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# Northwest Power and Conservation Council

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June 9, 2026

## DECISION MEMORANDUM

**TO:** Council members

**FROM:** Sandra Hirotsu  
Administrative Division Director

**SUBJECT:** Decision to release for public comment the Fiscal Year 2028 and Fiscal Year 2027 Revised budget.

**PROPOSED ACTION:** Staff recommends the Council approve the release of its draft fiscal year 2028 and fiscal year 2027 revised budget for a 40-day public comment period through July 27, 2026.

**SIGNIFICANCE:** The funding necessary for the Council to carry out its activities and responsibilities under the Northwest Power Act is provided by the Bonneville Power Administration based on the Council's adopted budget. The Council provides an opportunity for public comment on its proposed budget as part of the budget development process with the goal of adopting a budget for the next two fiscal years in August. The Council forwards the adopted budget to Bonneville for inclusion in its budget transmittal to Congress.

## BUDGETARY/ECONOMIC IMPACTS

The Council's proposed fiscal year 2027 revised budget is \$13,137,939. The Council's proposed fiscal year 2028 budget is \$13,593,626.

The proposed fiscal year 2027 revised budget is a decrease of approximately \$200,000 from the budget adopted last year for fiscal year 2027. The proposed fiscal year 2028 budget of approximately is a decrease of approximately \$57,000 from last year's projection for fiscal year 2028.

The Council does not have Bonneville's funding threshold for fiscal year 2027 and 2028 yet (see below). The Council expects to have that information from Bonneville mid-summer, prior to the start of fiscal year 2027. If the proposed budgets for fiscal year 2027 and fiscal year 2028 are above Bonneville's funding threshold per the Northwest Power Act, the Council will utilize savings from underspending its budget in previous fiscal years to make up any difference between Bonneville's funding threshold and the Council's budget.

## **BACKGROUND**

The Council establishes an annual budget with an understanding that the Northwest Power Act limits the amount of funding Bonneville can provide the Council. In the Northwest Power Act, Congress provided a funding mechanism in Section 4(c)(10) to ensure the Council has the funding necessary to carry out its functions and responsibilities under the Act.

In January 2026, Congress amended the statutory funding mechanism to require Bonneville adjust the funding range for inflation. The Act now requires Bonneville provide the funds necessary for the Council to carry out its functions and responsibilities up to "an amount not in excess of 0.10 mill multiplied by the kilowatt hours of firm power forecast to be sold by the Administrator during the year to be funded, *adjusted for inflation.*"

In past years, the Council received from Bonneville a firm power sales forecast for the coming fiscal years at the beginning of the Council's budget development process such that the Council was able to adopt a budget knowing with certainty what the limit on Bonneville funding would be for that year. This year is different because the funding limit is no longer determined just by the firm power sales forecast multiplied by 0.10 mills. Starting in 2026, the funding limit is determined by the firm sales forecast multiplied by 0.10 mills and "adjusted for inflation". Where Bonneville is still deciding how to make the inflation adjustment to implement the new language in the statute, Bonneville has not yet provided the Council with the funding limit for fiscal year 2027 and beyond. The Council expects Bonneville will provide this information by mid-summer 2026, ahead of the start of fiscal year 2027.

Despite not having received the funding limit information, the Council is comfortable moving forward with a proposed budget for fiscal years 2027 and 2028 for the following reasons: (1) The Council expects Bonneville's firm power sales forecast for fiscal year 2027 to be similar to Bonneville's fiscal year 2027 forecast provided last year to the Council. Bonneville is within the same rate case and has roughly the same resources and power sales obligations as expressed in the rate case so there is no reason for the Council to expect a significant deviation in the firm power sales forecast for fiscal year 2027. (2) The Council expects the mechanism Bonneville uses to adjust the Council's funding for inflation will result in a slightly higher funding limit than what Bonneville communicated last year for fiscal year 2027 before the statutory amendment. (3) The Council is proposing a draft budget for fiscal year 2027 and fiscal year 2028 that is *less* than what the Council adopted last year for fiscal year 2027 and less than what the Council projected last year for fiscal year 2028. (4) The Council has been conservative in its spending and over the last 30 plus years its budget has grown on average at or less than the rate of inflation.

For the foregoing reasons, the Council does not anticipate having to make any adjustment to its budget for fiscal year 2027 upon receipt of the actual funding numbers from Bonneville. And, if any adjustments to its budget are required, the Council expects the adjustments to be relatively straightforward to implement and not require further process.

**PUBLIC COMMENT PERIOD**

The draft fiscal year 2028 budget and fiscal year 2027 revised budget will be posted on the Council's website and available for public review and comment when approved for release by the Council. Written comments on the draft budget will be accepted through 5 p.m. PST on Monday July 27, 2026. An opportunity for oral comments on the draft budget will be provided at the July 2026 Council meeting in Portland, Oregon.