



City of McCleary

Memorandum

To: Mayor Orffer

From: Todd Baun- Director of Public Works

Date: September 3rd, 2021- For September 8th Council Meeting

Subject: BPA Information

BACKGROUND

The BPA administrator adopted a settlement developed among rate case parties and BPA staff that promotes BPA's competitiveness, meets its statutory obligations, and is consistent with BPA's strategic plan which prescribes sustainable debt management and capital funding approaches.

The effect of the settlement on power rates is remarkable in that it is one of the only times in BPA's history that the average power rate will decrease compared to current levels. BPA's average power rate will see an average decrease of 2.5% compared to current levels. Notably, this means BPA's annual 10-year rate trajectory is less than 2 percent, which is in line with historical inflation rates. This demonstrates the effectiveness of BPA and its partners cost discipline and continued efforts to bend the cost curve. The City of McCleary is expected to see a Power rate decrease of 3.7%. The spreadsheet is attached.

The average effective transmission rate will increase an average of 6.1% over the rate period, roughly half the rate increase envisioned in the rate case initial proposal. The City of McCleary is expected to see a Transmission rates rate increase of 9.8%. The spreadsheet is attached.

We will see the new rates from BPA take effect on October 1st of 2021.