

# Welcome ... we will begin shortly

## Today's speakers



**Mark Gabriel**

Administrator and  
Chief Executive Officer  
Western Area Power Administration



**Bob Harris**

Senior Vice President  
and Regional Manager  
Upper Great Plains Region



**Dennis Sullivan**

Senior Vice President and  
Acting Chief Financial Officer  
Headquarters



**Craig Ferguson**

WAPA-wide Budget  
Supervisor  
Headquarters

# Housekeeping Items

- During the presentation, all phone lines will be muted
- During the presentation, you may use the “raise your hand” option to signal your interest in speaking
- You may also “chat” your question and the host will address it to the speakers on your behalf

# Draft WAPA-wide 10-Year Plan Funding Allocation Process

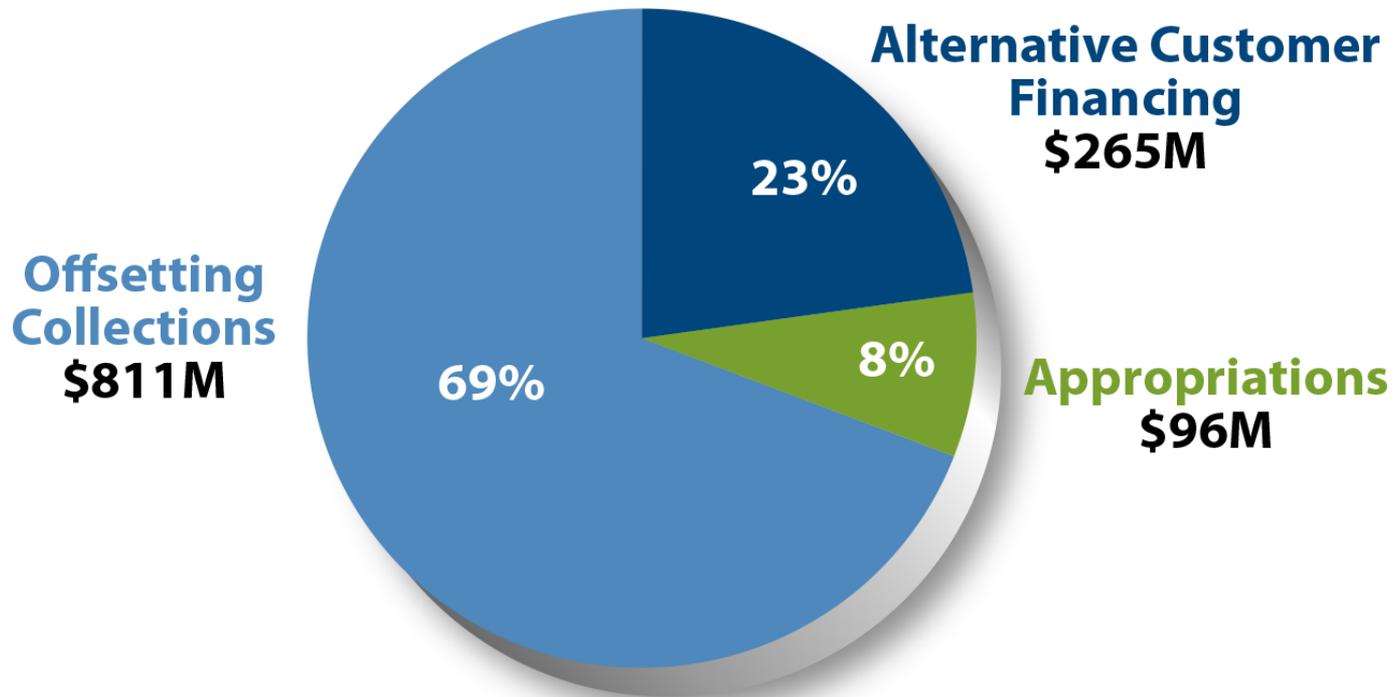
*February 24, 2017*

# Overview

- WAPA Funding
- Purpose and Background
- Draft Plan
