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March 6, 2018

MEMORANDUM

TO: Council Members

FROM: Ben Kujala

SUBJECT: Remarks by Bonneville Power Administrator Elliot Mainzer

BACKGROUND:

Presenter: Elliot Mainzer, Bonneville Administrator

Summary: In February, the Council heard from Steve Kerns about the concerns for the long-term health of Bonneville. Bonneville has recently released a five-year strategic plan and related financial plan that directly relates to the questions of the long-term health of the agency. Elliot will share his thoughts and perspective with the Council on the challenges the agency faces and the strategy the agency will pursue to address those challenges.

More Info: <https://www.bpa.gov/news/newsroom/Pages/BPA-releases-five-year-strategic-plan.aspx>

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

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

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

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

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

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

2018–2023 STRATEGIC PLAN



Delivering on our public responsibilities through a commercially successful business

BPA 2018–2023
Strategic Plan

OUR STRATEGIC GOALS

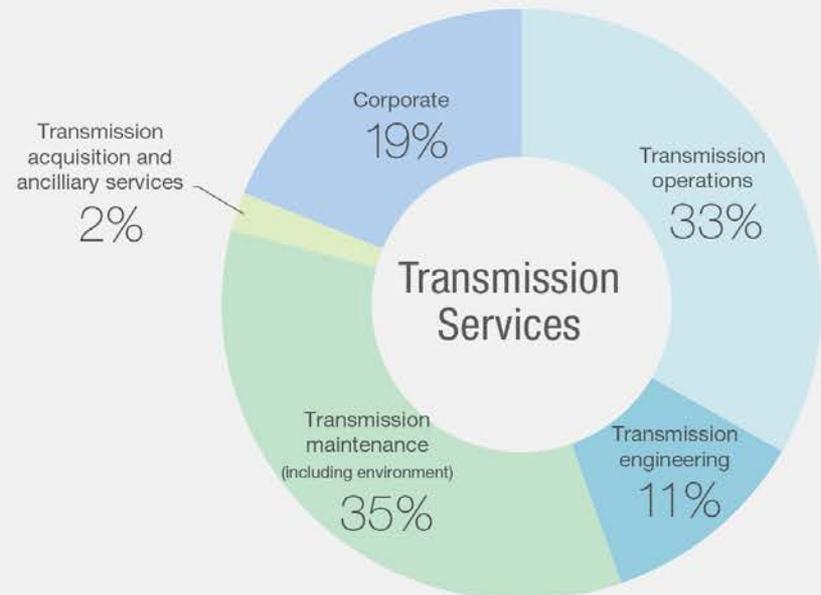
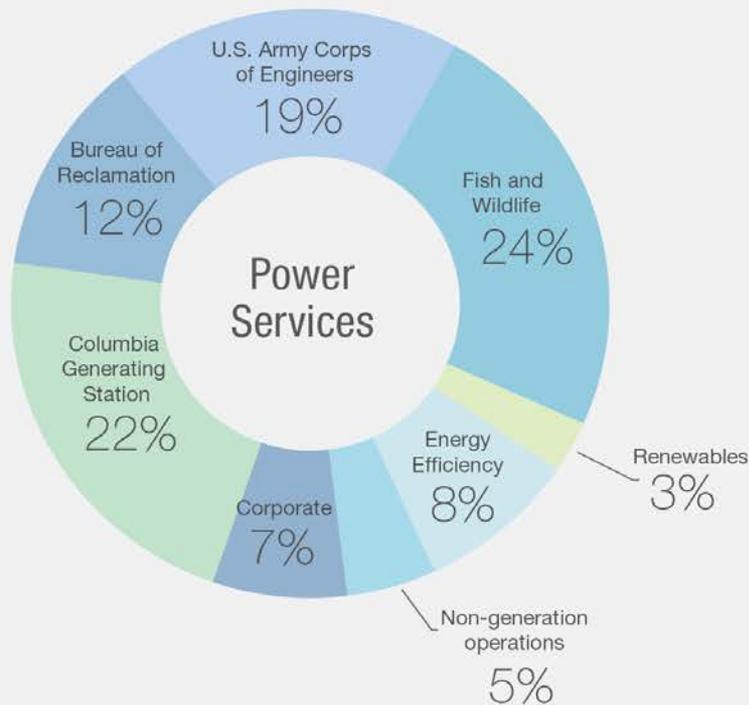
- 1) Strengthen financial health by meeting objectives for cost management, liquidity, debt utilization, debt capacity and credit ratings.**
- 2) Modernize assets and system operations to leverage and enable industry change.**
- 3) Provide competitive power products and services.**
- 4) Meet transmission customer needs efficiently and responsively.**

1: STRENGTHEN FINANCIAL HEALTH

Improve cost-management discipline

Hold program costs at or below the rate of inflation

Program costs:



STRENGTHEN FINANCIAL HEALTH (CONT.)

