

**DATA RESPONSE
BONNEVILLE POWER ADMINISTRATION**

BP-26 RATE CASE

DATA REQUEST NUMBER: PS-BPA-38-1

EFFECTIVE FILING DATE OF REQUEST: 3/19/2025

DIRECTED TO: BP-26-E-BPA-35

REQUESTOR'S NAME: David Steele

COMPANY/ENTITY: Puget Sound Energy, Inc.

PAGE(S): 42

LINE(S): 11-12

DATA REQUEST:

Produce all comments "Bonneville received . . . from a number of parties."

RESPONSE:

See the attachment for the comments received. BPA received comments from three sets of parties: investor-owned utilities (Avista, PacifiCorp, Portland General Electric, and Puget Sound Energy), MSR, and Avangrid. Note that MSR sent two comments, an original and then a corrected version that only changed the name of the FRN. The attachment only includes the corrected version.

For technical questions about this response, please contact Alex Lennox by email alennox@bpa.gov.

March 3, 2025

Via email:

finance@bpa.gov

U.S. Department of Energy
Bonneville Power Administration

Re: Comments of Avista Corporation, PacifiCorp, Portland General Electric Company, and Puget Sound Energy, Inc. Regarding New Information or Changed Circumstances Arising After the Date of BP-26 Federal Register Notice That Affect BPA’s Cost Projections

Avista Corporation, PacifiCorp, Portland General Electric Company, and Puget Sound Energy, Inc. (“Commenting Parties”) submit the following comments on new information or changed circumstances arising after the date of the BP-26 Federal Register notice issued on November 13, 2024,¹ that affect BPA’s cost projections.

- I. New information and changed circumstances have arisen after the date of the BP-26 Federal Register notice that impact BPA’s cost projections in developing BP-26 rates.**
 - A. The BP-26 Federal Register notice stated that comments regarding any new information or changed circumstances arising after the date of this notice that affect BPA’s cost projections should be emailed to BPA.**

The BP-26 Federal Register notice included the following:

B. BP-26 Integrated Program Review

Bonneville’s Integrated Program Review (IPR) process is designed to allow the public an opportunity to review and comment on Bonneville’s expense and capital cost forecasts before the forecast costs are used to set rates. Bonneville’s BP-26 IPR process, which addressed the expense and capital program level cost forecasts for FY 2026–2028, began on June 25, 2024, with the publication of the BP-26 IPR Initial Publication. The process concluded on October 24, 2024, with the issuance of the BP-26 IPR Close-Out Report. Comments regarding any new information or changed circumstances arising after the date of this notice that affect BPA’s cost projections should be directed to finance@bpa.gov and be

¹ Department of Energy, Bonneville Power Administration, Fiscal Year (FY) 2026-2028 Proposed Power and Transmission Rate Adjustments; Public Hearing and Opportunities for Public Review and Comment, 89 Fed. Reg. 89626, 89626 (Nov. 13, 2024) (“BP-26 Federal Register notice”), available at <https://www.bpa.gov/-/media/Aep/rates-tariff/bp-26/FRN/BP-26/20241113BP26-FRN.pdf>.

submitted no later than March 3, 2025. At the discretion of the Administrator, Bonneville may hold additional processes to review these forecasts outside of the BP-26 rate proceeding. If Bonneville decides to update any cost information, such updates will be reflected in the final proposed rates.²

These Comments are submitted in response to this notice.

B. Substantial new information and significant changed circumstances have arisen after the date of the BP-26 Federal Register notice that must affect BPA’s cost projections in developing BP-26 rates.

There has been substantial new information and changed circumstances arising after the date of the BP-26 Federal Register notice that must affect BPA’s cost projections in developing BP-26 rates. “BPA must ‘develop a realistic projection of . . . costs that accurately reflect[s] the information available at the time the rates were set’”³ Some evidence of this new information and changed circumstances are as follows:

- On January 20, 2025, President Trump signed an Executive Order implementing a federal hiring freeze.⁴
- On January 28, 2025, the Office of Personnel Management provided an email to employees of multiple agencies within the U.S. Government offering a deferred resignation program: “If you resign under this program, you will retain all pay and benefits regardless of your daily workload and will be exempted from all applicable in-person work requirements until September 30, 2025 (or earlier if you choose to accelerate your resignation for any reason).”⁵
- On February 11, 2025, President Trump signed an Executive Order to remake America’s federal workforce. The White House Fact Sheet⁶ describing the Order included the following:
 - The Order will significantly reduce the size of government.
 - Upon expiration of the Day 1 hiring freeze and implementation of the hiring plan, agencies will be able to hire no more than one employee for every four

² *Id.*

³ *Idaho Conservation League v. Bonneville Power Admin.*, 83 F.4th 1182, 1186 (9th Cir. 2023) (citing *Golden Nw. Aluminum, Inc. v. Bonneville Power Admin.*, 501 F.3d 1037, 1049 (9th Cir. 2007)).