- Next Steps

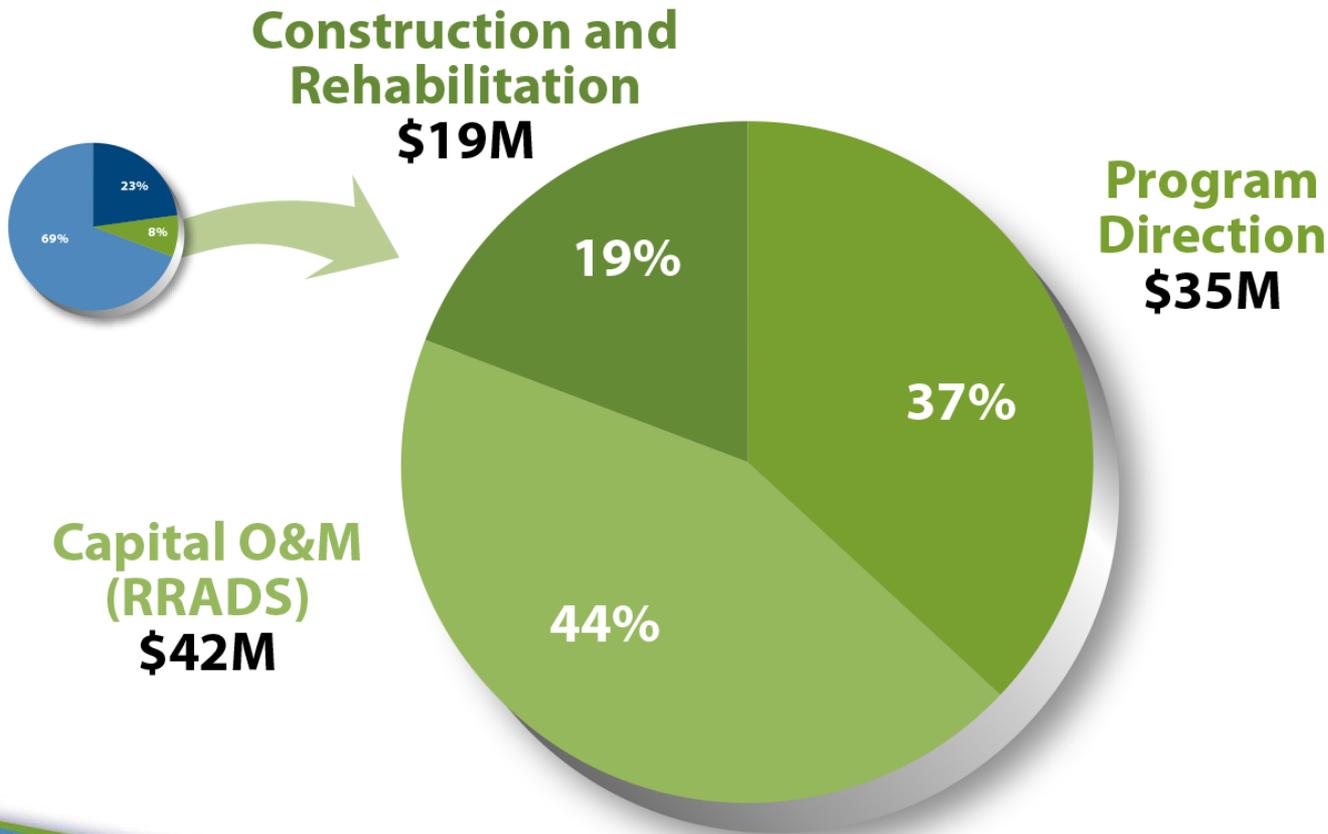
# WAPA Funding Sources

**FY17 Budget Request totals \$1.2 billion**



# WAPA Appropriation Breakout

FY17 Capital Appropriations Request totals \$96 million



# The WAPA Team

Maintenance Rep: **Teresita Amaro, DSW**

Maintenance Rep: **Gary Kelly, SN**

Information Technology Rep: **Kimberly Dorsett, HQ**

Power Marketing Rep: **Jody Sundsted, UGP**

Power Operations Rep: **Darren Buck, RM**

Asset Management Rep: **Todd Rhoades, HQ**

Finance Rep: **Traci Albright, UGP**

WAPA Budget Office: **Craig Ferguson, HQ, Process Owner**

# Problem Statement/Scope/Parameters

## Problem Statement

Given an expectation of flat appropriations and the increased costs of maintaining and upgrading our systems, WAPA needs a process to make funding allocation decisions to distribute appropriated funding for WAPA's capital O&M (RRADs).

