

# Luis Javier Fernandez

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## EXECUTIVE PROFILE

*Executive Vice President and Chief Financial Officer, Bonneville Power Administration*

*(U.S. Department of Energy)*

*10-year Corporate Career in public finance investment banking*

Proactive leader with proven record of accomplishments leading regional initiatives to optimize debt portfolios and capital portfolio management scheduled to delivering over \$1.5 billion in savings to the economy of the Pacific Northwest. Member of the Enterprise Board with the Bonneville Power Administration with oversight direction for strategic planning and business leadership for a \$4.2 billion annual operating budget, a \$15.6 billion debt portfolio and a \$1.5 billion investment portfolio. Direction, guidance and coaching are all hallmarks of my leadership style.

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## PROFESSIONAL EXPERIENCE AND SELECT ACCOMPLISHMENTS

### U.S. DEPARTMENT OF ENERGY, 2012 – PRESENT

**Executive Vice President and Chief Financial Officer (SES)**  
**Bonneville Power Administration, Portland, OR**

08/2016 - Present

Full authority and responsibility for providing direction and leadership in the planning, development, and administration of the financial operations of the Bonneville Power Administration (Bonneville); supervise a direct-report leadership team in charge of debt management, investment management, budget, accounting, revenue requirement, business information systems and capital portfolio management. Have full authority and responsibility for the Bonneville's finance organization and for major financial management initiatives on debt management and financial resiliency for Bonneville.

Provide executive leadership in the formulation and implementation of BPA-wide policy and standards in the areas of accounting and financial operations, capital management, financial planning and analysis, budgeting and revenue requirements, risk management and debt management.

### Leadership Accomplishments

- Led Bonneville's Integrated Program Review (IPR) and Capital Investment Review (CIR) processes determining the cost structure and revenue requirement for rate-setting purposes for the 2018-2019 biennium. Through my leadership preliminary rate increases are projected to be 1.7% per annum for wholesale power customers (down from a 3.1% annual increase in the previous rate period) and 0.5% per annum for Transmission customers (down from a 2% annual increase in the previous rate period).
- Completed 4 debt management transactions under the Regional Cooperation Debt program totaling \$1.2 billion in principal and securing total interest expense savings of \$649 million. Maintained Bonneville's stable credit ratings of Aa1/AA-/AA from Moody's Standard & Poor's and Fitch, respectively.

Jointly with the Executive Vice President and Chief Financial Officer, have full authority and responsibility for providing direction and leadership in the planning, development, and administration of the financial operations of the Bonneville Power Administration (Bonneville); supervise a direct-report leadership staff in charge of managing Bonneville's capital portfolio investments amounting to over \$1 billion per year. Have full authority and responsibility for the Bonneville's finance organization and for major financial management initiatives on debt management and financial resiliency for Bonneville.

Provide executive leadership in the formulation and implementation of BPA-wide policy and standards in the areas of accounting and financial operations, capital management, financial planning and analysis, budgeting and revenue requirements, risk management and debt management.

### **Leadership Accomplishments**

- Spearheaded an agency-wide initiative to align Bonneville's strategic actions with financial resiliency and long-term financial stability. Led three separate divisions to develop proposed policies and include both, short-term and long-term financial health assessments in Bonneville's Long-Term Finance and Rates modeling tool. These policies directly affect Bonneville's long-term financial integrity and competitiveness that will have an impact on customers, constituents and stakeholders. The financial health assessment includes Bonneville's access to sources of capital to finance its asset strategies as well as sources of working capital to provide adequate liquidity for operations and to support Bonneville's credit ratings.
- Led the Asset Management Key Strategic Initiative (AM KSI) which is directed at improving Bonneville's effectiveness in prioritizing, selecting, and executing its investment portfolio in excess of \$1 billion per year. Addressed improvements in how investments in transmission, federal hydro, facilities, information technology, and fish and wildlife (collectively, the 'asset categories') are created, selected, and executed. Spurred an initiative capture how the benefits of investments are managed after they are placed in service; and how the costs of investments are allocated when the beneficiaries are not Bonneville's stakeholders. Built relationships and coalitions between asset management teams within each asset category to leverage resources and have a common asset management strategy towards achieving a best in class asset management practice.
- Led Bonneville's Capital Investment Review process in preparation for the BP-18 rate case process. This includes evaluation and prioritization of Bonneville's asset strategies and system needs that amount to \$18 billion on a 15-year planning horizon.
- Transformed the capital portfolio development strategy for all asset categories with a comprehensive analysis on the needs of the system based on physical and reliability factors to provide executive leadership with a broad perspective on Bonneville's capital investment needs and the resulting effects on rates and financial metrics for the organization.

Full authority for directing financial planning and investment of funds for Bonneville and exercises authority for receipt, disbursement, banking, custody of funds, and financial instruments. Provide direction and oversight of receipts, disbursements, payroll and travel operations. Lead organizations providing cash management for collection on overdue accounts, funds control, short and long-term cash forecasts as well as planning and execution of capital financing.

