system upgrades and powerhouse crane and drive system upgrade. Began powerhouse HVAC system upgrades and turbine intake gate hydraulic system upgrade.

Bureau of Reclamation Projects
($K)

FY 2025 Estimate	FY 2026 Budget
45,100	40,031

Grand Coulee Dam:

- FY 2026. Complete cyclops semi-gantry crane replacement, G11-G18 transformers replacement, G19-G21 modernization, powerplant battery replacement, underground feeders to the town of Coulee Dam, station service compressed air system upgrades. Continue K21-K24 transformer replacement. Begin arc flash mitigation, 50-ton Bedford bridge crane in the left powerhouse and 150-ton gantry crane replacement in the left and right powerhouses, and radio system modernization.

Keys Pump Generating Plant:

- FY 2026. Continue KP10B transformer replacement, and P1-P6 exciters, relays and unit controls, PG7-12 governors, exciters, relays and unit controls and PGP crane modernization.

Hungry Horse Dam:

- FY 2026. Complete domestic water system upgrades. Continue G1-G4 static exciters replacement.

Chandler Dam:

- FY 2026. No planned capital projects.

Palisades Dam:

- FY 2026. Continue fire suppression system replacement.

Green Springs Dam:

- FY 2026. No planned capital projects.

Black Canyon Dam:

- FY 2026. Complete station service arc flash mitigation.

Anderson Ranch Dam:

- FY 2026. Continue turbine runner replacement.

Roza Dam:

- FY 2026. No planned capital projects.

Minidoka Dam:

- FY 2026. No planned capital projects.

Fish & Wildlife Projects – Capital

Overview

Bonneville continues to develop budgets for the suite of fish and wildlife mitigation projects originally adopted in FY 2007 based on recommendations from the NPCC. Bonneville reaffirmed and expanded many project-specific commitments in subsequent agreements and processes, including BiOps and 2022 Fish Accord extensions, and since then, virtually all these projects received independent science review through the NPCC and its project review processes. Bonneville's funding decisions embrace many of the management objectives and priorities in the NPCC's Program and continue to integrate ESA compliance as described in the NOAA Fisheries' and USFWS's FCRPS BiOps. Coordination continues among Bonneville, NPCC, federal resource management agencies, states, tribes, and others to support the projects that satisfy Bonneville's mitigation responsibilities.

Fish & Wildlife Projects
($K)

FY 2025 Estimate	FY 2026 Budget
58,817	49,710

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 NPCC, state, federal and tribal fish and wildlife resource managers, local governments, watershed and environmental groups, and other interested parties. Specifically, as capital construction projects, hatchery facilities typically go through the NPCC's three-step process, which includes development of a master plan, environmental compliance, ESA consultation, value-engineering analysis, and review by the 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 projects included in this budget include the following:

Ford Hatchery Project:

Ford Hatchery is a fully functioning, yet aging, trout hatchery operated by the State of Washington within the Spokane Indian Reservation. The project entails planning, design and construction of hatchery upgrades to enable conversion from a resident fish facility to an anadromous fish facility (Chinook, sockeye), supporting the Upper Columbia River reintroduction program. The Ford Hatchery will function as the primary facility within a complex of supporting satellite aquaculture facilities managed by the Spokane Tribe, including the Little Falls Acclimation Facility, Glen Tana Acclimation Site, and net pens distributed throughout Lake Roosevelt. Improvements to satellite facilities in conjunction with salmon production at Ford Hatchery will expand the abilities of the Tribe and partners to meet salmon production and juvenile release goals. The complex will operate in partnership with current and planned anadromous production facilities managed by tribal and state partners.

The Coeur d'Alene Anadromous Hatchery Project:

This project includes the planning, design, and construction of an anadromous fish hatchery. The project goal is to reintroduce anadromous fish species to their historical range where they have been extirpated, with an intent that such actions provide consistently harvestable numbers of adult salmon for tribal members to access within their aboriginal territories. Upper Columbia summer Chinook salmon are identified as the preferred species and stock of salmon to be produced at this facility. This stock is not listed under the Endangered Species Act and supports a significant sport fishery in the Columbia River, a significant commercial harvest in the ocean, and in any given year has surplus hatchery fish within the current anadromous zone to serve as broodstock at project start. Additionally, this stock of salmon has been identified as having the highest likelihood of success for reestablishment of anadromous summer Chinook in the habitats upstream of Chief Joseph and Grand Coulee Dams, due to their availability, adaptiveness, and current geographic range. Other anadromous fish stocks may be identified for production in the future. Production rates for summer Chinook would start at a relatively small scale until the Tribe can refine a sustainable and responsible aquaculture program. Initial production would begin at 200,000 yearling summer Chinook, but the facility could be built within agreed-to budget constraints to allow the Tribe to scale up and expand to meet long-term project goals. The proposed location of the facility is on property owned by the Coeur d'Alene Tribe adjacent to Hangman Creek within the historical range of anadromous salmonids.

The Coeur d'Alene Resident Hatchery Project:

This project includes the planning, design, and construction of a resident fish hatchery. Goals for the facility include the production of cutthroat trout for conservation and research purposes, with corresponding opportunities for a tribal fishery for harvest and tribal cultural purposes. The proposed location is adjacent to Coeur d'Alene Lake or the St. Joe River on the Coeur d'Alene Indian Reservation. A phased approach is anticipated, which provides interim fishery benefits while the hatchery program is developed and becomes refined. Facilities would likely include a hatchery building, production raceways, broodstock raceways, and other supporting infrastructure as needed. At full production for the interim fishery, the Coeur d'Alene resident fish hatchery facility is envisioned to hold approximately 247,600 cutthroat trout (23,780 pounds) at various sizes and ages.

Nason Creek Floodplain Restoration Project:

This restoration project includes removing 0.65 miles 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 sixteen 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 United States Forest Service (U.S. Forest Service) to accomplish this project. Major implementation project phases include: Phase 1 – (FY26) 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 – (FY27) stream and floodplain habitat restoration in 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 – (FY28) stream and floodplain habitat restoration in 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 FHWA under an Interagency Agreement (IAA 7600) will allow for the construction of an elevation increase to Riverside Road for approximately 0.75 miles 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 for improving habitat conditions for ESA listed Kootenai White Sturgeon, Bull trout, and other native fish and wildlife species.

Existing projects included in this budget include the following:

Rocky Reach Kelt Facility (Enactment of Expenditure Authority is Required):

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 (Enactment of Expenditure Authority is Required):

The Colville Tribes operate 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. 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 (Enactment of Expenditure Authority is Required):

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 (Enactment of Expenditure Authority is Required):

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 (Enactment of Expenditure Authority is Required):

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 NPCC 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. 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 in 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 and is in the early evaluation phase.

At the acclimation facilities, water intakes have experienced clogging from debris and ice, due to their locations and configurations, resulting in emergency releases of juvenile salmon and steelhead, which have resulted in 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), as 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).

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 miles of Birch Creek; removal of 1.3 miles of agricultural berms and removal of 0.3 miles 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 Columbia River System 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 complete in FY26.

New construction-related habitat restoration projects that require capital funds in FY 2025 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 Columbia River System Operations. This project requires the environmental compliance process be complete, which may impact implementation timeframes; the project is currently expected to start construction 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 f free loodplain and channel network. The request is for a project-funding match of $3,294,616 from Bonneville against additional project investment from other Federal and state partners, for a total projected project cost of $5,994,616. This project has multiple coordination points and requires the environmental compliance process be complete, which may impact implementation timeframes; the project is currently expected to start construction in FY 2025.

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.

John Day Reprogramming and Construction:

The Columbia River Inter-Tribal Fish Commission (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 would fund the construction of new circular tanks utilizing water reuse systems and the Corps would take over the operations and maintenance for the new infrastructure, which accommodates the reprogramming of hatchery fish. Design for the project is complete and construction is scheduled to begin in FY2024 or early FY25.

Columbia River Basin White Sturgeon Hatchery:

This project, proposed by the CRITFC, would mitigate for the decline of the white sturgeon population caused by consistently poor recruitment upstream of Bonneville Dam. Bonneville would fund the construction of a new facility, or the acquisition of an existing facility, to produce 15,000-30,000 yearling white sturgeon per year. The final project may include the collection, holding and spawning of broodstock, the rearing of wild-spawned juveniles, and the acclimation of juveniles prior to release. The site of the Yakama Nation's existing Marion Drain Sturgeon Hatchery near Toppenish, Washington, has been proposed as a location. The project team is working on additional analyses to respond to Council comments and to begin the environmental review process. Design for the project is estimated to start in FY25.

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 expected to be 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 has started in FY 2024.

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

FY 2025 Estimate	FY 2026 Budget	Explanation of Changes FY 2026 vs FY 2025 Estimate
Power Services – Capital $324,417	**$355,185**	**+$30,768**
Associated Projects $265,600	**$305,475**	**+$39,875**
Milestones: Complete elevators rehabilitation and metering enhancements at Bonneville Dam. Complete control room fire protection upgrades at John Day. Complete system control console replacement at Libby. Complete powerhouse gantry crane rehabilitation at Libby. Complete DC boards and breakers replacement at Libby. Complete feeder boards replacement at Chief Joseph. Complete spillway sump pumps and controls replacement at Chief Joseph. Complete intake gantry crane replacement at McNary. Complete station service turbines rehabilitation at McNary. Complete powerhouse control system upgrade at McNary. Complete EIM generation metering additions at Ice Harbor. Complete powerhouse roof replacement at Little Goose. Complete headgate repair pit upgrade at Little Goose. Complete trashrake crane and rake upgrades at Little Goose. Complete Iso-phase bus at Little Goose. Complete trashrake crane and rake upgrade at Lower Granite. Complete DS system and LV switchgear upgrade at Lower Granite. Complete purchase of a spare transformer at Lower Granite. Complete purchase of a spare transformer at Lower Monumental. Complete LPH/RPH bridge crane replacement at Grand Coulee.	Milestones: Complete intake and tailrace crane rails replacement at The Dalles. Complete digital and mechanical governors replacement at McNary. Complete exciters replacement at McNary. Complete DC system and LV switchgear upgrades at Lower Monumental. Complete iso-phase bus upgrades at Lower Monumental. Complete cyclops and semi-gantry crane replacement at Grand Coulee. Complete G11-G18 transformers replacement at Grand Coulee. Complete powerplant battery replacement at Grand Coulee. Complete underground feeders to the town of Coulee dam at Grand Coulee. Complete station service and compressed air system upgrades at Grand Coulee. Complete domestic water system upgrades at Hungry Horse. Complete station service arc flash mitigation at Black Canyon.	The decrease reflects additional work efforts while continuing to align with Bonneville's strategic asset management plans.

FY 2025 Estimate	FY 2026 Budget	Explanation of Changes FY 2026 vs FY 2025 Estimate
Complete station service compressed ari system upgrades at Grand Coulee. Complete powerplant windows replacement at Hungry Horse. Complete hollow jet valve replacement at Palisades.		
Fish & Wildlife $58,817	**$49,710**	**-$9,107**
Milestones: Continue implementation of the Program, BiOps and applicable Fish Accord extensions.	Milestones: Continue implementation of the Program, BiOps and applicable Fish Accord extensions.	Fish & Wildlife will continue long-term, planned effort to reshape funding necessary to implement the BiOps, applicable Fish Accord extensions, Columbia River Basin fish and wildlife activities.

Transmission Services – Capital

Funding Schedule by Activity

Transmission Services - Capital	FY 2025 Estimate	FY 2026 Budget	FY 2026 Budget vs FY 2025 Estimate	
			$	%
Main Grid	92,432	202,681	+110,248	+119%
Area & Customer Services	111,125	153,451	+42,326	+38%
Upgrades & Additions	240,609	327,623	+87,014	+36%
System Replacements	531,534	603,167	+71,633	+14%
Projects Funded in Advance	70,957	36,029	-34,929	-49%
Total, Transmission Services - Capital	**1,046,658**	**1,322,950**	**+276,292**	**+26%**

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 AC current 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 SCADA, transfer trips, fiber, communications, telecommunications transport, RAS.
    f. System Protection and Control – Control equipment including relays, control houses, meters.
    g. DC Substations – Celilo 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 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 continues to be challenging to meet system and customer needs.

The following text discusses "Expand" or expansion investments first, following by "Sustain" or replacement 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 RPS and other legislation enacted by Oregon and Washington that require retail utilities to acquire more than 8,000 MW of renewable energy 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, there is approximately 2,500 MW of natural gas-fired generation.

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

Sustain Investments

Sustain investments 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 will plan to ramp up the Sustain budget from FY24 – 27 and annually thereafter.

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.
9. Tools and Equipment Acquisition Program (TEAP) – Tools, equipment, fleet.
10. Facilities – Non-electric facilities including warehouses, operational structures, hangar, and maintenance centers.

Background: Fiber Optic Networks and Spectrum Relocation

Bonneville will continue to fund fiber optic communications facilities needed to meet Bonneville's projected operational needs. To the extent that these investments create temporary periods of excess fiber optic capacity, such fiber capacity can be made available to telecommunications providers and to non-profits to meet public benefit internet access needs and other needs in Bonneville's service area.

As part of the Homeland Security Presidential Directives, Bonneville has completed a physical security assessment of all critical facilities and is implementing security enhancements at these facilities. These security enhancements increase controlled access to Bonneville's facilities and provide video surveillance and monitoring capabilities.

Explanation of Changes

Bonneville's budget includes $1,322.9 million in FY 2026 for Transmission Services capital needs, which is a 26.4 percent increase from the FY 2025 forecasted level. The FY 2026 budget increases the levels for Main Grid ($110.2 million), Area & Customer Service ($42.3 million), Upgrades & Additions ($87.0 million) and System Replacements ($71.6 million) , but decreases the levels for, PFIA ($34.9 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 Projects Funded in Advance.

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 2025 Estimate	FY 2026 Budget
92,432	202,681

Area & Customer Service

Overview

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

Area & Customer Service
($K)

FY 2025 Estimate	FY 2026 Budget
111,125	153,451

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 2025 Estimate	FY 2026 Budget
240,609	327,623

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.