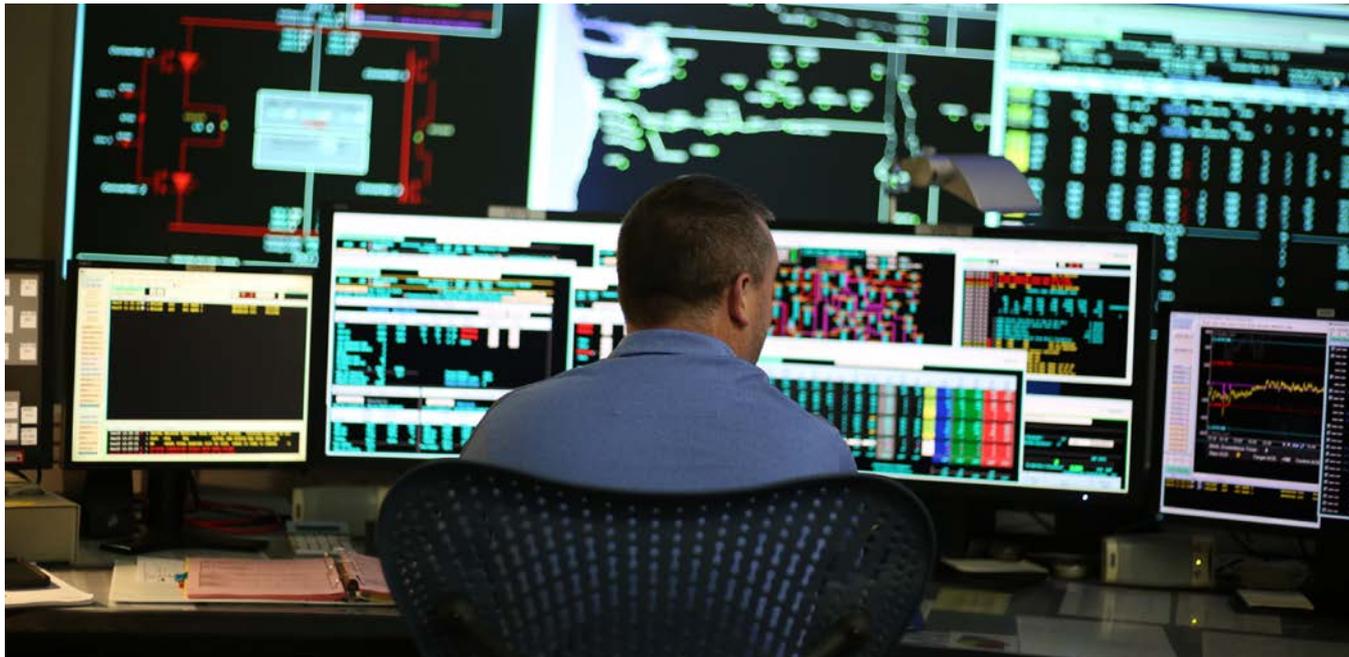
– Build financial resiliency.

- Debt utilization: Lower our debt-to-asset ratio.
- Debt capacity: An “all of the above” financing strategy.
- Liquidity: Maintain 60 days cash.

– Maintain high investment-grade credit ratings.