Full responsibility for ensuring sustainable access to sources of capital, and overseeing investor and rating agency relations for third-party debt obligations. Under this position managed three subordinate organizations: Debt & Investment Management; Disbursement Operations; and Cash and Treasury Management. Was appointed on an interim basis to serve as Acting Treasury Manager from 8/25/13 through 11/25/13 and from 3/09/14 to 5/24/14. Was selected on a competitive basis to serve as Treasury Manager on 6/29/14.

### **Leadership Accomplishments**

- Led the Regional Cooperation Debt (RCD) initiative, a comprehensive multi-year effort to refinance and restructure Bonneville's debt portfolio to achieve debt service savings and ensure adequate access to sources of capital through 2026. The RCD plan of finance includes refinancing of over \$3.2 billion of tax exempt municipal debt issued by Energy Northwest, a municipal corporation in the state of Washington and restructured repayment schedules for \$3.2 billion of federal appropriated debt owed to the U.S. Treasury. This initiative required extensive briefings with Bonneville's executives as well as critical negotiations with customers, stakeholders and Energy Northwest's Executive Board of Directors. It also required extensive dialogue with municipal bond investors, investment banking officials and rating agency representatives. Through collaboration and regional outreach this initiative gained regional support. The first two transactions were completed in 2014 and 2015 and the third is on its way for completion in the spring of 2016. The program is scheduled to be completed in 2022 and estimated to result in interest expense savings amount to over \$1.7 billion for the Pacific Northwest economy. A critical success factor for this initiative was my engagement in developing and mentoring team members and team leaders by establishing rules of engagement and enabling teams and individuals to be creative and design financial solutions while maintaining the appropriate level of accountability to match the decision making structure. I was successful at developing talent within the teams and build a succession plan. The RCD initiative continues to be executed by team members who have been promoted to leadership positions even after I left the Treasury leadership role.
- Advanced initiative to accelerate amortization of federal appropriated debt to build on interest expense savings generated by the Regional Cooperation Debt program. Led extensive and sensitive negotiations with U.S. Treasury officials exploring different financing mechanisms to enable repayment of federal appropriated debt 12 months in advance from the scheduled Regional Cooperation Debt repayment schedule. This initiative required careful consideration of risks and potential benefits as well as outreach and coalition building with the Office of Management and Budget and the Department of the U.S. Treasury. While the original plan of finance was not executed, it was a catalyst that launched subsequent financial initiatives to achieve similar interest expense savings through different financing mechanisms.

- Under my leadership, Bonneville established the first investor outreach initiative by creating an investor relations section on [bpa.gov](http://bpa.gov), posting updated investor presentations and establishing a prominent presence at the three largest public power investor conference in the nation. These efforts have influenced pricing levels (interest rates) on Bonneville's third-party municipal debt offerings that exceed those of the highest rated entities in the market and have significantly contributed to interest expense savings to the region. Under my leadership Bonneville was able to maintain its three high investment grade credit ratings of Aa1, AA- and AA from Moody's, Standard & Poor's and Fitch, respectively. This was achieved by a proactive approach to maintain an open relationship with all three rating agencies and by gradually addressing their credit concerns of high debt loads and limited liquidity.
- Maintained leadership succession plan within the Treasury division by coordinating a carefully executed plan to recruit Bonneville's Chief Certifying Officer and Cash and Treasury Manager, both key positions to Bonneville's financial operations. As an experienced mentor and coach, I employed a strategic human resources leadership approach in building a workforce to achieve maximum growth, productivity and job satisfaction. I mentored the four managers under my organization and provided guidance on a variety of personnel issues from strategic workforce planning to disciplinary actions and grievance processes. I officially mentored three graduates of Bonneville's Emerging Leaders program and one participant of Bonneville's Leadership Forum.
- Leadership oversight for federal travel requirements for all divisions at Bonneville supporting 16,000 trips per year and 2,500 travelers. Under my leadership the team completed a multi-year effort to design, develop and implement a government-wide electronic travel system solution to improve efficiency of travel operations and compliance with federal travel regulations.
- Developed, agreed upon and implemented a cash management program to fund operations for all divisions within Bonneville, reflecting the end of the 10-year phase out process from the Interest Offset Credit program with the U.S. Treasury into the Market Based Special (MBS) investment program as prescribed by the Memorandum of Understanding signed between the Bonneville Administrator and the Under Secretary of the U.S. Treasury in 2008 (MOU). The cash management program leads a fundamental change on Bonneville's investment strategies and cash forecasting capabilities that place the organization in a solid financial platform to successfully execute the MOU while providing maximum security, adequate liquidity and maximizing interest earnings.
- Voting member of Bonneville's Investment Oversight Committee with main responsibility for investment strategies on the \$250 million portfolio for the Nuclear Decommissioning and Site Restoration fund for the Columbia Generating Station and sites for WNP plants 1 and 4. Led analysis and policy recommendation to modernize the fund's investment policy and implemented a significant investment strategy change to re-align the fund's extended investment horizon with a risk-balanced portfolio allocation between fixed income and equity securities.