⁴ The White House, Hiring Freeze (Jan. 20, 2025), <https://www.whitehouse.gov/presidential-actions/2025/01/hiring-freeze/>.

⁵ U.S. Office of Personnel Management, Deferred Resignation Email to Federal Employees (Jan. 28, 2025), <https://www.opm.gov/fork/original-email-to-employees/>.

⁶ The White House, Fact Sheet: President Donald J. Trump Works To Remake America’s Federal Workforce (Feb. 11, 2025), <https://www.whitehouse.gov/fact-sheets/2025/02/fact-sheet-president-donald-j-trump-works-to-remake-americas-federal-workforce/>.

employees that depart from federal service (with appropriate immigration, law enforcement, and public safety exceptions).

- Agencies will undertake plans for large-scale reductions in force and determine which agency components (or agencies themselves) may be eliminated or combined because their functions aren't required by law.
- The Order exempts personnel and functions critical to national security, public safety, law enforcement, and immigration enforcement.
- On February 13, 2025, at BPA's Quarterly Business Review FY2025 Q1 meeting, BPA Administrator John Hairston indicated that because of the January 20 hiring freeze issued by President Trump, all open positions are now on hold. He indicated that until further notice a similar freeze is in effect for their supplemental labor. Administrator Hairston indicated that a deferred resignation program has now closed and that approximately 200 BPA employees accepted that offer, but that the number could change. BPA will be performing a workplace analysis and staffing plan in preparation for the program implementation. During the meeting, Administrator Hairston was asked to clarify how many offers had been rescinded due to the hiring freeze. Administrator Hairston indicated 90 job offers had been rescinded because of the hiring freeze.
- A February 13, 2025 news report indicated that the Office of Personnel Management met with leaders across the government and told them to start firing employees who were still in a probationary period a year or more after being hired.⁷ BPA has not provided any quantification of the cost impact of probationary employee departures, for example, the cost impact of those departures on BPA's projected capital and operating costs.
- On February 21, 2025, a news article indicated that BPA had lost its Chief Operating Officer Joel Cook and Senior Vice President of Transmission Services Richard Shaheen as part of the Office of Personnel Management's deferred resignation program offer.⁸
- On February 25, 2025, a news article indicated that BPA "expects to lose about 14 percent of its workforce due to the U.S. Office of Personnel Management's (OPM) resignation offer, early retirements and layoffs, according to several sources familiar with the agency."⁹ BPA has not provided any quantification of

⁷ See Ted Oberg and Megan Lebowitz, *Trump Administration Tells Federal Agencies to Fire Probationary Employees*, NBC News (Feb. 13, 2025), <https://www.nbcnews.com/politics/white-house/trump-administration-federal-agencies-fire-probationary-employees-rcna192149>.

⁸ See BPA Loses COO and Head of Transmission Services to Buyouts, NewsData (Feb. 25, 2025), https://www.newsdata.com/california_energy_markets/northwest/bpa-loses-coo-and-head-of-transmission-services-to-buyouts/article_6f673f0e-f2e8-11ef-8226-4b977f7d0f24.html.

⁹ BPA Expects to Lose About 14 Percent of Workforce Due to Layoffs, Early Retirement, Release of Probationary Employees, NewsData (Feb. 13, 2025), https://www.newsdata.com/clearing_up/update-bpa-expects-to-lose-about-14-percent-of-workforce-due-to-layoffs-early-retirement/article_ce23ff5c-ea49-11ef-886b-57ef4fb7db87.html.

the cost impact of the expected workforce loss, for example, the cost impact of that loss on BPA's projected capital and operating costs. However, such a loss is significant and clearly indicates substantial new information or changed circumstances that must "affect BPA's cost projections."¹⁰

C. BPA should provide, but has failed to provide, new information on its significantly reduced workforce and its effect on projected costs for use in developing BP-26 rates.