Continuous Activities

- The demolition of the Ampere Building in 2024 will make room for the new Vancouver Control Center. Construction will begin in 2025 with the cutover to the new building complete by 2032, if not sooner.
- Upgrading two miles of fiber between Bonneville Power House and Bonneville Control House.
- Planning, design, material acquisition, and construction of special remedial action control schemes required for interconnecting new generation projects and mitigating immediate constrained paths.
- Planning, design, material acquisition, and construction of various system additions and upgrades necessary to maintain a reliable system for Bonneville's service area.
- Construction of secondary fiber related projects and telecommunications transport system upgrades to improve the operational telecommunication system.
- Material procurement and construction to upgrade the main fiber optic backbone system.

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 2025 Estimate	FY 2026 Budget
531,534	603,167

Continued investments in System Replacements assets include the following:

Non-Electric Replacements

- Continue non-electric replacements as necessary.
- Continue the design, material acquisition, and construction for the access road program capital component and the Land Rights program capital component in support of the Lines and ROW Programs.
- Continue design and construction of capital improvements for identified existing facilities.
- Continue replacement of tools, equipment, and vehicle fleet.

Electric Replacements

- Continue replacement of system protection and control equipment and other substation and line facilities as needed to maintain reliability. Such replacements include relays, annunciators, oscillographs, metering, and various types of communication related equipment replacing and migrating analog to digital technology and SCADA equipment.
- Continue replacement of under-rated and high maintenance substation equipment.
- Continue replacing insulators and refurbishing foundations on 500 kV Lines.
- Continue replacement of older generations of digital equipment that is obsolete.
- Continue replacing critical, operational tools and business systems at the Dittmer and Munro Control Centers.
- Continue replacing deteriorating wood pole transmission line structures, spacer dampers, and insulators.

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 2025 Estimate	FY 2026 Budget
70,957	36,029

Capital Expenditures

Funding Schedule by Activity

Capital Expenditures	FY 2025 Estimate	FY 2026 Budget	FY 2026 Budget vs FY 2025 Estimate	
			$	%
Transmission Services Revenue/Reserves Financing	55,000	125,000	+70,000	+127%
Power Services Revenue/Reserves Financing	33,740	37,000	+3,260	+10%
Total, Capital Expenditures	**88,740**	**162,000**	**+73,260**	**+83%**

Overview

Capital Expenditures provide revenue and reserves financing to Bonneville, which includes in its rates funds to be raised 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% of its annual capital spending with the objective of achieving at least a 60% 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% 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 2025 Estimate	FY 2026 Budget
55,000	125,000

Power Services Revenue/Reserves Financing
($K)

FY 2025 Estimate	FY 2026 Budget
33,740	37,000

Capital Information Technology & Equipment

Funding Schedule by Activity

Capital Information Technology (IT) & Equipment	FY 2025 Estimate	FY 2026 Budget	FY 2026 Budget vs FY 2025 Estimate	
			$	%
Capital IT & Equipment	21,823	35,460	+13,637	+63%
Total, Capital IT & Equipment	**21,823**	**35,460**	**+13,637**	**+63%**
Total, Capital IT & Equipment	**37,090**	**38,798**	**+30,525**	**+29%**

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 on-going 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 2025 Estimate	FY 2026 Budget
21,823	35,460

Bonneville continues to move its IT infrastructure to a more efficient and resilient architecture. This FY 2025 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 2026 Budget under Capital IT & Equipment include all 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
  - Power IT projects
  - Transmission Services IT projects (excluding grid operations)

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

FY 2025 Estimate	FY 2026 Budget	Explanation of Changes FY 2026 vs FY 2025
Capital Information Technology & Equipment $18,512	**$35,460**	**+$13,637**
Milestones: Capital system developments in support of: Corporate IT projects IT Infrastructure projects Power IT projects Transmission Services IT projects	Milestones: Capital system developments in support of: Corporate IT projects IT Infrastructure projects Power IT projects Transmission Services IT projects	The increase in the costs reflects a reshaping of funding needs for investment in Capital Information Technology & Equipment.

Power Services – Operating Expense

Funding Schedule by Activity

Power Services - Operating Expenses	FY 2025 Estimate	FY 2026 Budget	FY 2026 Budget vs FY 2025 Estimate	
			$	%
Production	1,315,050	1,284,663	-30,386	-2%
Associated Projects	526,391	555,767	+29,376	+6%
Fish & Wildlife	264,076	274,945	+10,868	+4%
Residential Exchange Program[1]	274,820	286,100	+11,280	+4%
Northwest Power & Conservation Council	11,983	12,041	+58	+1%
Energy Efficiency & Renewable Resources	137,822	143,445	+5,622	+4%
Total, Power Services - Operating Expenses	**2,530,142**	**2,556,960**	**+26,818**	**+1%**

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[2]), 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 2026 Bonneville Budget, including FY 2025 revisions, includes estimates of Section 2406 "direct" Bonneville "funding' for the Corps for its power function to do work 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 Army Corps of Engineers and the Bureau of Reclamation to fund the power share of Corps and Bureau power capital and operating expenditures in the FCRPS, and the Corps and Bureau 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

[1] Residential Exchange Program Settlement expires by its own terms in FY 2028, a new agreement is expected and projected costs are included for FY 2029 and beyond.
[2] 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.

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 operations and maintenance 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. Consistent with the NPCC's Program, Bonneville also implements measures to aid in the protection of fish and wildlife in the Columbia River and its tributaries, 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. Bonneville's utility-specific PF Exchange rates are determined each rate period. As described below, Bonneville and regional parties reached a settlement of the REP in 2011 (see background in sidebar) under which the total amount of REP benefits available to the IOUs was established through 2028. 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** (NPCC) budget subcategory provides continued support of NPCC activities, as directed under the Northwest Power Act. The NPCC'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 NPCC Fish and Wildlife Program. The Northwest Power Act directs Bonneville's funding of the NPCC, subject to certain limits based on forecasted Bonneville power sales, be included in Bonneville's annual budget to Congress. The cost of funding the Council is recovered through Bonneville's power rates.

Under the **Energy Efficiency & Renewable Resources** subcategory, Bonneville's Energy Efficiency 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 efficiency 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 efficiency. Bonneville's Energy Efficiency program offers several ways for customer utilities to participate in energy conservation.

Program components include:

1. Standard offer efficiency 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, Energy Smart Industrial, and the Green Motors programs.
3. Programs to help regional Federal installations reduce energy use, including Federal hatcheries and irrigation districts, and to support the Corps and Reclamation in their efforts to reduce energy use.
4. Efficiency 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 $2,557 million in FY 2026 for Power Services operating expenses, which is an increase of 1.15 percent over the FY 2025 forecasted level.
The FY 2026 budget decreases the level for Production ($30.4 million), increases Associated Projects costs ($29.3 million), increases the level for Fish & Wildlife ($10.8 million), increases Residential Exchange ($11.3 million), increases NPCC ($58 thousand) and increases Energy Efficiency & Renewable Resources ($5.6 million).
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 2025 Estimate	FY 2026 Budget
1,315,050	1,284,663

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 the 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 2025 Estimate	FY 2026 Budget
526,391	555,767

Continued investments in Associated Projects include the following.

Continuous Activity (*all years*):

- Bureau of Reclamation
  - Continue direct funding of Reclamation operations and maintenance (O&M) power activities.
- Corps of Engineers
  - 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 mitigation program consistent with NPCC Program measures developed from recommendations made by the region's fish and wildlife management agencies and tribes. Several recent NPCC reviews have made additional fish and wildlife project recommendations to Bonneville. Bonneville, in coordination with the NPCC, reviews new and on-going projects for consistency with the NPCC'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 NPCC's Program (including ISRP reviews) and the Accords extensions as they integrate their implementation with actions necessary to fulfill ESA responsibilities. Regular coordination on implementation priorities continues among Bonneville, the NPCC, federal resource management agencies, states, tribes, and others.

Fish & Wildlife
($K)

FY 2025 Estimate	FY 2026 Budget
264,076	274,945

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 applicable extensions of the Columbia Basin Fish Accords. 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, the NPCC Program, and the 2022 amendments to extend the Columbia Basin Fish Accords.

- Mitigation supporting resident fish to offset anadromous fish losses in areas of the basin where Federal dams have blocked anadromy (referred to as "substitution" in the NPCC's Program): mitigate for reservoir power operation impacts to 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 NPCC 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, NPCC, Energy Efficiency & Renewable Resources

Overview

See detailed descriptions of these three budget subcategories in the Activities, Milestones, and Explanation of Changes Section on the following pages.

Residential Exchange, NPCC, and Energy Efficiency & Renewable Resources
($K)

FY 2025 Estimate	FY 2026 Budget
424,625	441,585

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 (NPCC)
- Continue support of NPCC activities, as directed under the Northwest Power Act, including regional power plan development and maintenance and fish and wildlife program activities.

Energy Efficiency & Renewable Resources
- Conservation purchases: Provide programmatic savings reimbursements and energy efficiency incentives to Bonneville customers to purchase conservation savings. This includes performance payments and Energy Smart Reserved Power payments for Federal installations and fish hatcheries and irrigation districts.
- Conservation infrastructure: 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: Support for NEEA's market transformation initiatives. NEEA identifies barriers and opportunities to increase the market adoption of efficiency by leveraging its regional partnerships.

Residential Exchange Program, Northwest Power & Conservation Council
Energy Efficiency & Renewable Resources:
Activities, Milestones and Explanation of Changes ($K)

FY 2025 Estimate	FY 2026 Budget	Explanation of Changes FY 2026 vs FY 2025
Power Services - Operating Expense **$2,530,142**	**$2,556,960**	**+$26,818**
Production **$1,315,050**	**$1,284,663**	**-$30,386**
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 **$526,391**	**$555,767**	**+$29,376**
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 **$264,076**	**$274,945**	**+$10,868**
Milestones: Continue implementing both ongoing and new projects that support ESA-listed species and other measures called for under the current CRS BiOps, the 2018 Fish Accord extensions, the Washington Estuary Agreement, the Kalispel Agreement, the Southern Idaho Agreement, and the Willamette Agreement.	Milestones: Continue implementing both ongoing and new projects that support ESA-listed species and other measures called for under the current CRS BiOps, the 2018 Fish Accord extensions, the Washington Estuary Agreement, the Kalispel Agreement, the Willamette Agreement, and the Southern Idaho Agreement.	The increase in the costs reflect funding associated with the BiOps, 2018 Fish Accord extension commitments, and Northwest Power Act activities. in the costs reflect funding associated with the BiOps, 2018 Fish Accord extension commitments, and Northwest Power Act activities.

FY 2025 Estimate	FY 2026 Budget	Explanation of Changes FY 2026 vs FY 2025 Estimate
Residential Exchange Program $274,820	**$286,100**	**+$11,280**
Milestones: Continue to provide REP benefits.	Milestones: Continue to provide REP benefits.	No change in scheduled amount of REP payments payable to IOUs prescribed by REP.
NW Power & Conservation Council $11,983	**$12,041**	**+$58**
Milestones: Continue support of the NPCC 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 NPCC 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 NPCC.
Energy Efficiency & Renewable Resources $137,822	**$143,445**	**+$5,622**
Milestones: Continue to support utility incentive programs. Continue to support regional energy efficiency programs. Continue supporting energy efficiency at direct serve Federal agencies.	Milestones: Continue to support utility incentive programs. Continue to support regional energy efficiency programs. Continue supporting energy efficiency at direct serve Federal agencies.	The increase reflects higher funding while continuing emphasis on the energy efficiency program consistent with the Power Plan.

Transmission Services – Operating Expense

Funding Schedule by Activity

Transmission Services - Operating Expenses	FY 2025 Estimate	FY 2026 Budget	FY 2026 Budget vs FY 2025 Estimate	
			$	%
Engineering	116,751	126,208	+9,457	+8%
Operations	275,904	282,079	+6,174	+2%
Maintenance	276,736	300,026	+23,290	+8%
Total, Transmission Services - Operating Expenses	**669,392**	**708,313**	**+38,921**	**+6%**

Overview

Under the Transmission Services – Operating Expense category are four 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. Customer responsiveness;
3. Modernize systems;
4. Increase resiliency for high impact events such as wildfire, severe weather and cyber threats;
5. Mitigate cost pressures and focus on mission critical work.

Explanation of Changes

Bonneville's budget includes $708.3 million in FY 2026 for Transmission Services operating expense, which is a 5.8 percent increase over the FY 2025 forecasted level. The increase continues the operation and maintenance of Bonneville's transmission assets.

The FY 2026 budget increases the levels for Engineering ($9.5 million), Operations ($6.2 million) and Maintenance ($23.3 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 and 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 2025 Estimate	FY 2026 Budget
116,751	126,208

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 efficiency, 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: 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. 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: 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 2025 Estimate	FY 2026 Budget
275,904	282,079

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, provides 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: performs and manages all near-term system operating limits and total transfer capabilities to support the safe, reliable, and open access operation of the transmission system. Provides operating and mitigation plans for all system conditions to support real-time operation of the interconnected system. Technical support for planned

outages, remedial action schemes, automatic generation control, balancing authority operations, renewable 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 Open Access Transmission Tariff (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*):

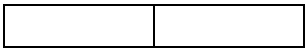
- Continue to operate within parameters of NERC and WECC.
- Continue support of increased compliance activities related to the reliability of the transmission system, including cyber security.
- Continue developing facilities, policies, procedures, and implementing systems to support integrating the 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. The use of RCM practices is focused 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 2025 Estimate	FY 2026 Budget
276,736	300,026

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 Bureau of Reclamation is scheduled to take place in FY25.

