

Tribal Utilities

From a BPA Perspective

Denver, CO

August 24, 2011



Agency Relations with Tribes



- Government-to-Government
 - Frequent Consultation Because of FCRPS and FCRTS Impacts
 - Ongoing Grants, Contracts, and Business Interactions
 - Respect for Tribal Sovereignty

Agency Relations with Tribes

- BPA Tribal Policy
- DOE Tribal Policy
- Executive Memorandum on Consultation
- Statutory Obligations
- Contractual Agreements and Obligations

Agency Relations with Tribes

- Tribal Affairs Office
 - Intergovernmental Affairs
 - Tribal Account Executives
 - Geographically distributed tribal assignments
 - Responsible for the Agency's implementation of the BPA Tribal Policy
 - Assist Tribes in gaining access to and understanding the inner workings of the Agency
 - Ongoing training to ensure continued Agency understanding and support of Tribal Sovereignty
 - Coordination with BPA's Power and Transmission Services in Tribal Utility development

Agency Relations with Tribes

- Tribes as Public Utility Customers
 - Transition from an intergovernmental to a business and customer relationship
 - Power and Transmission Account Executives
 - Assist Tribes in preliminary assessment of feasibility of utility development
 - Assist customers in developing contracts and meeting business goals
 - Responsible for the Agency's business interactions with customers
 - Energy Efficiency Representative
 - Assists Tribal Utility Customers with conservation programs and projects

Historical Context



Historical Context

Tribal Communities Served by Public and Investor owned utilities

- Multiple service providers
- Price differentials within reservations
- Various levels of participation on boards or in decision making
- Limited participation in the economic aspect of utility services
 - Jobs
 - Siting of equipment and facilities
 - Drivers of economic growth and opportunity

Historical Context

- Beginning in the late 1990's, BPA began providing support to assist in the planning and formation of tribal public utilities as tribes ascended a steep learning curve into the electric utility business



Historical Context

- BPA provided grant support to assist in the planning and implementation of Tribal Utility formation
- BPA provided various forms of assistance, from Tribal Account Executives, Customer Account Executives, and technical subject matter experts

Historical Context

- Umpqua Indian Utility Cooperative and Yakama Power entered into contracts in October 2001 to take service from BPA
- Mission Valley Power was the product of a 638 assumption of services by the Tribe from the BIA

Historical Context

- In all instances, formation and development of a tribal public utility required a champion within the tribe and the establishment of new relationships with the people within the Agency.

Historical Context

- Tribal Public Utilities within BPA service territory
 - Umpqua Indian Utility Cooperative (Cow Creek Band of Umpqua Indians)
 - Yakama Power (Yakama Nation)

- BIA–Tribally operated
 - Mission Valley Power (Confederated Salish and Kootenai Tribes)



Historical Context

- UIUC was established to create power cost savings for the Cow Creek Tribe. By owning the electrical infrastructure, the Tribe minimizes its costs, protects and exercises its sovereign status, and diversifies its own and other local business interest.

Historical Context

Yakama Power's mission is to provide affordable and reliable electric energy that will enhance the quality of life for its consumers and to provide a stable, safe, and competitive work environment for its employees.

Historical Context

Mission Valley Power is committed to provide customers the best service possible at the least-cost power. For more than 20 years MVP has lived up to its commitment by providing cost effective service while maintaining quality service.

Standards of Service

Must clearly demonstrate compliance prior to service

- 1) Be legally formed in accordance with local, state, federal, or tribal laws
- 2) Own a distribution system and be ready, willing, and able to take power from BPA within a reasonable period of time
- 3) Have a general utility responsibility within the service area
- 4) Have a financial ability to pay BPA for the federal power it purchases
- 5) Have adequate utility operations and structure
- 6) Be able to purchase in wholesale amounts

Present Operations

- The three Tribal Utilities within BPA's service territory continue to provide low cost, reliable service to their customers
- BPA's Tiered Rate Methodology
 - Includes provisions setting aside 40 aMW of low-cost power for new Tribal Utilities through fiscal year 2021
 - Includes provisions that allow new Tribal Utilities to also meet future load growth with low-cost power through fiscal year 2021
- BPA continues to work with other Tribes that express interest in forming new Tribal Utilities

New Tribal Utilities

- Must meet Standards for Service
- Must address issues of legal formation, financing and capital, technical capability, and politics
- Politics may be both within the Tribe and outside the Tribe with neighboring communities and utilities, including those from whom the new service territory has been drawn
- Important to seek expert legal and financial advice and consultation early in process

The Future

- BPA will continue to work with Tribes to develop energy resources, to exercise and implement energy efficiency measures, and to serve tribal populations with reliable, low cost, and environmentally responsible power.

Thank You!

Nathan L. Dexter

Tribal Affairs Manager

Bonneville Power Administration

nldexter@bpa.gov
(503) 230-7306