BPA has failed to date to provide new information on its significantly reduced workforce and its effect on projected costs for use in developing BP-26 rates. BPA is uniquely situated to provide this information. If BPA fails to present information¹¹ on its significantly reduced workforce and its effect on projected costs for use in developing BP-26 rates, BPA will have failed to "develop a realistic projection of . . . costs that accurately reflect[] the information available at the time the rates were set,"¹² thereby failing to develop a full and complete justification of the final rates as required by Northwest Power Act §7(i)(5). It is arbitrary and capricious and contrary to law for BPA (i) to fail to provide information on its significantly reduced workforce and its effect on projected costs for use in developing BP-26 rates, and (ii) fail to provide such information following the ratemaking procedures required by the Northwest Power Act, as described below.

Parties should not be required to continue in the BP-26 proceeding or submit comments in an IPR process without the benefit of BPA's views and unique access to information on the significant changes to its workforce and how those changes will impact BPA's revenue requirement for BP-26.

II. BPA's failure to develop a realistic projection of costs that accurately reflects the information available at the time of rate setting is contrary to the procedural requirements of the Northwest Power Act—and BPA's vague statement regarding the possibility of updating IPR forecasts does not adequately address BPA's failure to develop a realistic projection.

The Northwest Power Act Section 7(i) requires, *inter alia*, the following procedures to be followed in establishing BPA rates:

- One or more hearings conducted by a hearing officer to develop a full and complete record.¹³

¹⁰ BP-26 Federal Register notice at 89626.

¹¹ As discussed below, such new cost information—like the cost information that BPA has already sought to use for development for the capital costs and expenses of the BP-26 proceeding—must be presented and developed using the ratemaking procedural requirements of the Northwest Power Act, such as a hearing, transcript, exhibits, cross examination, and other materials, leading to the development of a full and complete record. Northwest Power Act §§ 7(i)(2)(B), 7(i)(5) ("The Administrator shall make a final decision based on the record, which shall include the hearing transcript, exhibits, and other materials, and shall include a full and complete justification of the final rates.").

¹² *Idaho Conservation League*, 83 F.4th at 1186 (citing *Golden Nw. Aluminum, Inc.*, 501 F.3d at 1049).

¹³ Northwest Power Act § 7(i)(2).

- An adequate opportunity provided by the hearing officer for parties to offer refutation or rebuttal of any material submitted by another party.¹⁴
- A reasonable opportunity as determined by the hearing officer for cross examination to develop information and material relevant to any rate proposed by BPA.¹⁵
- A final decision by the Administrator establishing rates based on the record, which shall include the hearing transcript, exhibits, and other materials submitted to or developed by the Administrator. The final decision shall include a full and complete justification of the final rates.¹⁶

Providing an opportunity for submittal to BPA in the BP-26 IPR of new information or changed circumstances that impact BPA's cost projections does not adequately address BPA's failure to develop a realistic projection of BP-26 costs that accurately reflects the information available at the time of rate setting.

This is not to argue here that BPA is required to set specific funding levels or decide which costs to incur in its ratemaking processes. But BPA must develop a realistic projection of costs that accurately reflects the information available at the time of rate setting. BPA has failed to do so, and its processes provide no assurance that it will do so.

In short, BPA's failure to develop a realistic projection of costs that accurately reflects the information available at the time of rate setting process of developing capital costs and expense amounts for BP-26 transmission rates is flawed and contrary to the procedural requirements of the Northwest Power Act.

BPA's decision as to what or which expense and capital cost forecasts are appropriate and reasonable for use in determining BP-26 rates is by definition a ratemaking determination that must be made following the procedural ratemaking requirements of the Northwest Power Act. However, the BP-26 Federal Register notice states—without any discussion or process—that

the Administrator directs the Hearing Officer to exclude from the record all argument, testimony, or other evidence that seek to raise issues with or challenge the appropriateness or reasonableness of: (1) the Administrator's forecasts of cost and spending levels¹⁷

In short, BPA has announced a ratemaking determination at the commencement of the BP-26 proceeding in the Federal Register, and such ratemaking determination has been made without following the procedural ratemaking requirements of the Northwest Power Act.

¹⁴ *Id.* § 7(i)(2)(A).

¹⁵ *Id.* § 7(i)(2)(B).

¹⁶ *Id.* § 7(i)(5).

¹⁷ BP-26 Federal Register notice at 89627.