**Cash and Treasury Manager (GS-0340-14)**  
**Bonneville Power Administration, Portland, OR**

02/2012 – 08/2013

Full authority for directing cash management operations within the Bonneville Fund held at the U.S. Treasury. Provide direction and oversight of debt management actions pertaining to debt obligations with the U.S. Treasury (federal debt).

- Led planning, risk analysis and implementation of Bonneville's asset/liability (variable debt to working capital) matching program, initially approved for \$300 million and increased to the current level of \$800 million, generating annual interest expense savings to the region in excess of \$15 million.
- Led inter-agency negotiation of the Amended and Restated Obligation Memorandum of Understanding between Bonneville and the U.S. Treasury to further advance Bonneville's operational flexibility on its federal borrowing program and liquidity management program. These negotiations resulted in new pricing mechanisms that more closely reflect current market conditions, tightening interest rate spreads for Bonneville by 2 and 6 basis points in perpetuity for long-dated maturities (20 and 25 years).

**Senior Vice President, Fixed Income Capital Markets**  
**D.A. Davidson & Company**

2009 – 2012

FINRA Licenses: Series 52, Series 53, Series 63 (expired)

Senior public finance banker representing the firm's municipal bond practice in the State of Oregon. Under my leadership, the firm opened its municipal bond practice in the State of Oregon and rapidly gained 20% market share (based on municipal bonds issued) during the first 18 months of operations. Full responsibility to lead municipal debt financings for over 30 municipal governments amounting to over \$150 million.

**Vice President, Public Finance**  
**Seattle-Northwest Securities Corporation**

2002 – 2009

Public finance banker responsible for structuring municipal debt issuance of over 100 state and local governments amounting to over \$3 billion. Provided financial advisory services including multi-government financing and public-private financing projects. Responsible for preparing and quality control of municipal debt offering documents under the Securities and Exchange Commission rule 15-c-2-12.

## EDUCATION

<b>Willamette University</b> Utility Management Certificate, 2014 905 NW 12 <sup>th</sup> Ave., Portland, OR 97209	2014
<b>Yale University (School of Management)</b> Master's degree in Business Administration (MBA), 2002 135 Prospect Street, New Haven, CT 06518	2000-2002
<b>Instituto Tecnológico Autonomo de Mexico (ITAM)</b> Bachelor's degree of Science (BS) in Economics, 1998 (Licensed Economist, 1998) Rio Hondo No. 1, Mexico City, Mexico 01080	1992-1997

## VOLUNTEER POSITIONS AND APPOINTMENTS

<b>Oregon Facilities Authority (Oregon State Treasury), Board Member</b> Appointed by State Treasurer Wheeler, 2014	Term: 2014-2018
<ul style="list-style-type: none"><li>• Issue recommendations to the Oregon State Treasurer on tax exempt debt financings issued by non-profit organizations under statutory authority through the use of tax-exempt conduit revenue bonds.</li></ul>	
<b>Municipal Debt Advisory Commission (Oregon State Treasury), Commissioner</b> 1 <sup>st</sup> Appointed by Governor Kulongoski, 2010, Re-appointed by Governor Brown, 2015	Term: 2010-2019
<ul style="list-style-type: none"><li>• Provide policy guidance and technical assistance to local governments and state agencies to improve the market for municipal debt in Oregon.</li></ul>	
<b>Investment Advisory Committee (Metro, Oregon), Committee Member</b> Appointed by the Metro Council, 2014	Term: 2014-2018
<ul style="list-style-type: none"><li>• Reviews and recommends Metro's investment policy, strategy and quarterly investment execution.</li></ul>	
<b>Portland Development Commission Financial Sustainability Committee, Member</b> Appointed by Portland Development Commission, 2015	Term: 2015-2016
<ul style="list-style-type: none"><li>• Recommend funding strategies for the Commission.</li></ul>	
<b>Portland Building Renovation Advisory Committee (City of Portland), Member</b>	Term: 2015-2016
<ul style="list-style-type: none"><li>• Recommend capital construction alternatives on the Portland Building to meet the City's office space needs at the lowest cost while promoting economic prosperity.</li></ul>	
<b>Multnomah Co. Tax Supervising &amp; Conservation Commission, Commissioner (Chair 2012-13)</b> Appointed by Governor Kulongoski, 2009	Term: 2009-2013
<ul style="list-style-type: none"><li>• This commission protects and represents the public interest, ensures Multnomah County governments' compliance with Local Budget Law and promotes economy and efficiency within those local governments. As Chair I successfully led succession plan to recruit and retain new executive director.</li></ul>	
<b>Children First for Oregon</b> Board Member, Chair (2013)	Term: 2009-2013

## SPEAKING ENGAGEMENTS

Keynote Speaker at Bonneville's Focus 2028 Inaugural event addressing cost structure and financial health, 2015.  
Keynote Speaker at Bonneville's Focus 2028 Financial Health event, 2016.  
Regular speaker at the Oregon Government Finance Officer Association conferences, 2007 – 2015.

## OTHER

Languages: Spanish 3/3