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 remedial action scheme equipment used to control and protect the electrical transmission system and to meter energy transfers for the purpose of revenue billing. Additionally, field-engineering services provide technical advice and assure 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

Interest, Pension, & Post-Retirement Benefits	FY 2025 Estimate	FY 2026 Budget	FY 2026 Budget vs FY 2025 Estimate	
			$	%
BPA Bond Interest (Net)	130,988	134,631	+3,643	+3%
BPA Appropriation Interest	0	0	0	0%
Corps of Engineers Appropriation Interest	35,199	26,787	-8,412	-24%
Lower Snake River Comp Plan Interest	169	101	-68	-40%
Bureau of Reclamation Appropriation Interest	1,081	1,081	0	0%
Bond Premiums Paid/Discounts (not capitalized)	559	559	0	0%
Subtotal, Interest – Operating Expense	**167,996**	**163,160**	**-4,837**	**-3%**
Additional Pension and Post-Retirement Benefits	36,969	41,510	+4,541	+12%
Total, Interest, Pension, & Post-Retirement Benefits	**204,965**	**204,670**	**-295**	**0%**

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

Capital Transfers	FY 2025 Estimate	FY 2026 Budget	FY 2026 Budget vs FY 2025 Estimate	
			$	%
BPA Bond Amortization[3]	526,060	654,673	+128,613	+24%
Bureau of Reclamation Appropriation Amortization	0	0	0	0%
BPA Appropriation Amortization	0	0	0	0%
Corps of Engineers Appropriation Amortization	204,832	0	-204,832	-100%
Lower Snake River Comp Plan Amortization	1,545	0	-1,545	-100%
Total, Capital Transfers	**526,060**	**654,673**	**+128,613**	**+24%**

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.

[3] Bonneville "Bond(s)" in this FY 2026 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.

Additional Tables

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

BP-1 SUMMARY[1/3/]	FISCAL YEAR 2025		2026	
	Oblig.	Outlays	Oblig.	Outlays
Residential Exchange Program[9/]	275	275	286	286
Power Services[2/]	1,842	1,842	1,841	1,841
Transmission Services	1,818	1,818	2,360	2,360
Conservation & Energy Efficiency	138	138	143	143
Fish & Wildlife	323	323	325	325
Interest/ Pension[4/]	205	205	205	205
Associated Project Cost - Capital	266	266	305	305
Capital Equipment	22	22	35	35
Planning Council	12	12	12	12
Projects Funded in Advance	71	71	36	36
Capitalized Bond Premiums	0	0	0	0
Power and Transmission Services Financed by Revenues/Reserves	89	89	162	162
TOTAL OBLIGATIONS/OUTLAYS [3/]	**5,060**	**5,060**	**5,711**	**5,711**

REVENUES AND REIMBURSEMENTS
Current Services
(in millions of dollars)

BP-1 SUMMARY	FISCAL YEAR 2025		2026	
	Oblig.	Outlays	Oblig.	Outlays
Revenues[5/]	4,298	4,298	4,318	4,318
Project Funded in Advance	71	71	36	36
Power and Transmission Services Financed by Revenues/Reserves	89	89	162	162
TOTAL	**4,458**	**4,458**	**4,516**	**4,516**
BUDGET AUTHORITY (NET) [6/]	**750**		**1,374**	
OUTLAYS (NET) [6/7/8]		**602**		**1,195**

These notes are an integral part of this table.

This FY 2026 budget includes capital and expense estimates based on FY24 actuals , final spending proposals from Bonneville's BP-24 IPR process for FY25, and BP-26 Initial IPR for FY26-FY30.

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.

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.

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.

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

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.

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.

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.

FY 2024 Net Outlays are calculated using Bonneville's FY 2024 actuals. FY 2025 to 2030 Net Outlays are based on BP-24 and BP-26 IPR assumptions, an escalation factor from using the FY 2024 Whitebook Loads and Resources Report, and the increased expenditures for Transmission Evolving Grid Projects.

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.

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

BP-2	**2025**		**2026**	
	Oblig.	**Outlays**	**Oblig.**	**Outlays**
Residential Exchange Program	275	275	286	286
Power Services [2/]	1,842	1,842	1,841	1,841
Transmission Services	670	670	710	710
Conservation & Energy Efficiency	138	138	143	143
Fish & Wildlife	264	264	275	275
Interest/ Pension [3/]	205	205	205	205
Planning Council	12	12	12	12
TOTAL EXPENSE	3,406	3,406	3,473	3,473
Projects Funded in Advance	71	71	36	36
Power and Transmission Services Financed by Revenues/Reserves	89	89	162	162

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

BP-2 continued	**2025**		**2026**	
	Oblig.	**Outlays**	**Oblig.**	**Outlays**
Transmission Services	1,148	1,148	1,650	1,650
Associated Project Cost	266	266	305	305
Fish & Wildlife	59	59	50	50
Capital Equipment	22	22	35	35
Capitalized Bond Premiums	0	0	0	0
TOTAL CAPITAL INVESTMENTS	**1,494**	**1,494**	**2,041**	**2,041**
TREASURY BORROWING AUTHORITY TO				
FINANCE CAPITAL OBLIGATIONS [4/]	**1,494**		**2,041**	

These notes are an integral part of this table.
This FY 2026 budget includes capital and expense estimates based on FY24 actuals , final spending proposals from Bonneville's BP-24 IPR process for FY25, and BP-26 Initial IPR for FY26-FY30.

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.

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.

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

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)

CAPITAL TRANSFERS	FISCAL YEAR		
	2024 Payment	2025 Payment	2026 Payment
Amortization:			
BPA Bonds	473	526	655
Reclamation Appropriations	13	0	0
BPA Appropriations	0	0	0
Corps Appropriations	14	205	0
Lower Snake River Comp Plan Amortization	0	2	0
TOTAL CAPITAL TRANSFERS	501	**732**	**655**
FULL-TIME EQUIVALENT (FTE)	3,101	**3,360**	**3,460**

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

BP-4A

Fiscal Year	2025			
	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	**1,494**		1,494	
Annual Increase: 1980 Act	**0**		0	
Annual Increase: ARRA	**0**		0	
Cum.-Annual Treasury Borrowing	1,494	1,494	1,494	1,494
Treasury Borrowing (Cash)				
Less:				
Bond Amortization: 1974 Act	**526**		**526**	
Bond Amortization: 1980 Act	**0**		**0**	
Bond Amortization: ARRA	**0**		**0**	
BPA Bond Amortization	526	526	526	526
1974 Act	**968**		**968**	
1980 Act	**0**		**0**	
ARRA	**0**		**0**	
Net Increase/(Decrease):	968	968	968	968
Cum. - End-of-Year: 1974 Act	**6,046**		**6,945**	
End-of-Year: 1980 Act	**0**		**0**	
End-of-Year: ARRA	**0**		**0**	
Cum.-End-of-Year: Total	6,046	5,504	6,945	6,928
Total Remaining Treasury Borrowing Amount				6,772
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			
	Net Capital Obs	Net Capital Obs Subject to BA	Net Capital Expend.	Bonds Out-Standing
Cum. - Start-of-Year: 1974 Act	**6,046**		**6,945**	
Start-of-Year: 1980 Act	**0**		**0**	
Start-of-Year: ARRA	**0**		**0**	
Start-of-Year: Total	6,046	5,504	6,945	6,928
Plus: Annual Increase				
Annual Increase: 1974 Act	**2,041**		2,041	
Annual Increase: 1980 Act	**0**		0	
Annual Increase: ARRA	**0**		0	
Cum.-Annual Treasury Borrowing	2,041	2,041	2,041	2,041
Treasury Borrowing (Cash)				
Less:				
Bond Amortization: 1974 Act	**655**		**655**	
Bond Amortization: 1980 Act	**0**		**0**	
Bond Amortization: ARRA	**0**		**0**	
Total BPA Bond Amortization	655	655	655	655
Net Increase/(Decrease):				
1974 Act	**1,386**		**1,386**	
1980 Act	**0**		**0**	
ARRA	**0**		**0**	
Total	1,386	1,386	1,386	1,386
Cum. - End-of-Year: 1974 Act	**7,432**		**8,331**	
End-of-Year: 1980 Act	**0**		**0**	
End-of-Year: ARRA	**0**		**0**	
Cum.-End-of-Year: Total	7,432	6,890	8,331	8,314
Total Remaining Treasury Borrowing Amount				5,386
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.

0

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 & FINANCING SUMMARY

Current Services

(in millions of dollars)

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

		2024	2025	est. 2026	2027	2028	2029	2030
Program by activities:								
	Operating expenses:							
0.01	Power Services	608	1,315	1,285	1,398	1,391	1,429	1,068
0.02	Residential Exchange Program [10/]	275	275	286	286	286	293	299
	Associated Project Costs:							
0.05	Bureau of Reclamation	172	181	195	207	208	213	218
0.06	Corps of Engineers	271	278	292	316	341	349	356
0.07	Colville Settlement	29	28	28	28	29	29	30
0.08	Spokane Settlement	7	7	7	7	7	7	8
0.19	U.S. Fish & Wildlife Service	34	33	34	35	36	36	37
0.20	Planning Council	10	12	12	12	12	12	13
0.21	Fish & Wildlife	253	264	275	282	289	296	302
0.23	Transmission Services	650	670	710	755	794	817	837
0.24	Conservation & Energy Efficiency	107	138	143	132	143	146	149
0.25	Interest	232	168	163	198	240	274	292
0.26	Pension and Health Benefits [1/]	40	37	42	44	47	48	49
0.91	**Total operating expenses [2/]**	**2,687**	**3,405**	**3,472**	**3,699**	**3,822**	**3,948**	**3,658**
	Capital investment:							
1.01	Power Services	264	266	305	309	310	305	307
1.02	Transmission Services	879	1,148	1,650	1,946	1,806	1,267	1,056
1.04	Fish & Wildlife	28	59	50	86	92	124	47
1.05	Capital Equipment	19	22	35	37	39	31	29
1.06	Capitalized Bond Premiums	0	0	0	0	0	0	0
1.07	**Total Capital Investment [3/]**	**1,189**	**1,494**	**2,041**	**2,378**	**2,247**	**1,726**	**1,439**
2.01	Projects Funded in Advance	85	71	36	36	37	37	37
2.02	Power and Transmission Services Financed by Revenues/Reserves	74	89	162	165	165	176	176
10.00	**Total obligations [4/]**	**4,035**	**5,059**	**5,710**	**6,279**	**6,271**	**5,886**	**5,310**

These notes are an integral part of this table.

[1/] The costs of approriated 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

[3/] Assumes capital obligations, not capital expenditures.

[4/] This FY 2026 budget includes capital and expense estimates based on FY24 actuals , final spending proposals from Bonneville's BP-24 IPR process for FY25, and BP-26 Initial IPR for FY26-FY30.

For purposes of this table, this FY 2026 budget reflects, for FY 2024, 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)

		est. 2024	2025	2026	2027	2028	2029	2030
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)**	**4,891**	**5,219**	**5,902**	**6,228**	**5,907**	**5,441**	**5,330**
Budget Authority:								
1400	Permanent Authority: Authority to borrow from Treasury (indefinite)[7/]	741	1,494	2,041	2,378	2,247	1,726	1,439
1600	Contract Authority	1,001						
1800	Spending authority from off-setting collections	4,483	4,458	4,516	4,533	4,568	4,604	4,625
1825	Portion applied to debt reduction	(333)	(732)	(655)	(684)	(907)	(889)	(734)
1850	**Spending authority from offsetting collections (adjusted)**	**4,150**	**3,725**	**3,861**	**3,849**	**3,660**	**3,715**	**3,891**
900	Total obligations	4,035	5,060	5,711	6,279	6,271	5,886	5,310
4110	Outlays (gross)	4,035	5,060	5,711	6,279	6,271	5,886	5,310
Adjustments to budget authority and outlays:								
	Deductions for offsetting collections:							
4120	Federal funds	(63)	(90)	(90)	(90)	(90)	(90)	(90)
4121	Interest on Federal Securities	(43)	(12)	(12)	(12)	(12)	(12)	(12)
4123	Non-Federal sources	(4,377)	(4,368)	(4,426)	(4,443)	(4,478)	(4,514)	(4,535)
4130	Total, offsetting collections	(4,483)	(4,470)	(4,528)	(4,545)	(4,580)	(4,616)	(4,637)
4160	**Budget authority (net)**	**(525)**	**750**	**1,374**	**1,682**	**1,327**	**825**	**693**
4170	**Outlays (net)[8/9/]**	**1,128**	**602**	**1,195**	**1,746**	**1,703**	**1,283**	**685**

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 tax-payer 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.

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 2024 Net Outlays are calculated using Bonneville's FY 2024 actuals. FY 2025 to 2030 Net Outlays are based on BP-24 and BP-26 IPR assumptions, an escalation factor from using the FY 2024 Whitebook Loads and Resources Report, and the increased expenditures for Transmission Evolving Grid Projects.

[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 2025	2026
INTEREST ON BONDS & APPROPRIATIONS		
Bonneville Bond Interest		
Bonneville Bond Interest (net)	131	135
AFUDC [1/]	58	63
Appropriations Interest		
Bonneville	-	-
Corps of Engineers [2/]	35	27
Lower Snake River Comp. Plan	0	0
Bureau of Reclamation [3/]	1	1
Bond Premiums paid/Discounts (not capitalized)	1	1
Total Bond and Approp. Interest	**226**	**226**
ASSOCIATED PROJECT COST		
Bureau of Reclamation Irrigation Assistance	13	21
Bureau of Rec. O & M [4/]	-	-
Corps of Eng. O & M [4/]	-	-
L. Snake River Comp. Plan O & M [4/]	-	-
COE Approp CRFM Studis Expense		
Total Assoc. Project Costs	**13**	**21**
CAPITAL TRANSFERS		
Amortization		
Bonneville Bonds [6/]	526	655
Bureau of Reclamation Appropriations	-	-
Corps of Engineers Appropriations	205	-
Lower Snake River Comp. Plan	2	-
Bonneville Appropriations	-	-
Total Capital Transfers [/8]	**732**	**655**
OTHER PAYMENTS		
Unfunded Post-Retirement Liability [5/]	37	42
TOTAL TREASURY PAYMENTS	**1,008**	**943**

These notes are an integral part of this table.

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.

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.

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

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

FISCAL YEAR	2025	2026
Bureau of Reclamation	181	195
Corps of Engineers	278	292
Subtotal Bureau and Corps	459	488
Lower Snake River Comp. Plan	33	34
Total	492	521

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

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.

Does not include Treasury bond premiums on refinanced Treasury bonds.

FY 2024 data reflects BPA's FY 2024 Actuals.