The BP-26 IPR process included an initial publication released in June 2024, three public workshops and presentations, receipt by BPA of stakeholder comments, response by BPA to written questions, and a “Closeout Report”¹⁸ released in October 2024.

It is not clear when BPA makes a determination of the forecast of capital costs and expenses for BP-26, because the “Closeout Report” itself states that it does not complete BPA’s decision-making process: “This closeout of the IPR process does not complete BPA’s decision-making process on forecast costs. Adjustments to BPA’s cost projections may occur after the conclusion of the IPR.”¹⁹

Moreover, the BP-26 Federal Register notice indicates that the forecast of capital costs and expenses (that was to be developed in the IPR process), may be revised by BPA “to update any cost information” and that “such updates will be reflected in the final proposed rates”:

Comments regarding any new information or changed circumstances arising after the date of this notice that affect BPA’s cost projections should be directed to finance@bpa.gov and be submitted no later than March 3, 2025. At the discretion of the Administrator, Bonneville may hold additional processes to review these forecasts outside of the BP-26 rate proceeding. If Bonneville decides to update any cost information, such updates will be reflected in the final proposed rates.²⁰

Noticeably absent are (i) any process for review of comments regarding new information or changed circumstances, (ii) any assurance that new information or changed circumstances will be reviewed, (iii) any description of when and how updated cost information will be incorporated into BP-26, consistent with the procedural requirements of the Northwest Power Act, described above.

Instead, as indicated above, BPA directed in the BP-26 Federal Register notice the Hearing Officer to exclude from the rate case record all argument and evidence that seek to challenge the appropriateness or reasonableness of the cost forecasts.²¹ This direction is fundamentally contrary to the requirements of the Northwest Power Act as discussed above and prevents the development of a full and complete justification of the rates in the record of decision.

* * *

Nothing contained in these Comments constitutes a waiver or relinquishment of any rights or remedies provided by applicable law or provided under BPA’s Tariff or otherwise under contract. Commenting Parties appreciate BPA’s review of these comments and consideration of the statements contained herein. By return e-mail, please confirm BPA’s receipt of these Comments.

¹⁸ BP-26 Integrated Program Review, Bonneville Power Administration (“BP-26 IPR Closeout Report”), available at <https://www.bpa.gov/-/media/Aep/finance/integrated-program-review/bp-26-ipr/bp-26-ipr-closeout-report.pdf>.

¹⁹ BP-26 IPR Closeout Report at 6.

²⁰ BP-26 Federal Register notice at 89626.

²¹ *Id.* at 89627.

COMMENTS OF THE M-S-R PUBLIC POWER AGENCY

March 3, 2025

Pursuant to the November 13, 2024, notice posted in the Federal Register, regarding the Bonneville Power Administration’s (“BPA”) Proposed Power and Transmission Rate Adjustments, 89 Fed. Reg. 219 at 89,626 (2024) the M-S-R Public Power Agency (“M-S-R”) submits its comments regarding matters concerning new information or changed circumstances arising after BPA’s November 13, 2024 Federal Register notice.¹

I. PRELIMINARY STATEMENT

M-S-R submitted comments in the Integrated Program Review (“IPR”) process, which raised concerns with the proposed spending levels, and included concerns regarding the ability of BPA to hire sufficient additional staff to be capable of achieving BPA’s aggressive spending goals. The comments also questioned the load growth assumptions behind the spending plans. Because this e-mail comment process, and the IPR itself, is not part of the BP-26 rate case hearing record, M-S-R’s testimony also addressed its concerns with BPA’s forecasted spending and addressed some of the changed circumstances as of the date of M-S-R’s testimony.

The BP-26 rate proceeding will establish BPA’s power, transmission, and ancillary and control area services rates for the three year period of October 1, 2025, through September 30, 2028. BPA’s Initial Proposal would impose a staggering 24% rate increase, a substantial portion of which is driven by labor intensive capital expansion, as well as by \$375 million in revenue

¹ Department of Energy, Bonneville Power Administration, Fiscal Year (FY) 2026-2028 Proposed Power and Transmission Rate Adjustments; Public Hearing and Opportunities for Public Review and Comment, 89 Fed. Reg. 89626, 89626 (Nov. 13, 2024) (“BP-26 Federal Register notice”)(“Comments regarding any new information or changed circumstances arising after the date of this notice that affect BPA’s cost projections should be directed to finance@bpa.gov and be submitted no later than March 3, 2025.”). available at <https://www.bpa.gov/-/media/Aep/rates-tariff/bp-26/FRN/BP-26/20241113BP26-FRN.pdf>.

financing for those projects. BPA is required to establish the BP-26 rates through hearings and develop a full record.² The Administrator's decision based on that record must include a full and complete justification for BPA's BP-26 rates.³

Neither this e-mail comment process set forth in the Federal Register Notice, nor the IPR process, create a record for the Administrator to rely on when setting rates. BPA's BP-26 rates cannot be fully and completely justified by the record set forth in the Initial Proposal.

