

## Update to BPA's BP-26 Power Cost Projections

The Bonneville Power Administration (BPA) concluded the BP-26 Integrated Program Review (IPR) on October 23, 2024, forecasting program costs for the next rate period covering fiscal years 2026, 2027 and 2028. These forecast IPR costs serve as an input into the development of power and transmission rates. At that time, BPA included cost projections in power rates associated with the Memorandum of Understanding filed on December 14, 2023, in the Columbia River System litigation, *National Wildlife Federation v. National Marine Fisheries Service*, 3:01-cv-640-SI (D.Or.), Dkt. 2450-1, (MOU).

On June 12, 2025, the White House issued a Presidential Memorandum entitled *Stopping Radical Environmentalism to Generate Power for the Columbia River Basin* (Presidential Memorandum).<sup>1</sup> The Presidential Memorandum requires, among other actions, that relevant agencies “take all appropriate steps to withdraw from the [MOU].” The Presidential Memorandum further provides that the specified agencies must identify and report to the President, through the Chair of the Council on Environmental Quality, on “any steps that may be taken to rescind or recoup Federal funds obligated to implement the MOU” and “any actions that have been taken and future steps that must be taken to withdraw from the MOU.”

Consistent with the direction in the Presidential Memorandum, BPA has revised its power cost projections associated with the MOU. The costs identified below will be removed from BPA’s cost projections included in power rates for the BP-26 rate period.

Cost Projections Removed				
(\$000s)	2026	2027	2028	Average
Six Sovereigns payments	\$10,600	\$10,843	\$11,079	\$10,841
Lower Snake Compensation Plan hatchery capital spending	\$11,780	\$19,400	\$28,255	\$19,812

Please note that the removal of the Lower Snake Compensation Plan hatchery cost projections will not result in a dollar-for-dollar reduction in BPA’s costs. The Lower Snake Compensation Plan hatchery costs were included as part of BPA’s capital cost projections, which means that the annual spending is recovered over time rather than in the year it is spent. The cost savings will appear as lower interest expense, amortization expense, and principal payments.

Sincerely,



Thomas McDonald  
Executive Vice President and Chief Financial  
Officer

July 14, 2025

<sup>1</sup> Available at <https://www.whitehouse.gov/presidential-actions/2025/06/stopping-radical-environmentalism-to-generate-power-for-the-columbia-river-basin/>.