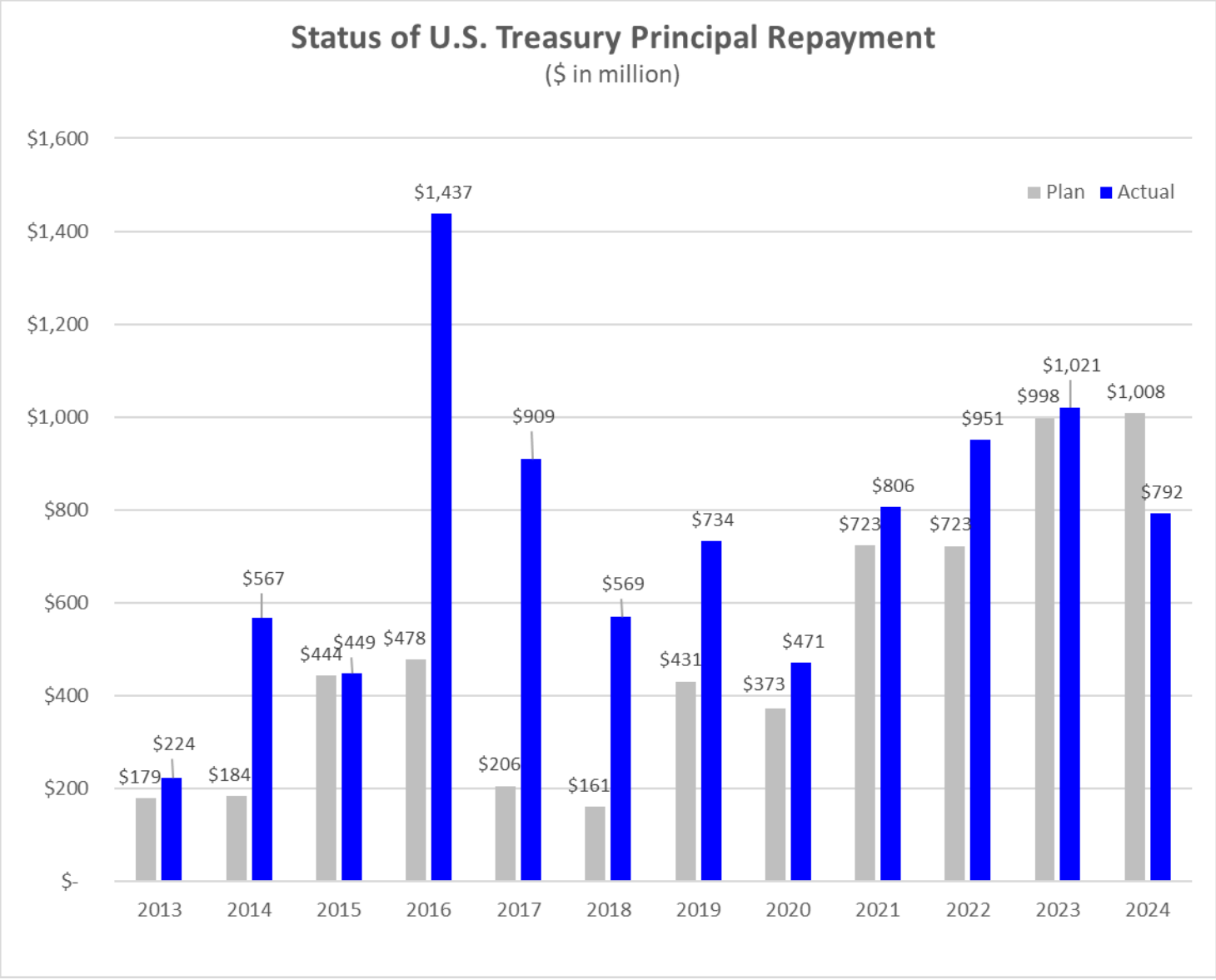


Chart Notes

[1/] This chart displays principal repayment only.

[2/] 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 2024 payment to the U.S. Treasury was approximately $792.3 billion. This was the 41th consecutive year that Bonneville made its scheduled payments to the U.S. Treasury on time and in full. The payment included $508.3 million in principal, $231.9 million for interest. The remaining $52.1 million covers a variety of other costs, including irrigation assistance payments that BPA provides to help irrigators repay their share of certain Bureau of Reclamation projects.

[3/] FYs 2002-2012 payments include portions of advance amortization amounts consistent with Bonneville's capital strategy plan and the Bonneville /Energy Northwest debt optimization program.

[4/] Advance amortization due to sale of transmission facilities includes $12.7 million in FY 2003, $5.3 million in FY 2006, $2.0 million in FY 2011, $0.4 million in FY 2013 and $0.4 million in FY 2014, and $0.6 million in FY 2017.

[5/] The cumulative balance of advance amortization payments as of the end of FY 2024 was $7.2 billion.

[6/] 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)

		ESTIMATES		
		2024 Actuals	**2025**	**2026**
11.1	Full-time permanent	328	411	464
11.3	Other than full-time permanent	3	4	4
11.5	Other personnel compensation	119	149	168
11.9	**Total personnel compensation**	**450**	**564**	**637**
12.1	Civilian personnel benefits	203	255	287
13.0	Benefits for former personnel	-	-	-
21.0	Travel and transportation of persons	13	16	18
22.0	Transportation of things	1	1	1
23.1	Rental payments to GSA	0	0	0
23.2	Rents, other	32	40	45
23.3	Communication, utilities & misc. charges	13	16	18
25.1	Consulting Services	8	10	11
25.2	Other Services	2,806	3,515	3,968
25.5	R & D Contracts	3	4	4
26.0	Supplies and materials	45	56	64
31.0	Equipment	89	112	126
32.0	Lands and structures	50	63	71
41.0	Grants, subsidies, contributions	60	75	85
43.0	Interest and dividends	264	331	374
99.0	**Total obligations**	**4,035**	**5,059**	**5,710**

Estimate of Receipts
(in millions of dollars)

	Fiscal Year						
	2024	2025	2026	2027	2028	2029	2030
Reclamation Interest	1	1	1	1	1	1	1
Reclamation Amortization	13	0	0	0	0	16	0
Reclamation O&M	0	0	0	0	0	0	0
Reclamation Irrig. Assist.	8	13	21	6	12	4	2
Revenues Collected by Reclamation	-16	-7	-7	-1	-7	-7	3
Distributed in Treasury Account (credit)							
Colville Settlement (credit)	-5	-5	-5	-5	-5	-5	-5
Total 1/ Reclamation Fund	**1**	**2**	**10**	**1**	**1**	**9**	**1**
Corps O&M	6						
COE Approp CRFM Studies Expense	6						
CSRS	40	37	42	44	47	48	49
Total 2/ Repayments on miscellaneous costs	**52**	**37**	**42**	**44**	**47**	**48**	**49**
Appropriated Interest and Appropriations Principle plus Credits	6	35	35	35	35	35	35
Total 3/ Miscellaneous Recoveries and Refunds	**6**	**35**	**35**	**35**	**35**	**35**	**35**

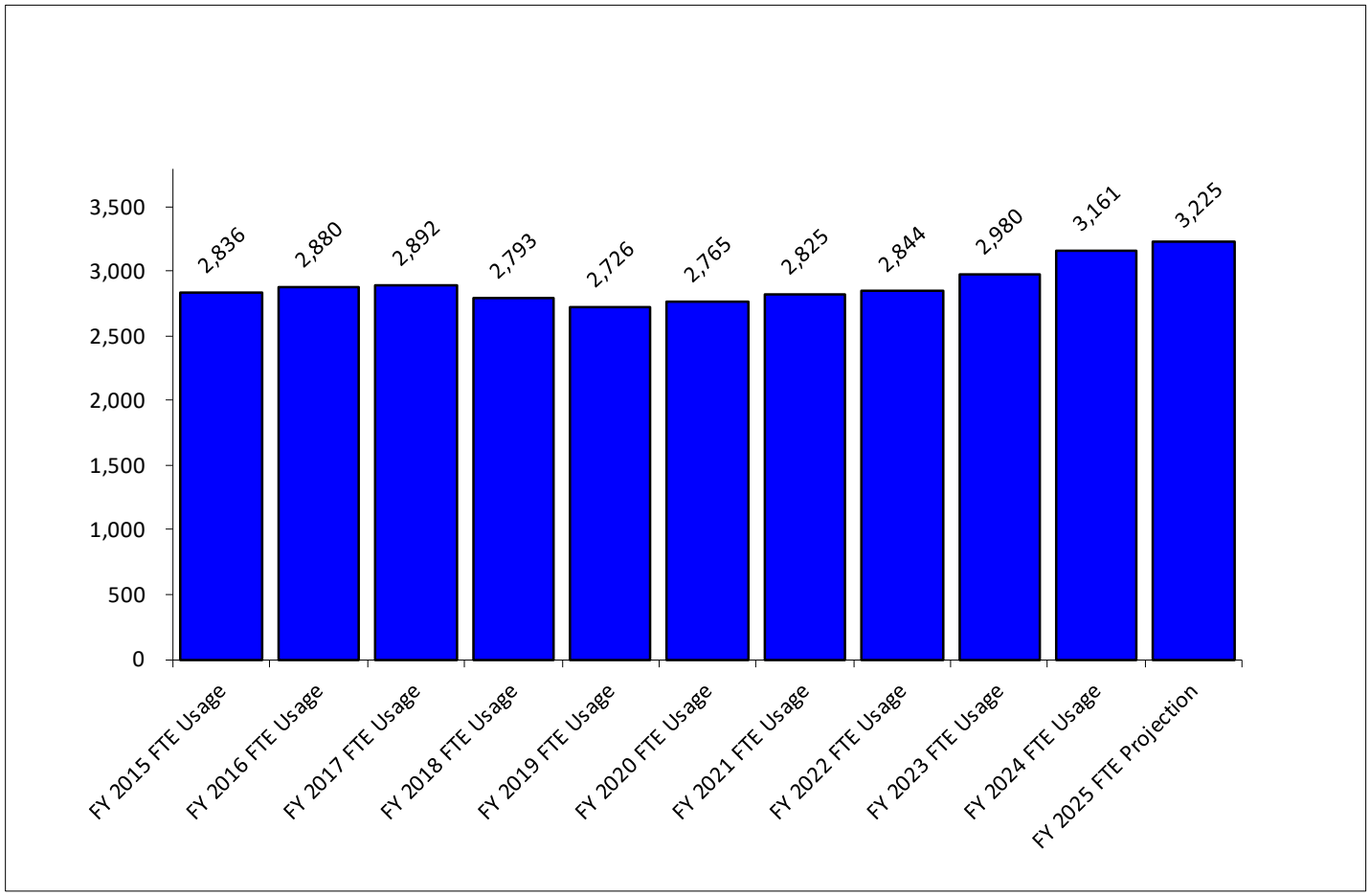
1/ Includes amortization of appropriations and irrigation assistance, and interest costs for Reclamation. The cost of power O&M for Reclamation is no longer included in Proprietary Receipts due to Direct Funding by Bonneville. Represents transfer to Account #895000.26

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

	2024	2025	2026	2027	2028	2029	2030
Bureau of Reclamation	172	181	195	207	208	213	218
Corps of Engineers	271	278	292	316	341	349	356
Lower Snake River Comp. Plan	34	33	34	35	36	36	37
Total	**476**	**492**	**521**	**558**	**585**	**598**	**611**

BONNEVILLE FTE



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 9/30/2024, DOE HR staff has reported FY 2024 BPA's FTE projection at 3,161.

Total Cost of BPA Fish & Wildlife Actions

COST ELEMENT	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
CAPITAL INVESTMENTS [1/]												
BPA FISH AND WILDLIFE	52.1	37.4	21.4	16.0	5.4	30.7	22.3	40.2	41.9	16.1	14.6	27.8
BPA SOFTWARE DEVELOPMENT COSTS	0.0	0.1	1.4	1.2	1.4	0.8	0.0	0.0	0.0	0.0	0.0	0.0
ASSOCIATED PROJECTS (FEDERAL HYDRO)	103.6	101.7	81.4	34.1	58.9	51.8	55.5	106.6	66.7	10.4	4.7	11.5
TOTAL CAPITAL INVESTMENTS	**155.7**	**139.2**	**104.1**	**51.4**	**65.7**	**83.2**	**77.9**	**146.7**	**108.6**	**26.5**	**19.3**	**39.3**
PROGRAM EXPENSES												
BPA DIRECT FISH AND WILDLIFE PROGRAM	239.0	231.8	258.2	258.1	254.7	258.7	240.4	238.1	253.6	249.4	260.9	270.8
FISH & WILDLIFE SOFTWARE EXPENSE COSTS	0.2	0.3	0.1	0.0	0.0	0.1	0.0	0.0	0.0	0.2	1.0	1.4
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	0.0
REIMBURSABLE/DIRECT-FUNDED PROJECTS [3/]												
O & M LOWER SNAKE RIVER HATCHERIES	28.7	31.0	30.9	28.6	26.0	31.4	26.7	31.9	30.7	33.0	34.9	40.2
O & M CORPS OF ENGINEERS	39.2	47.8	46.4	48.2	46.8	47.5	48.9	46.3	48.3	47.4	46.0	51.1
O & M BUREAU OF RECLAMATION	5.6	6.6	2.6	6.0	7.0	5.5	8.7	5.8	6.5	7.2	6.5	7.4
NW POWER AND CONSERVATION COUNCIL ALLOCATED @ 50%	5.0	4.9	4.9	5.4	5.4	5.5	5.6	5.6	5.5	6.0	5.9	5.1
SUBTOTAL (REIMB/DIRECT-FUNDED)	78.5	90.3	84.9	88.2	85.2	89.9	89.9	89.6	91.0	93.6	93.3	103.8
TOTAL OPERATING EXPENSES	**317.70**	**322.40**	**343.17**	**346.34**	**339.90**	**348.65**	**330.30**	**327.66**	**344.60**	**343.23**	**355.20**	**376.00**
PROGRAM RELATED FIXED EXPENSES												
INTEREST EXPENSE	89.1	83.4	89.2	85.6	58.6	41.0	39.7	32.5	29.3	29.4	30.3	24.7
AMORTIZATION EXPENSE	35.7	38.7	41.3	42.5	42.5	43.4	45.1	46.7	47.4	56.0	54.9	54.3
DEPRECIATION EXPENSE	18.6	19.2	20.1	20.1	20.3	20.8	21.0	21.1	22.0	22.0	22.1	22.2
TOTAL FIXED EXPENSES	**143.4**	**141.3**	**150.6**	**148.2**	**121.4**	**105.1**	**105.8**	**100.3**	**98.7**	**107.4**	**107.3**	**101.2**
GRAND TOTAL PROGRAM EXPENSES	**461.1**	**463.7**	**493.7**	**494.6**	**461.3**	**453.7**	**436.1**	**428.0**	**443.3**	**450.6**	**462.5**	**477.2**
FORGONE REVENUES AND POWER PURCHASES												
FOREGONE REVENUES	135.5	122.7	195.8	76.6	9.6	2.9	174.4	33.4	190.6	251.9	89.3	36.6
BPA POWER PURCH. FOR FISH ENHANCEMENT	85.8	196.2	67.5	50.3	(20.5)	24.3	177.6	150.0	110.6	237.9	879.3	856.2
TOTAL FOREGONE REVENUES AND POWER PURCHASES	**221.3**	**318.9**	**263.3**	**126.9**	**(10.9)**	**27.2**	**352.0**	**183.4**	**301.2**	**489.8**	**968.6**	**892.8**
TOTAL PROGRAM EXPENSES, FOREGONE REVENUES, & POWER PURCHASES	**682.4**	**782.6**	**757.0**	**621.5**	**450.4**	**480.9**	**788.1**	**611.5**	**744.5**	**940.5**	**1431.1**	**1370.0**
CREDITS												
4(h)(10)(C)	(84.1)	(103.9)	(77.7)	(72.6)	(53.7)	(70.1)	(98.2)	(95.5)	(90.6)	(112.3)	(257.7)	(257.8)
FISH COST CONTINGENCY FUND	-	-	-	-	-	-	-	-			-	-
TOTAL CREDITS	**(84.1)**	**(103.9)**	**(77.7)**	**(72.6)**	**(53.7)**	**(70.1)**	**(98.2)**	**(95.5)**	**(90.6)**	**(112.3)**	**(257.7)**	**(257.8)**