M-S-R submits these comments in the interest of assisting the Administrator in establishing rates that reflect a fair assessment of costs that are possible to be incurred under the current circumstances.

M-S-R reserves all rights, whether procedural or substantive, to address the issues set forth in these comments in any forum.

II. COMMENTS

A. Recent Developments Affecting BPA Staffing

M-S-R's IPR comments noted that the IPR workshop discussions were replete with references to increased hiring. In past rate case cycles, when questioned about actual spending being substantially, and consistently below forecasts, BPA often cited a common reason provided by being its inability to hire sufficient workforce. Recent events have, unfortunately, made it more difficult for BPA to hire, increasing the likelihood that BPA's operating and capital costs forecasts are too high because the projects assumed to be funded will not be able to proceed within the expected time. There have been a number of challenges to some of the orders and initiatives, with many continuing to work their way through the courts. Nonetheless, the actions

² 16 U.S.C. § 839e(i)(2).

³ 16 U.S.C. § 839e(i)(5).

to date have significantly disrupted BPA's hiring plans and will create uncertainty for the foreseeable future.

Recent changed circumstances include:

1. On January 20, 2025, the White House announced a hiring freeze, which would prevent any Federal hiring during a 90 day period during which the “Director of the Office of Management and Budget (OMB), in consultation with the Director of OPM and the Administrator of the United States DOGE Service (USDS), shall submit a plan to reduce the size of the Federal Government’s workforce through efficiency improvements and attrition.” <https://www.whitehouse.gov/presidential-actions/2025/01/hiring-freeze/>
2. On January 20, 2025, the Whitehouse announced an Executive Order that rescinded certain protections for Federal workers. <https://www.whitehouse.gov/presidential-actions/2025/01/restoring-accountability-to-policy-influencing-positions-within-the-federal-workforce/>
3. On January 28, 2025, the Office of Personnel Management reportedly sent an e-mail to all Federal Employees, offering them a deferred resignation opportunity. <https://www.opm.gov/fork/original-email-to-employees/>
4. On February 11, 2025, the White House announced an Executive Order – “Workforce Optimization Initiative” – that requires OMB to submit a plan to reduce the Federal Workforce, requires Agency Heads to establish a data-driven hiring plan, imposes a ratio limiting agencies to one hiring for each four departures, requires new career appointment hiring decisions to be reviewed by DOGE, and requires monthly hiring reports. The Executive Order also directs all Agency Heads to prepare for large scale reductions in workforce and directs Agency Heads to terminate temporary employees and reemployed

annuitants. <https://www.whitehouse.gov/presidential-actions/2025/02/implementing-the-presidents-department-of-government-efficiency-workforce-optimization-initiative/>

5. On February 13, 2025, it was reported that Federal Agencies were directed to terminate all probationary employees. *See* Trump Administration Tells Federal Agencies to Fire Probationary Employees, NBC News (Feb. 13, 2025), <https://www.nbcnews.com/politics/white-house/trump-administration-federal-agencies-fire-probationary-employees-rcna192149>.
6. During the February 13, 2025, Quarterly Business Review BPA Administrator John Hariston reported that due to the hiring freeze all open positions are on hold, ninety (90) job offers were rescinded, and approximately 200 BPA employees accepted the Deferred Resignation offered in the January 28, 2025 OPM e-mail.
7. On February 14, 2025, a letter from Senators Wyden and Merkley raised concerns about the impact of the new orders and initiatives on BPA and noted they “resulted in the resignation of approximately 200 employees, the rescinding of 90 new job offers, and the looming layoff of up to 400 probationary employees.”
8. There have been a number of news reports about the number of employees BPA has lost or will lose as a result of the various Executive Orders and initiatives, with the number of employees ranging from 400 to 600, with some reports of 30 employees being re-hired. Of course, BPA itself knows the actual numbers better than the public, but the published information is what is available outside of BPA.
<https://www.oregonlive.com/environment/2025/02/at-least-600-workers-to-leave-bpa-spurring-concerns-about-transmission-grid.html>
<https://www.opb.org/article/2025/02/20/bonneville-job-cuts-immediate-risks/>