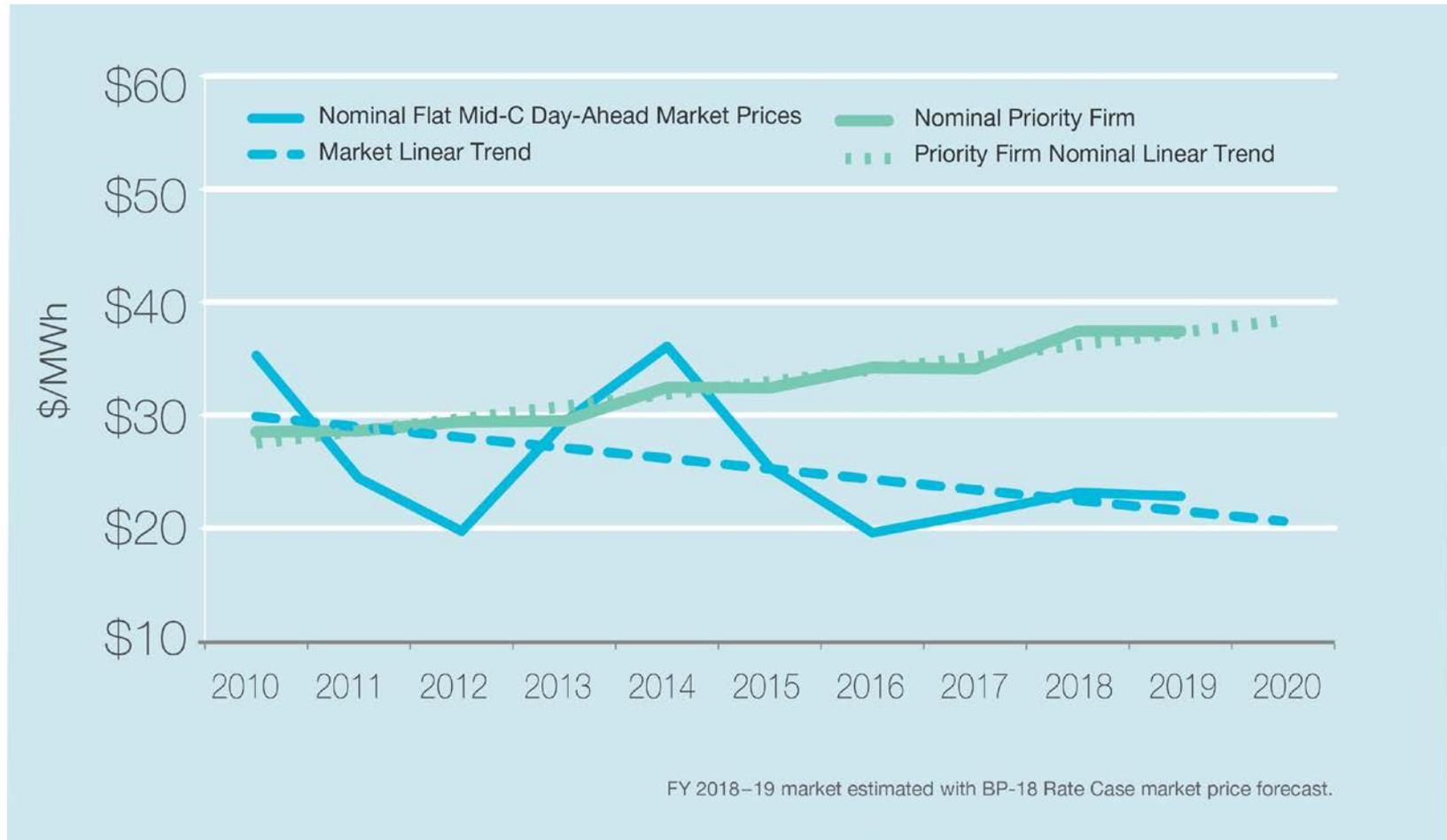
2: MODERNIZE ASSETS AND SYSTEM OPERATIONS

- Administer an industry-leading asset management program.
- Modernize federal power and transmission system operations and supporting technology.



3: COMPETITIVE POWER PRODUCTS AND SERVICES

Priority firm power rates 2010–2020



COMPETITIVE POWER PRODUCTS AND SERVICES (CONT.)

- Increase power revenues.
- Capture the clean energy and capacity value of the Federal Columbia River Power System.
- Prioritize fish and wildlife investments and manage costs at or below rate of inflation.
- Align energy efficiency and demand response investments with the long-term needs of BPA and our customers.
- Modernize the Columbia River Treaty.

4: MEET TRANSMISSION CUSTOMER NEEDS EFFICIENTLY AND RESPONSIVELEY

- Use flexible, scalable, cost-effective and efficient solutions.
- Incentivize grid optimization and efficient regional resource development.
- Meet needs of Network Integration Transmission Service customers through clear business practices and streamlined processes.
- Offer more standardized products and services.

STRATEGY AND CULTURE

“A good business strategy achieves nothing without the people and culture to make it happen.”

— BPA ADMINISTRATOR ELLIOT MAINZER



Questions?

See more at:
www.bpa.gov/StrategicPlan

Bonneville
POWER ADMINISTRATION