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.

DEPARTMENT OF ENERGY
Funding by Site Detail
Power Marketing Administrations – FY 2026

TAS_0302 - Southeastern Power Administration (SEPA)
($K)

	FY 2024 Enacted	FY 2025 Enacted	FY 2026 Request
Undesignated LPI			
Purchase Power and Wheeling - SEPA	86,019	86,019	95,745
Program Direction - SEPA	8,449	8,449	9,285
Total Undesignated LPI	**94,468**	**94,468**	**105,030**
Total Funding by Site for TAS_0302 - Southeastern Power Administration (SEPA)	**94,468**	**94,468**	**105,030**

TAS_0303 - Southwestern Power Administration (SWPA)
($K)

	FY 2024 Enacted	FY 2025 Enacted	FY 2026 Request
Southwestern Power Administration Office			
Operation And Maintenance - SWPA	16,759	0	0
Construction - SWPA	13,806	0	0
Purchase Power And Wheeling - SWPA	120,000	0	0
Program Direction - SWPA	39,172	0	0
Subtotal, SWPA	189,737	0	0
Total Southwestern Power Administration Office	**189,737**	**0**	**0**
Undesignated LPI			
Operation And Maintenance - SWPA	0	16,910	19,590
Construction - SWPA	0	3,681	14,879
Purchase Power And Wheeling - SWPA	0	120,000	120,000
Program Direction - SWPA	0	42,300	47,418
Subtotal, SWPA	0	182,891	201,887
Total Undesignated LPI	**0**	**182,891**	**201,887**
Total Funding by Site for TAS_0303 - Southwestern Power Administration (SWPA)	**189,737**	**182,891**	**201,887**

TAS_5068 - Western Area Power Administration - FY 2026
($K)

	FY 2024 Enacted	FY 2025 Enacted	FY 2026 Request
Western Area Power Administration Office			
Operation And Maintenance - CROM	130,131	153,129	118,799
Purchase Power And Wheeling - CROM	715,824	638,345	745,171
Program Direction - CROM	295,039	308,740	318,737
Construction, Rehabilitation, Operation, and Maintenance (CROM) - WP	1,140,994	1,100,214	1,182,707
Total Western Area Power Administration Office	**1,140,994**	**1,100,214**	**1,182,707**
Total Funding by Site for TAS_5068 - Western Area Power Administration	**1,140,994**	**1,100,214**	**1,182,707**

TAS_5178 - Falcon and Amistad Operating and Maintenance Fund - FY 2026
($K)

	FY 2024 Enacted	FY 2025 Enacted	FY 2026 Request
Western Area Power Administration Office			
Falcon And Amistad Operation And Maintenance	8,297	8,110	10,582
Total Western Area Power Administration Office	**8,297**	**8,110**	**10,582**
Total Funding by Site for TAS_5178 - Falcon and Amistad Operating and Maintenance Fund	**8,297**	**8,110**	**10,582**

Loan Programs Office

Loan Programs Office
Overview

Appropriation Summary by Program
($K)

	FY 2024 Enacted	FY 2025 Enacted	FY 2026 Request	FY 2026 Request vs FY 2025 Enacted	
				($)	(%)
Advanced Technology Vehicles Manufacturing Loan Program	**13,000**	**13,000**	**-2,280,415**	**-2,293,415**	**-17,642%**
Administrative Expenses	13,000	13,000	9,500	-3,500	-27%
Loan Subsidy Cancellation	0	0	-2,289,915	-2,289,915	N/A
Title 17 Innovative Technology Loan Guarantee Program	**58,719**	**-121,000**	**682,588**	**+803,588**	**N/A**
Administrative Expenses	70,000	55,000	35,000	-20,000	-36%
Offsetting Collections	-11,281	-176,000	-91,753	+84,247	N/A
Loan Subsidy Cancellation	0	0	-10,659	-10,659	N/A
Title 17 Credit Subsidy	0	0	750,000	+750,000	N/A
Tribal Energy Loan Guarantee Program	**6,300**	**6,300**	**-12,000**	**-18,300**	**-290%**
Administrative Expenses	6,300	6,300	1,000	-5,300	-84%
Rescission of Prior Year Balances (admin expenses)	0	0	-2,500	-2,500	N/A
Loan Subsidy Cancellation	0	0	-10,500	-10,500	N/A
Total, Loans Programs Office	**78,019**	**-101,700**	**-1,609,827**	**-1,508,126**	**N/A**

Mission

The Loan Programs Office (LPO) provides financing to American energy and manufacturing projects that meaningfully contribute to U.S. energy security, grid reliability, and lowering costs for all Americans. LPO empowers the private sector to invest in the future, win the AI race, bring back jobs, strengthen industry, and restore American energy dominance.

Overview

LPO's Budget Request is structured to reflect the three Programs administered by LPO, described further in the following Congressional Justification sections: the Advanced Technology Vehicles Manufacturing Loan Program, the Title 17 Innovative Technology Loan Guarantee Program, and the Tribal Energy Loan Guarantee Program.

Advanced Technology Vehicles Manufacturing Loan Program
($K)

FY 2024 Enacted	FY 2025 Enacted	FY 2026 Request	FY 2026 Request vs FY 2025 Enacted
13,000	13,000	9,500	-3,500

Proposed Appropriation Language

For Department of Energy administrative expenses necessary in carrying out the Advanced Technology Vehicles Manufacturing Loan Program, $9,500,000, to remain available until September 30, 2027: Provided, That the unobligated balances available from amounts appropriated for the cost of direct loans in section 129 of Division A of the Consolidated Security, Disaster Assistance, and Continuing Appropriations Act, 2009 (Public Law 110-329) are hereby permanently cancelled.

Note. This account is operating under the Full-Year Continuing Appropriations and Extensions Act, 2025 (division A of Public Law 119–4).

Public Law Authorizations
- P.L. 110-140, Energy Independence and Security Act of 2007, as amended
- P.L. 110–329, Consolidated Security, Disaster Assistance, and Continuing Appropriations Act of 2009
- P.L. 117-58, Infrastructure Investment and Jobs Act
- P.L. 117-169, Inflation Reduction Act of 2022
- P.L. 117-328, Consolidated Appropriations Act, 2023
- P.L. 119-4, Full-Year Continuing Appropriations and Extensions Act, 2025

Overview

The Advanced Technology Vehicles Manufacturing (ATVM) Direct Loan Program was created to provide loans for the cost of re-equipping, expanding, or establishing manufacturing facilities in the United States (U.S.) to produce advanced technology vehicles or qualified components and for associated engineering integration costs. The Infrastructure Investment and Jobs Act (IIJA) expanded the definition of advanced technology vehicle to include advanced medium- and heavy-duty vehicles, locomotives, maritime vessels, aircraft, and hyperloop technology.

To date, 16 projects have been financed in part by ATVM. DOE has disbursed $20 billion. Borrowers have repaid a collective $7 billion in principal, plus $1 billion in interest though January 2025. The ATVM portfolio has had two borrowers default which resulted in losses.

ATVM has primarily subsidized the financing of electric vehicle and related components manufacturing projects in a manner inconsistent with Executive Order 14154, Unleashing American Energy. Therefore, the FY2026 Budget Request proposes the elimination of discretionary unobligated credit subsidy balances originally appropriated in 2009. In FY 2026, LPO expects to obligate approximately $5.25 billion under this program using Inflation Reduction Act funds, with an estimated combined credit subsidy cost of $287 million.

ATVM Program – Appropriation Level and Program Level
($K)

	FY 2024 Enacted	FY 2025 Enacted	FY 2026 Request	FY 2026 Request vs FY 2025 Enacted	
				($)	(%)
Administrative Expenses	13,000	13,000	9,500	-3,500	-27%
Total, Advanced Technology Vehicles Manufacturing Loan Program	13,000	13,000	9,500	-3,500	-27%
Loan Subsidy Cancellation[1]			-2,289,915	-2,289,915	NM

Explanation of Changes for ATVM

FY 2026 Budget Request provides $9.5 million for administrative expenses, a decrease of $3.5 million from FY 2025 Enacted, and rescinds $2.29 billion of unobligated credit subsidy balance appropriated by the Consolidated Security Disaster Assistance, and Continuing Appropriations Act, 2009. The administrative expenses funding supports monitoring of the program's existing portfolio. Federal full-time equivalent (FTE) positions are planned to be reduced to 25 from FY 2025 Enacted level of 39 FTEs.

[1] *The FY 2026 Budget proposes to cancel $2.29 billion in unobligated balances appropriated by the Consolidated Security, Disaster Assistance, and Continuing Appropriations Act, 2009 (P.L. 110-329). These balances are designated emergency and therefor do not offset the FY 2026 Budget Request.*

Administrative Expenses
($K)

	FY 2024 Enacted	FY 2025 Enacted	FY 2026 Request
Administrative Expenses			
Salaries & Benefits	6,438	8,745	5,760
Travel	132	78	50
Support Services	4,830	3,330	2,527
Other Related Expenses	1,600	847	1,163
Total, Administrative Expenses	**13,000**	**13,000**	**9,500**
Federal FTE	29	39	25
Support Services			
Management and Professional Support Services			
Mission Support	3,730	2,416	1,695
IT Support	1,100	914	832
Total, Management and Professional Support Services	4,830	3,330	2,527
Total, Support Services	**4,830**	**3,330**	**2,527**
Other Related Expenses			
Communication and Misc. Charges Related to IT	40	40	40
Other Services	-	-	-
Working Capital Fund	440	592	908
Operation and Maintenance of Facilities	1,000	100	115
Supplies, Subscriptions and Publications	110	100	90
Equipment	10	15	10
Total, Other Related Expenses	**1,600**	**847**	**1,163**

Administrative Expenses
Activities and Explanation of Changes
($K)

FY 2025 Enacted	FY 2026 Request	Explanation of Changes FY 2026 vs FY 2025 Enacted
Salaries & Benefits		
$8,745	**$5,760**	**-$2,985**
Provided salaries and benefits for 39 full-time equivalent employees across the Loans Programs Office.	Provides for salaries and benefits of 25 full-time equivalent employees across the Loans Programs Office. Staff is reduced to focus first on monitoring the ATVM portfolio, including any new additions both in FY 2025 and FY 2026.	Funds 14 fewer full-time equivalent employees.
Travel		
$78	**$50**	**-$28**
Supported the travel of staff to attend meetings, conferences, and site visits if needed.	Supports the travel of staff to attend meetings, conferences, and site visits if needed.	Decrease is due to reduction in staff.
Support Services		
$3,330	**$2,527**	**-$803**
Supported a range of contract services including administrative support, training, subject matter experts, legal services, information technology, credit analysis, and market assessments.	Supports a range of contract services including administrative support, training, subject matter experts, legal services, information technology, credit analysis, and market assessments.	Decrease is due to a decrease in full-time federal staff.
Other Related Expenses		
$847	**$1,163**	**+$316**
Supported DOE Working Capital Fund, software, equipment, other services including conferences attendance fees, and publications.	Supports DOE Working Capital Fund, software, equipment, other services including conferences attendance fees, and publications.	Increase is due to a decrease in FTE offset by increase in WCF costs.

Tribal Energy Loan Guarantee Program
($K)

FY 2024 Enacted	FY 2025 Enacted	FY 2026 Request	FY 2026 Request vs FY 2025 Enacted
6,300	6,300	-12,000	-3,500

Proposed Appropriation Language

For Department of Energy administrative expenses necessary in carrying out the Tribal Energy Loan Guarantee Program, $1,00,000, to remain available until September 30, 2027: Provided, That of the unobligated balances available under this heading from prior appropriations acts for the cost of guaranteed loans for such program under section 2602(c) of the Energy Policy Act of 1992 (25 U.S.C. 3502(c)), $10,500,000 is hereby permanently cancelled: Provided further, That of the unobligated balances made available under this heading by the Full-Year Continuing Appropriation Act, 2025 (division A of Public Law 119-4), $2,500,000 is hereby permanently cancelled.