<https://www.opb.org/article/2025/02/19/bonneville-power-administration-reverses-30-job-cuts-continues-with-plans-to-eliminate-430-positions/>

B. Recent Events Affecting Load and Resource Growth

M-S-R's IPR comments and testimony raised concerns about the growth projections leading to projections on transmission capital spending in the next three years. The projected near-term need for transmission includes interconnecting planned renewable generation, as well as anticipated new large loads, primarily in the form of data centers, as well as from electrification of transportation.

Changed circumstances relating to those drivers include:

1. China announced its Deep-Seek AI technology, which purportedly will reduce the amount of energy required for AI searches.

<https://www.reuters.com/business/energy/us-power-stocks-plummet-deepseek-raises-data-center-demand-doubts-2025-01-27/>

2. The White House announced a number of policy shifts, moving away from support for solar and wind projects, and emphasizing increased production of natural gas, oil, coal, nuclear and geothermal resources. The “Unleashing American Energy” Executive Order revokes existing Executive Orders promoting the development of renewable resources, electric vehicles and electric vehicle charging infrastructure. Those policy shifts may stifle many of the planned renewable generation projects that are in the queue to connect to BPA's transmission grid.

<https://www.whitehouse.gov/presidential-actions/2025/01/unleashing-american-energy/>

3. Chevron and GE, on the heels of energy security priorities announced by the Hite House, announced plans to co-locate natural gas generation with data centers, by-passing the distribution grid. If the distribution grid is by-passed to serve load there will not be a need to expand the transmission grid to serve the data centers.

<https://www.chevron.com/newsroom/2025/q1/power-solutions-for-us-data-centers>

III. CONCLUSION

M-S-R respectfully submits the above comments regarding changed circumstances and urges BPA to take into account the likelihood that BPA will not be able to meet its hiring plans during the BP-26 rate period, and that project execution capabilities will be diminished over the three-year rate period. In addition, BPA should consider the impact of recent policy shifts and technology advancements and adjust its forecasted costs accordingly.

From: Sidney Villanueva <sidney@blueskieslaw.com>
Sent: Monday, March 3, 2025 5:10 PM
To: Finance <finance@bpa.gov>
Subject: New Information Impacting BP-26 IRP Cost Projections

Pursuant to the BP-26 Federal Register Notice (FRN), I have been authorized by Avangrid Renewables to send this email to urge Bonneville to consider new information and changed circumstances arising after the date of the FRN (November 13, 2024) that affect BPA's cost projections.

Specifically, the significant workforce reductions at BPA (roughly 20% of the agency under the initial wave) and corresponding federal hiring freeze, both of which are the direct result of actions taken by the new administration beginning on or around January 20, 2025. Additional reductions were announced last week in a memo dated February 26, 2025.

While Avangrid is hopeful that Bonneville may ultimately be excluded from additional reductions and/or could even reverse more of the current workforce reductions (e.g., news reports indicate that 30 employees terminated were later deemed critical and their terminations were rescinded), it is untenable that the agency might go forward with unprecedented transmission rate increases premised on what appear to be unattainable workforce aspirations.

As you know, the expense and capital cost forecasts included in the BP-26 Integrated Program Review began on June 25, 2024 and concluded on October 24, 2024. The opportunity to review and comment on these forecasts did not permit stakeholders the opportunity to understand the amounts associated with the additional hiring and personnel costs needed to support significant transmission expansion efforts that may now be delayed. The deadline to file data requests on BPA's initial proposal was on December 17, 2024, well before the workforce reductions and hiring freeze were announced.

It seems axiomatic that a targeted IPR update is warranted to address how the expense and capital costs included in BPA's Initial Proposal have been impacted by Bonneville's unprecedented workforce reductions and hiring freeze.

Please let me know if you have any questions.

A handwritten signature in black ink that reads "Sidney Villanueva". The signature is written in a cursive, flowing style with a long horizontal tail on the final letter.

Sidney Villanueva

Blue Skies Law, LLC

503.515.1981

Note: this email may include **ATTORNEY PRIVILEGED** and **CONFIDENTIAL INFORMATION**. If you are not the intended recipient, please notify me immediately and then delete this message.