Note – This account is operating under the Full-Year Continuing Appropriations and Extensions Act, 2025 (Division A of Public Law 119-4).

Public Law Authorizations

- P.L.102-486, Energy Policy Act of 1992, as amended
- P.L. 117-103, Consolidated Appropriations Act of 2022
- P.L. 117-169, Inflation Reduction Act of 2022
- P.L. 117-328, Consolidated Appropriations Act, 2023
- P.L. 119-4, Full-Year Continuing Appropriations and Extensions Act, 2025

Overview

The Tribal Energy Finance Program (TELGP) was authorized by Section 2602 of the Energy Policy Act of 1992, as amended, to support energy development by Indian tribes, Alaska Native corporations, and other qualified entities.

No new loan obligations are expected in FY 2025. The FY 2026 Budget Request proposes $1 million in administrative expenses, rescinds $2.5 million in administrative expenses carried over from the prior year, and cancels $10.5 million in unobligated balances from previously appropriated credit subsidy. The Budget proposes to eliminate non-expiring credit subsidy balances while utilizing available Inflation Reduction Act authorities, which expire in FY 2028, to support Tribal energy projects.

Appropriation Level and Program Level
($K)

	FY 2024 Enacted	FY 2025 Enacted	FY 2026 Request	FY 2026 vs FY 2025 Enacted	
				($)	(%)
Administrative Expenses	6,300	6,300	1,000	-5,300	-84%
Rescission of Prior Year Balances (admin expenses)			-2,500	-2,500	NA
Loan Subsidy Cancellation[1]			-10,500	-10,500	NA
Total, Tribal Energy Loan Guarantee Program	**6,300**	**6,300**	**-12,000**	**-18,300**	**-290%**

Explanation of Changes

The FY 2026 Budget Request provides $1 million for administrative expenses, a decrease of $5.3 million from the FY 2025 Enacted. These administrative expenses will be used to fund the monitoring of one loan currently in the TELGP portfolio. The Budget Request rescinds $2.5 million of administrative expenses funding carried over from the prior year and $10.5 million in unobligated balances from previously appropriated credit subsidy. The Budget includes a decrease of 3 Federal FTE.

[1] *The FY 2026 Budget proposes to cancel $10.5 million from prior appropriations acts for the cost of guaranteed loans for such program under section 2602(c) of the Energy Policy Act of 1992 (25 U.S.C. 3502(c)).*

Administrative Expenses
($K)

	FY 2024 Enacted	FY 2025 Enacted	FY 2026 Request
Administrative Expenses			
Salaries & Benefits	2,442	1,121	461
Travel	48	10	4
Support Services	3,280	4,619	427
Other Related Expenses	530	550	108
Total, Administrative Expenses	**6,300**	**6,300**	**1,000**
Federal FTE	11	5	2
Support Services			
Management and Professional Support Services			
Mission Support	2,910	3,711	104
IT Support	370	908	323
Total, Management and Professional Support Services	3,280	4,619	427
Total, Support Services	**3,280**	**4,619**	**427**
Other Related Expenses			
Communication and Misc. Charges Related to IT	110	110	5
Other Services	80	105	5
Working Capital Fund	140	150	88
Operation and Maintenance of Facilities	-	-	-
Supplies, Subscriptions and Publications	110	100	5
Equipment	90	85	5
Total, Other Related Expenses	**530**	**550**	**108**

Administrative Expenses
Activities and Explanation of Changes
($K)

FY 2025 Enacted	FY 2026 Request	Explanation of Changes FY 2026 vs FY 2025 Enacted
Salaries & Benefits		
$1,121	**$461**	**-$660**
Provided for salaries and benefits of 5 full-time equivalent employees in support of the TELGP program across all LPO divisions.	Provides for salaries and benefits of 2 full-time equivalent employees in support of the TELGP program across the Loans Programs Office.	Decrease reflects a decrease of 3 full-time equivalent employees.
Travel		
$10	**$4**	**-$6**
Supported the travel of staff to attend meetings, conferences, and site visits if needed.	Supports the travel of staff to attend meetings, conferences, and site visits if needed.	Decrease is due to decreased FTE.
Support Services		
$4,619	**$427**	**-$4,192**
Supported a range of contract services including administrative support, training, subject matter experts, legal services, information technology, credit analysis, and market assessments. is included within TELGP.	Supports a range of contract services including administrative support, training, subject matter experts, legal services, information technology, credit analysis, and market assessments. is included within TELGP.	Decrease in IT costs to due to decrease in FTE and shift to activities funded by Inflation Reduction Act.
Other Related Expenses		
$550	**$108**	**-$442**
Supported DOE Working Capital Fund (WCF), software, equipment, other services including conferences attendance fees, and publications.	Supports DOE Working Capital Fund (WCF), software, equipment, other services including conferences attendance fees, and publications.	Decrease in cost share of WCF and increased shift to IRA-funded activities.

Title 17 Innovative Technology Loan Guarantee Program
($K)

FY 2024 Enacted	FY 2025 Enacted	FY 2026 Request	FY 2026 Request vs FY 2025 Enacted
58,719	-121,000	682,588	+803,588

The FY 2026 Budget proposes to permanently cancel all unobligated balances from amounts made available in the first proviso of section 1425 of the Department of Defense and Full-Year Continuing Appropriations Act, 2011 (Public Law 112-10) for the cost of loan guarantees under section 1703 of the Energy Policy Act of 2005; and all authority for commitments to guarantee loans for eligible projects under title XVII of the Energy Policy Act of 2005 provided under this heading in the Omnibus Appropriations Act, 2009 (Public Law 111-8, as amended) and the Consolidated Appropriations Act, 2023 (Public Law 117-328), in section 20320 of the Continuing Appropriations Resolution, 2007 (Public Law 109-289, as amended), and in section 1425 of the Department of Defense and Full-Year Continuing Appropriations Act, 2011 (Public Law112-10).

Proposed Appropriation Language

Such sums as are derived from amounts received from borrowers pursuant to section 1702(b) of the Energy Policy Act of 2005 under this heading in prior Acts, shall be collected in accordance with section 502(7) of the Congressional Budget Act of 1974: Provided, That for necessary administrative expenses of the Title 17 Innovative Technology Loan Guarantee Program, as authorized, $35,000,000 is appropriated, to remain available until September 30, 2027: Provided further, That up to $35,000,000 of fees collected in fiscal year 2026 pursuant to section 1702(h) of the Energy Policy Act of 2005 shall be credited as offsetting collections under this heading and used for necessary administrative expenses in this appropriation and shall remain available until September 30, 2027: Provided further, That to the extent that fees collected in fiscal year 2026 exceed $35,000,000, those excess amounts shall be credited as offsetting collections under this heading and available in future fiscal years only to the extent provided in advance in appropriations Acts: Provided further, That the sum herein appropriated from the general fund shall be reduced (1) as such fees are received during fiscal year 2026 (estimated at $91,730,000) and (2) to the extent that any remaining appropriations can be derived from fees collected in previous fiscal years that are not otherwise appropriated, so as to result in a final fiscal year 2026 appropriation from the general fund estimated at $0: Provided further, That the Department of Energy shall not subordinate any loan obligation to other financing in violation of section 1702 of the Energy Policy Act of 2005 or subordinate any Guaranteed Obligation to any loan or other debt obligations in violation of section 609.8 of title 10, Code of Federal Regulations.

All unobligated balances from amounts made available in the first proviso of section 1425 of the Department of Defense and Full-Year Continuing Appropriations Act, 2011 (Public Law 112-10) for the cost of loan guarantees under section 1703 of the Energy Policy Act of 2005 are hereby permanently canceled: Provided, That all authority for commitments to guarantee loans for eligible projects under title XVII of the Energy Policy Act of 2005 provided under this heading in the Omnibus Appropriations Act, 2009 (Public Law 111-8, as amended) and the Consolidated Appropriations Act, 2023 (Public Law 117-328), in section 20320 of the Continuing Appropriations Resolution, 2007 (Public Law 109-289, as amended), and in section 1425 of the Department of Defense and Full-Year Continuing Appropriations Act, 2011 (Public Law112-10), is hereby permanently canceled: Provided further, That for the cost of loan guarantees for the construction of small modular reactors or advanced nuclear reactors eligible under section 1703(b)(4) of the Energy Policy Act of 2005, as amended, (42 U.S.C. 16513(b)(4)), $750,000,000 is appropriated, to remain available until expended: Provided further, That, subject to section 502 of the Congressional Budget Act of 1974, commitments to guarantee loans for eligible geothermal, hydropower, or bioenergy projects under section 1703(b)(1), eligible transmission and distribution projects under section 1703(b)(6), and eligible projects under section 1703(b)(2, 4, 10, and 13) of the Energy Policy Act of 2005, as amended, (42 U.S.C. 16513(b)(2, 4, 10, and 13)) shall not exceed a total principal amount of $30,000,000,000, to remain available until committed: Provided further, That the amounts provided under this paragraph are in addition to those provided in any other Act: Provided further, That for amounts collected pursuant to section 1702(b)(2) of the Energy policy Act of 2005, the source of such payment received from borrowers may not be a loan or other debt obligation that is guaranteed by the Federal Government.

Note.--This account is operating under the Full-Year Continuing Appropriations and Extensions Act, 2025 (Division A of Public Law 119-4).

Overview

Under the Title 17 Innovative Technology Loan Guarantee Program (Title 17), as authorized under Title XVII of the Energy Policy Act of 2005, the Department of Energy can finance projects in the United States that support innovative energy deployment and energy infrastructure reinvestment. The Title 17 Program is organized in four categories: 1) Innovative Energy, financing for projects that deploy New or Significantly Improved Technology that is technically proven but not yet widely commercialized in the United States; 2) Innovative Supply Chain, financing for projects that employ a new or significantly improved technology in the manufacturing process for a qualifying energy technology or for projects that manufacture a new or significantly improved technology; 3) State Energy Financing Institution (SEFI)-supported, financing for projects that support deployment of qualifying energy technology and receive meaningful financial support or credit enhancements from an entity within a state agency or financing authority; and 4) Energy Infrastructure Reinvestment (EIR), financing for projects that retool, repower, repurpose, or replace energy infrastructure that has ceased operations or upgrade operating energy infrastructure to avoid, reduce, utilize, or sequester air pollutants or greenhouse gas emissions.

Title 17 supports efforts to promote energy infrastructure reinvestment and energy deployment by providing access to debt capital for large-scale, high-impact energy and supply chain projects that help energy technologies deploy at scale and advance America's energy and economic future.

LPO has issued Title 17 loan guarantees totaling more than $55 billion at initial closing, with $27 billion disbursed. In aggregate, the Title 17 portfolio currently comprises 33 loan guarantees as well as 22 Conditional Commitments to prospective projects. To date, Title 17 borrowers have repaid over $8 billion in principal and roughly $4.5 billion in interest. The program has recorded nearly $1 billion in losses due to default, or 3% of funds disbursed. More information on LPO's portfolio can be found at https://www.energy.gov/lpo/portfolio.

Applicant interest in the Title 17 Program remains strong. As of April 30, 2025, the Program currently has $216.7 billion in requested financing across 122 applications. The Department expects to obligate approximately $11 billion of Title 17 Section 1703 loan authority in FY 2025 and approximately $16 billion of this authority in FY 2026. For Title 17 Section 1706, the Department expects to obligate approximately $45 billion in FY 2025 and approximately $24 billion in FY 2026.

The FY 2026 Budget Request proposes $750 million in credit subsidy funding support financing for the construction of small modular reactors and advanced nuclear reactors, an immediate priority, in order to ensure firm, reliable baseload power for the country. Additionally, the Budget Request cancels all currently available loan guarantee commitment authority, replacing it with $30 billion in new loan guarantee commitment authority allowing LPO to underwrite new loans for nuclear and other priority sectors such as geothermal power and critical minerals supply.

The Budget requests $35 million, wholly offset by an estimated $91.7 million in collected fees, for administrative expenses for the Loan Programs Office (LPO) Title 17 Program. Proposed funding will support monitoring of the existing portfolio, as well as new underwriting activities, for all Title 17 projects.

Title 17 – Appropriation Level and Program Level
($K)

	FY 2024 Enacted	FY 2025 Enacted	FY 2026 Request	FY 2026 Request vs FY 2025 Enacted	
				($)	(%)
Administrative Expenses	70,000	55,000	35,000	-20,000	-36%
Offsetting Collections	-11,281	-176,000	-91,753	+84,247	N/A
	58,719	***-121,000***	***-56,753***	***+64,247***	***N/A***
Loan Subsidy Cancellation[1]	0	0	-10,659	-10,659	N/A
Title 17 Credit Subsidy			750,000	+750,000	N/A
Total, Title 17 Innovative Technology Loan Guarantee Program	**58,719**	**-121,000**	**682,588**	**+803,588**	**N/A**

Explanation of Changes

The FY 2026 Budget Request proposes to increase credit subsidy funding by $739 million, with the rescission of existing $10.6 million in unobligated balance and $750 million in new credit subsidy funding. The credit subsidy will remain available until committed for small modular reactors or advanced nuclear reactor projects. Additionally, effectively replaces existing non-Inflation Reduction Act loan guarantee commitment authority with new authority to fund eligible geothermal, hydropower, or bioenergy projects under section 1703(b)(1), eligible transmission and distribution projects under section 1703(b)(6), and eligible projects under section 1703(b)(2, 4, 10, and 13) of the Energy Policy Act of 2005, as amended, (42 U.S.C. 16513(b)(2, 4, 10, and 13)) with a total principle amount not to exceed $30 billion.

The FY 2026 Budget Request proposes $35 million for administrative expenses, a decrease of $20 million from FY 2025 Enacted, wholly offset by an estimated $91.7 million in collected fees. LPO anticipates receiving approximately $15 million in maintenance fees from the current portfolio and $77 million in fees from loan guarantees expected to close in FY 2026. The Budget Request proposal assumes 53 fewer Federal FTEs, consistent with smaller budget and a shift in priorities to implement the administration's priorities on energy independence and resilience.

[1] *The FY 2026 Budget proposes to permanently cancel all unobligated balances from amounts made available in the first proviso of section 1425 of the Department of Defense and Full-Year Continuing Appropriations Act, 2011 (Public Law 112-10) for the cost of loan guarantees under section 1703 of the Energy Policy Act of 2005; and all authority for commitments to guarantee loans for eligible projects under title XVII of the Energy Policy Act of 2005 provided under this heading in the Omnibus Appropriations Act, 2009 (Public Law 111-8, as amended) and the Consolidated Appropriations Act, 2023 (Public Law 117-328), in section 20320 of the Continuing Appropriations Resolution, 2007 (Public Law 109-289, as amended), and in section 1425 of the Department of Defense and Full-Year Continuing Appropriations Act, 2011 (Public Law112-10).*

Administrative Expenses
($K)

	FY 2024 Enacted	FY 2025 Enacted	FY 2026 Request
Administrative Expenses			
Salaries & Benefits	26,418	28,769	17,281
Travel	481	257	153
Support Services	34,661	21,168	13,166
Other Related Expenses	8,440	4,806	4,400
Total, Administrative Expenses	**70,000**	**55,000**	**35,000**
Total, Federal FTEs	119	128	75
Support Services			
Management and Professional Support Services			
Mission Support	25,900	13,806	8,262
IT Support	8,761	7,362	4,904
Total, Management and Professional Support Services	34,661	21,168	13,166
Total, Support Services	**34,661**	**21,168**	**13,166**
Other Related Expenses			
Communication and Misc. Charges Related to IT	340	334	199
Other Services	890	642	375
Working Capital Fund	3,240	1,948	2,724
Operation and Maintenance of Facilities	3,000	1,162	675
Supplies, Subscriptions and Publications	600	400	239
Equipment	370	321	188
Total, Other Related Expenses	**8,440**	**4,806**	**4,400**

Activities and Explanation of Changes, Administrative Expenses
($K)

FY 2025 Enacted	FY 2026 Request	Explanation of Changes FY 2026 vs FY 2025 Enacted
Salaries & Benefits		
$28,769	**$17,281**	**-$11,488**
Provided salaries and benefits expenses for 128 full-time equivalent employees in support of the Title 17 program across the Loans Programs Office.	Provides salaries and benefits expenses for 85 full-time equivalent employees in support of the Title 17 program across the Loans Programs Office. Estimate includes the guidance of 0 % raise effective January 1, 2026.	Decrease is due to reduction in staff.
Travel		
$257	**$153**	**-$104**
·Supported the travel of staff to attend meetings, conferences, and site visits if needed.	Supports the travel of staff to attend meetings, conferences, and site visits if needed.	Decrease is due to a decrease in full-time federal staff.
Support Services		
$21,168	**$13,166**	**-$8,002**
Supported a range of contract services including administrative support, training, subject matter experts, legal services, information technology, credit analysis, and market assessments.	Supports a range of contract services including administrative support, training, subject matter experts, legal services, information technology, credit analysis, and market assessments.	Decrease is due to reduction in staff.
Other Related Expenses		
$4,806	**$4,400**	**-$406**
Supported DOE Working Capital Fund, software expenses, equipment, laboratories funding, and other services including conferences attendance fees, and publications.	Supports DOE Working Capital Fund, software expenses, equipment, laboratories funding, and other services including conferences attendance fees, and publications.	Decrease in FTE and Laboratories is reflected as well as shift to IRA-funded activities.

DEPARTMENT OF ENERGY
Funding by Site Detail
Loan Programs - FY 2026

TAS_0208 - Title 17 Innovative Technology Loan Guarantee Program
($K)

	FY 2024 Enacted	FY 2025 Enacted	FY 2026 Request
National Energy Technology Lab			
Loan Guarantee Program	1,000	500	300
Total National Energy Technology Lab	**1,000**	**500**	**300**
National Renewable Energy Laboratory			
Loan Guarantee Program	1,800	800	300
Total National Renewable Energy Laboratory	**1,800**	**800**	**300**
Oak Ridge National Laboratory Site Office			
Loan Guarantee Program	200	200	300
Total Oak Ridge National Laboratory Site Office	**200**	**200**	**300**
Washington Headquarters			
Loan Guarantee Program	67,000	53,500	34,100
Total Washington Headquarters	**67,000**	**53,500**	**34,100**
Undesignated LPI			
Title XVII Loan Guarantee Credit Subsidy	0	0	750,000
Total Undesignated LPI	**0**	**0**	**750,000**
Total Funding by Site for TAS_0208 - Title 17 Innovative Technology Loan Guarantee Program	**70,000**	**55,000**	**785,000**

TAS_0322 - Advanced Technology Vehicles Manufacturing Loan Program
($K)

	FY 2024 Enacted	FY 2025 Enacted	FY 2026 Request
National Renewable Energy Laboratory			
Advanced Technology Vehicle Manufacturing Loan Program	95	100	0
Total National Renewable Energy Laboratory	**95**	**100**	**0**
Oak Ridge National Laboratory			
Advanced Technology Vehicle Manufacturing Loan Program	0	100	100
Total Oak Ridge National Laboratory	**0**	**100**	**100**
Washington Headquarters			
Advanced Technology Vehicle Manufacturing Loan Program	12,905	12,800	9,400
Total Washington Headquarters	**12,905**	**12,800**	**9,400**
Total Funding by Site for TAS_0322 - Advanced Technology Vehicles Manufacturing Loan Program Account	**13,000**	**13,000**	**9,500**

TAS_0350 - Tribal Energy Loan Guarantee Program
($K)

	FY 2024 Enacted	FY 2025 Enacted	FY 2026 Request
Oak Ridge National Laboratory			
Administrative Expenses - Tribal Energy Loan Guarantee Program	10	10	0
Total Oak Ridge National Laboratory	**10**	**10**	**0**
Washington Headquarters			
Administrative Expenses - Tribal Energy Loan Guarantee Program	6,290	6,290	1,000
Total Washington Headquarters	**6,290**	**6,290**	**1,000**
Total Funding by Site for TAS_0350 - Tribal Energy Loan Guarantee Program Fund	**6,300**	**6,300**	**1,000**

General Provisions - Department of Energy
(Including transfers of funds)

SEC. 301.

(a) No appropriation, funds, or authority made available by this title for the Department of Energy shall be used to initiate or resume any program, project, or activity or to prepare or initiate Requests For Proposals or similar arrangements (including Requests for Quotations, Requests for Information, and Funding Opportunity Announcements) for a program, project, or activity if the program, project, or activity has not been funded by Congress.

(b)

(1) Unless the Secretary of Energy notifies the Committees on Appropriations of both Houses of Congress at least 3 full business days in advance, none of the funds made available in this title may be used to—

(A) make a grant allocation or discretionary grant award totaling $1,000,000 or more;

(B) make a discretionary contract award or Other Transaction Agreement totaling $1,000,000 or more, including a contract covered by the Federal Acquisition Regulation;

(C) issue a letter of intent to make an allocation, award, or Agreement in excess of the limits in subparagraph (A) or (B); or

(D) announce publicly the intention to make an allocation, award, or Agreement in excess of the limits in subparagraph (A) or (B).

(2) The Secretary of Energy shall submit to the Committees on Appropriations of both Houses of Congress within 15 days of the conclusion of each quarter a report detailing each grant allocation or discretionary grant award totaling less than $1,000,000 provided during the previous quarter.

(3) The notification required by paragraph (1) and the report required by paragraph (2) shall include the recipient of the award, the amount of the award, the fiscal year for which the funds for the award were appropriated, the account and program, project, or activity from which the funds are being drawn, the title of the award, and a brief description of the activity for which the award is made.

(c) The Department of Energy may not, with respect to any program, project, or activity that uses budget authority made available in this title under the heading "Department of Energy—Energy Programs", enter into a multiyear contract, award a multiyear grant, or enter into a multiyear cooperative agreement unless—

(1) the contract, grant, or cooperative agreement is funded for the full period of performance as anticipated at the time of award; or

(2) the contract, grant, or cooperative agreement includes a clause conditioning the Federal Government's obligation on the availability of future year budget authority and the Secretary notifies the Committees on Appropriations of both Houses of Congress at least 3 days in advance.

(d) Except as provided in subsections (e), (f), and (g), the amounts made available by this title shall be expended as authorized by law for the programs, projects, and activities specified in the "Final Bill" column in the "Department of Energy" table included under the heading "Title III—Department of Energy" in the explanatory statement described in section 4 (in the matter preceding division A of this consolidated Act).

(e) The amounts made available by this title may be reprogrammed for any program, project, or activity, and the Department shall notify the Committees on Appropriations of both Houses of Congress at least 30 days prior to the use of any proposed reprogramming that would cause any program, project, or activity funding level to increase or decrease by more than $5,000,000 or 10 percent, whichever is less, during the time period covered by this Act.

(f) None of the funds provided in this title shall be available for obligation or expenditure through a reprogramming of funds that—

(1) creates, initiates, or eliminates a program, project, or activity;

(2) increases funds or personnel for any program, project, or activity for which funds are denied or restricted by this Act; or

(3) reduces funds that are directed to be used for a specific program, project, or activity by this Act.

(g)

(1) The Secretary of Energy may waive any requirement or restriction in this section that applies to the use of funds made available for the Department of Energy if compliance with such requirement or restriction would pose a substantial risk to human health, the environment, welfare, or national security.

(2) The Secretary of Energy shall notify the Committees on Appropriations of both Houses of Congress of any waiver

under paragraph (1) as soon as practicable, but not later than 3 days after the date of the activity to which a requirement or restriction would otherwise have applied. Such notice shall include an explanation of the substantial risk under paragraph (1) that permitted such waiver.

(h) The unexpended balances of prior appropriations provided for activities in this Act may be available to the same appropriation accounts for such activities established pursuant to this title. Available balances may be merged with funds in the applicable established accounts and thereafter may be accounted for as one fund for the same time period as originally enacted.

SEC. 302. None of the funds made available in this title shall be used for the construction of facilities classified as high-hazard nuclear facilities under 10 CFR Part 830 unless independent oversight is conducted by the Office of Enterprise Assessments to ensure the project is in compliance with nuclear safety requirements.

SEC. 303. None of the funds made available in this title may be used to approve critical decision–2 or critical decision–3 under Department of Energy Order 413.3B, or any successive departmental guidance, for construction projects where the total project cost exceeds $100,000,000, until a separate independent cost estimate has been developed for the project for that critical decision.

SEC. 304. None of the funds made available in this title may be used to support a grant allocation award, discretionary grant award, or cooperative agreement that exceeds $100,000,000 in Federal funding unless the project is carried out through internal independent project management procedures.

SEC. 305. No funds shall be transferred directly from "Department of Energy—Power Marketing Administration—Colorado River Basins Power Marketing Fund, Western Area Power Administration" to the general fund of the Treasury in the current fiscal year.

SEC. 306. Title III of division B of Public Law 112–74 is amended by striking section 304.

SEC. 307. Title VI of Public Law 95–619 is amended by striking Part 3.

SEC. 308. Of the funds appropriated to the Department of Energy by the Infrastructure Investment and Jobs Act (the Act; Public Law 117–58), the following are hereby permanently cancelled from the following accounts and programs in the specified amounts:

(1) $1,588,655,377 from unobligated balances made available for fiscal years 2022 through 2026 in the "Electricity" account provided for Preventing Outages and Enhancing the Resilience of the Electric Grid, as authorized under section 40101 of division D of such Act.

(2) $986,464,360 from unobligated balances made available for fiscal years 2022 through 2026 in the "Office of Clean Energy Demonstrations" account provided for grants for the Program Upgrading Our Electric Grid and Ensuring Reliability and Resiliency, as authorized under section 40103(b) of division D of such Act.

(3) $473,653,000 from unobligated balances made available for fiscal years 2022 through 2026 in the "Office of Clean Energy Demonstrations" account provided for the Energy Improvement in Rural and Remote Areas Program, as authorized under section 40103(c) of division D of such Act.

(4) $41,143,000 from unobligated balances made available for fiscal years 2022 through 2026 in the "Electricity" account provided for the Transmission Facilitation Program, as authorized under section 40106 of division D of such Act.

(5) $667,730,525 from unobligated balances made available for fiscal years 2022 through 2026 in the "Electricity" account provided for the Smart Grid Investment Matching Program, as authorized under section 40107 of division D of such Act.

(6) $47,148,000 from unobligated balances in the "Energy Efficiency and Renewable Energy" account provided for the State Energy Program, as authorized under section 40109 of division D of such Act.

(7) $166,171,162 from unobligated balances made available for fiscal years 2022 through 2026 in the "Cybersecurity, Energy Security, and Emergency Response" account provided for the Rural and Municipal Utility Advanced

Cybersecurity Grant and Technical Assistance Program, as authorized under section 40124 of division D of such Act.

(8) $107,446,314 from unobligated balances made available for fiscal years 2022 through 2026 in the "Cybersecurity, Energy Security, and Emergency Response" account provided for the Cybersecurity For the Energy Sector Research, Development, and Demonstration Program, as authorized under section 40125(b) of division D of such Act.

(9) $19,450,000 from unobligated balances in the "Electricity" account provided to carry out an advanced energy security program to secure energy networks, as authorized under section 40125(d) of division D of such Act.

(10) $633,042,559 from unobligated balances made available for fiscal years 2022 through 2026 in the "Energy Efficiency and Renewable Energy" account provided for Battery Manufacturing and Recycling Grants, as authorized under section 40207(c) of division D of such Act.

(11) $694,270 from unobligated balances available in the "Energy Efficiency and Renewable Energy" account provided for the Lithium-Ion Battery Recycling Prize Competition, as authorized under section 40207(e) of division D of such Act.

(12) $36,620,326 from unobligated balances made available for fiscal years 2022 through 2026 in the "Energy Efficiency and Renewable Energy" account provided to carry out activities authorized under section 40207(f) of division D of such Act.

(13) $72,298,954 from unobligated balances in the "Energy Efficiency and Renewable Energy" account provided for the Electric Drive Vehicle Battery Recycling and Second-Life Applications Program, as authorized under subsection (k) of section 641 of the Energy Independence and Security Act of 2007 (42 U.S.C. 17231), as amended by section 40208(1) of division D of the Act.

(14) $277,702,772 from unobligated balances made available for fiscal years 2022 through 2026 in the "Fossil Energy and Carbon Management" account provided for the Carbon Utilization Program, as authorized under section 40302 of division D of such Act.

(15) $68,640,068 from unobligated balances made available for fiscal years 2022 through 2026 in the "Fossil Energy and Carbon Management" account provided for the Front-End Engineering and Design, Carbon Capture Technology Program, as authorized under section 962 of the Energy Policy Act of 2005 (42 U.S.C. 16292), as amended by section 40303 of division D of the Act.

(16) $2,084,700,000 from unobligated balances made available for fiscal years 2022 through 2026 in the "Carbon Dioxide Transportation Infrastructure Finance and Innovation Program Account" provided for the Carbon Dioxide Transportation Infrastructure Finance and Innovation Program, as authorized by subtitle J of title IX of the Energy Policy Act of 2005 (42 U.S.C. 16181 et seq.), as amended by section 40304 of division D of the Act.

(17) $1,163,735,574 from unobligated balances made available for fiscal years 2022 through 2026 in the "Fossil Energy and Carbon Management" account provided for Carbon Storage Validation and Testing, as authorized under section 963 of the Energy Policy Act of 2005 (42 U.S.C. 16293), as amended by section 40305 of division D of the Act.

(18) $2,002,474,357 from unobligated balances made available for fiscal years 2022 through 2026 in the "Fossil Energy and Carbon Management" account provided for Regional Direct Air Capture Hubs, as authorized under section 969D of the Energy Policy Act of 2005 (42 U.S.C. 16298d), as amended by section 40308 of division D of the Act.

(19) $92,000,000 from unobligated balances made available for fiscal years 2022 through 2026 in the "Office of Clean Energy Demonstrations" account provided for Regional Clean Hydrogen Hubs, as authorized under section 813 of the Energy Policy Act of 2005 (42 U.S.C. 16151 et seq.), as amended by section 40314 of division D of the Act.

(20) $184,198,304 from unobligated balances made available for fiscal years 2022 through 2026 in the "Energy Efficiency and Renewable Energy" account provided for the Clean Hydrogen Technology Recycling Research, Development, and Demonstration Program, as authorized under section 815 of the Energy Policy Act of 2005 (42 U.S.C. 16151 et seq.), as amended by section 40314 of division D of the Act.

(21) $350,084,449 from unobligated balances made available for fiscal years 2022 through 2026 in the "Energy Efficiency and Renewable Energy" account provided for activities for the Clean Hydrogen Electrolysis Program, as

authorized under section 816 of the Energy Policy Act of 2005 (42 U.S.C. 16151 et seq.), as amended by section 40314 of division D of the Act.

(22) $981,479,556 from unobligated balances made available for fiscal year 2026 in the "Nuclear Energy" account provided for the Civil Nuclear Credit Program, as authorized under section 40323 of division D of such Act.

(23) $69,617,632 from unobligated balances in the "Energy Efficiency and Renewable Energy" account provided for carrying out activities under section 242 of the Energy Policy Act of 2005 (42 U.S.C. 15881), as amended by section 40331 of division D of the Act.

(24) $1,097,435 from unobligated balances in the "Energy Efficiency and Renewable Energy" account provided for carrying out activities under section 243 of the Energy Policy Act of 2005 (42 U.S.C. 15882), as amended by section 40332 of division D of the Act.

(25) $52,628,890 from unobligated balances in the "Energy Efficiency and Renewable Energy" account provided for activities for Hydroelectric Incentives, as authorized under section 247 of the Energy Policy Act of 2005 (Public Law 109–58; 119 Stat. 674), as amended by section 40333 of division D of the Act.

(26) $964,421 from unobligated balances in the "Energy Efficiency and Renewable Energy" account provided for activities for the Pumped Storage Hydropower Wind and Solar Integration and System Reliability Initiative, as authorized under section 3201 of the Energy Policy Act of 2020 (42 U.S.C. 17232), as amended by section 40334 of division D of the Act.

(27) $9,500,000 from unobligated balances made available for fiscal years 2022 through 2026 in the "Office of Clean Energy Demonstrations" account provided for the Clean Energy Demonstration Program on Current and Former Mine Land, as authorized under section 40342 of division D of such Act.

(28) $10,691,071 from unobligated balances in the "Energy Efficiency and Renewable Energy" account provided for the Energy Auditor Training Grant Program, as authorized under section 40503 of division D of such Act.

(29) $54,462,256 from unobligated balances made available for fiscal years 2022 through 2026 in the "Energy Efficiency and Renewable Energy" account provided for grants for implementing of updated building energy codes, as authorized under section 309 of the Energy Conservation and Production Act (42 U.S.C. 6831 et seq.), as amended by section 40511(a) of division D of the Act.

(30) $670,000 from unobligated balances in the "Energy Efficiency and Renewable Energy" account provided for Building, Training, and Assessment Centers, as authorized under section 40512 of division D of such Act.

(31) $1,205,411 from unobligated balances in the "Energy Efficiency and Renewable Energy" account provided for Career Skills Training, as authorized under section 40513 of division D of such Act.

(32) $36,519,000 from unobligated balances made available for fiscal years 2022 through 2026 in the "Energy Efficiency and Renewable Energy" account provided for Industrial Research and Assessment Centers, as authorized under section 40521(b) of division D of such Act.

(33) $233,901,000 from unobligated balances made available for fiscal years 2022 through 2026 in the "Energy Efficiency and Renewable Energy" account provided for Industrial Research and Assessment Center Implementation Grants, as authorized under section 457(i) of the Energy Independence and Security act of 2007 (42 U.S.C. 17111 et seq.), as amended by section 40521(b) of division D of the Act.

(34) $4,533,000 from unobligated balances in the "Energy Efficiency and Renewable Energy" account provided for the Manufacturing Leadership program, as authorized under section 40534 of division D of such Act.

(35) $195,807,333 from unobligated balances made available for fiscal years 2022 through 2026 in the "Energy Efficiency and Renewable Energy" account provided for Grants for Energy Efficiency Improvements and Renewable Improvements at Public School Facilities, as authorized under section 40541 of division D of such Act.

(36) $1,146,529 from unobligated balances in the "Energy Efficiency and Renewable Energy" account provided for the

Energy Efficiency Materials Pilot Program, as authorized under section 40542 of division D of such Act.

(37) $138,040,000 from unobligated balances in the "Energy Efficiency and Renewable Energy" account provided for carrying out activities for the Weatherization Assistance Program, as authorized under part A of title IV of the Energy Conservation and Production Act (42 U.S.C. 6861 et seq.).

(38) $91,850,000 from unobligated balances in the "Energy Efficiency and Renewable Energy" account provided for carrying out activities for the Energy Efficiency and Conservation Block Grant Program, as authorized under section 542(a) of the Energy Independence and Security Act of 2007 (42 U.S.C. 17152(a)).

(39) $8,407,000 from unobligated balances in the "Energy Efficiency and Renewable Energy" account provided for Extended Product System Rebates, as authorized under section 1005 of the Energy Act of 2020 (42 U.S.C. 6311 note; Public Law 116–260).

(40) $8,877,000 from unobligated balances in the "Energy Efficiency and Renewable Energy" account provided for Energy Efficient Transformer Rebates, as authorized under section 1006 of the Energy Act of 2020 (42 U.S.C. 6317 note; Public Law 116–260).

(41) $116,385,099 from unobligated balances in the "Office of Clean Energy Demonstrations" account provided to carry out the Energy Storage Demonstration Projects Pilot Grant Program, as authorized under section 3201(c) of the Energy Act of 2020 (42 U.S.C. 17232(c)).

(42) $36,398,247 from unobligated balances in the "Office of Clean Energy Demonstrations" account provided to carry out the Long-Duration Demonstration Initiative and Joint Program, as authorized under section 3201(d) of the Energy Act of 2020 (42 U.S.C. 17232(d)).

(43) $573,319,000 from unobligated balances in the "Office of Clean Energy Demonstrations" account provided to carry out the Carbon Capture Large-Scale Pilot Projects, as authorized under section 962(b)(2)(B) of the Energy Policy Act of 2005 (42 U.S.C. 16292(b)(2)(B).

(44) $1,400,655,719 from unobligated balances in the "Office of Clean Energy Demonstrations" account provided for the Carbon Capture Demonstration Projects Program, as authorized under section 962(b)(2)(C) of the Energy Policy Act of 2005 (42 U.S.C. 16292(b)(2)(C).

(45) $6,630,000 from unobligated balances in the "Fossil Energy and Carbon Management" account provided for Precommercial Direct Air Capture Technologies Prize Competitions, as authorized under section 969D(e)(2)(A) of the Energy Policy Act of 2005 (42 U.S.C. 16298d(e)(2)(A)).

(46) $66,705,000 from unobligated balances in the "Fossil Energy and Carbon Management" account provided for Commercial Direct Air Capture Technologies Prize Competitions, as authorized under section 969D(e)(2)(B) of the Energy Policy Act of 2005 (42 U.S.C. 16298d(e)(2)(B)).

(47) $5,989,570 from unobligated balances in the "Energy Efficiency and Renewable Energy" account provided for carrying out activities as authorized under section 634 of the Energy Independence and Security Act of 2007 (42 U.S.C. 17213).

(48) $5,946,822 from unobligated balances in the "Energy Efficiency and Renewable Energy" account provided for carrying out activities as authorized under section 635 of the Energy Independence and Security Act of 2007 (42 U.S.C. 17214).

(49) $2,186,000 from unobligated balances in the "Energy Efficiency and Renewable Energy" account provided for carrying out activities for the National Marine Energy Centers, as authorized under section 636 of the Energy Independence and Security Act of 2007 (42 U.S.C. 17215).

(50) $19,551,040 from unobligated balances in the "Energy Efficiency and Renewable Energy" account provided for carrying out activities authorized under section 615(d) of the Energy Independence and Security Act of 2007 (42 U.S.C. 17194(d)).

(51) $14,484,000 from unobligated balances in the "Energy Efficiency and Renewable Energy" account provided for carrying out activities for the Wind Energy Technology Program, as authorized under section 3003(b)(2) of the Energy Act of 2020 (42 U.S.C. 16237(b)(2)).
(52) $24,775,000 from unobligated balances in the "Energy Efficiency and Renewable Energy" account provided for the Wind Energy Technology Recycling Research, Development, and Demonstration Program, as authorized under section 3003(b)(4) of the Energy Act of 2020 (42 U.S.C. 16237(b)(4)).

(53) $2,868,000 from unobligated balances in the "Energy Efficiency and Renewable Energy" account provided for carrying out activities authorized under section 3004(b)(2) of the Energy Act of 2020 (42 U.S.C. 16238(b)(2)).

(54) $3,169,027 from unobligated balances in the "Energy Efficiency and Renewable Energy" account provided for carrying out activities authorized under section 3004(b)(3) of the Energy Act of 2020 (42 U.S.C. 16238(b)(3)).

(55) $1,565,197 from unobligated balances in the "Energy Efficiency and Renewable Energy" account provided for the Solar Energy Technology Recycling Research, Development, and Demonstration Program, as authorized under section 3004(b)(4) of the Energy Act of 2020 (42 U.S.C. 16238(b)(4)).

(56) $1,000,000 from unobligated balances in the "Construction, Rehabilitation, Operation and Maintenance, Western Area Power Administration" account provided for the purchase of power and transmission services, as authorized under division J of such Act.

SEC. 309.

(a) None of the funds made available by this Act may be used by the Secretary of Energy to award any grant, contract, cooperative agreement, or loan of $10,000,000 or greater to an entity of concern as defined in section 10114 of division B of Public Law 117–167.
(b) The Secretary shall implement the requirements under subsection (a) using a risk-based approach and analytical tools to aggregate, link, analyze, and maintain information reported by an entity seeking or receiving such funds made available by this Act.
(c) This section shall be applied in a manner consistent with the obligations of the United States under applicable international agreements.
(d) The Secretary shall have the authority to require the submission to the agency, by an entity seeking or receiving such funds made available by this Act, documentation necessary to implement the requirements under subsection (a).
(e) Chapter 35 of title 44, United States Code (commonly known as the "Paperwork Reduction Act"), shall not apply to the implementation of the requirements under this section.
(f) The Secretary and other Federal agencies shall coordinate to share relevant information necessary to implement the requirements under subsection (a).

SEC. 310.

(a) Subject to subsection (b), none of the funds made available to the Department of Energy in this or any other Act, including prior Acts and Acts other than appropriations Acts, may be used to pay the salaries and expenses of any contractor detailed to a Congressional Committee or Member Office or to the Executive Branch for longer than a 24-month period, to perform a scope of work, or participate in any matter, with the intent to influence decisions or determinations regarding a Department of Energy National Laboratory, or participate in any matter that may have a direct and predictable effect on the contractor's employer or personal financial interest: Provided, That with respect to contractors detailed to a Congressional Committee or Member Office or to the Executive Branch as of the date of enactment of this Act, the initial 24-month period described in this subsection shall be deemed to have begun on the later of the date on which such contractor was detailed or the date that is 12 months before the date of enactment of this Act.
(b) For the purposes of this section, the term "contractor" is defined to mean any contracted employee of a Department of Energy National Laboratory, as defined by section 2 (3) of the Energy Policy Act of 2005 (42 U.S.C. 15801).

Title V - General Provisions

SEC. 501. None of the funds appropriated by this Act may be used in any way, directly or indirectly, to influence congressional action on any legislation or appropriation matters pending before Congress, other than to communicate to Members of Congress as described in 18 U.S.C. 1913.

SEC. 502.

(a) None of the funds made available in this Act may be used to maintain or establish a computer network unless such network blocks the viewing, downloading, and exchanging of pornography.

(b) Nothing in subsection (a) shall limit the use of funds necessary for any Federal, State, Tribal, or local law enforcement agency or any other entity carrying out criminal investigations, prosecution, or adjudication activities.