# Problem Statement/Scope/Parameters

## Scope

- ***In scope:*** WAPA-wide 10-Year Plan (TYP) funding allocation process to include framework, participants, requirements and schedule
- ***Out of scope:*** Regional/HQ TYP development processes; revolving fund TYP process (i.e. CRSP); process for developing and merging the TYP into WAPA-wide budget process

# Problem Statement/Scope/Parameters

## Project-Specific Parameters

- WAPA will request appropriations to fund programs within established parameters
- Process must balance WAPA-wide needs with Region-specific authorities and customer relationships
- Process must include collaboration with customers before a final decision is made

# Draft Plan

# Existing Capital Appropriations Priority by Tier

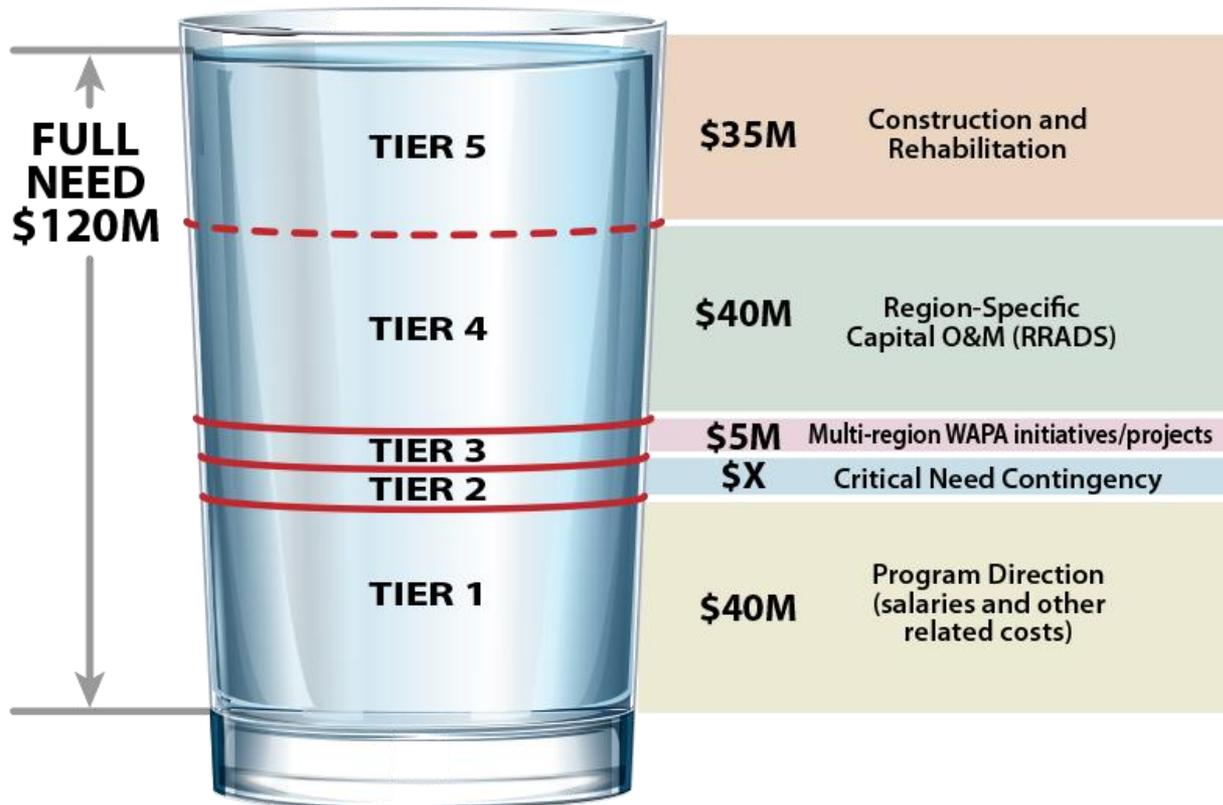
Tier	Description	Funding Status
1	<b>Program Direction (PD)</b>	<b>Fully Funded</b>
2	<b>Replacements, Retirements and Additions (RRADS)</b>	<b>Fully Funded</b>
3	<b>C&amp;R</b>	<b>Prioritized</b>

WAPA seeks customer advanced funding for unfunded C&R

# Proposed Capital Appropriations Priority by Tier

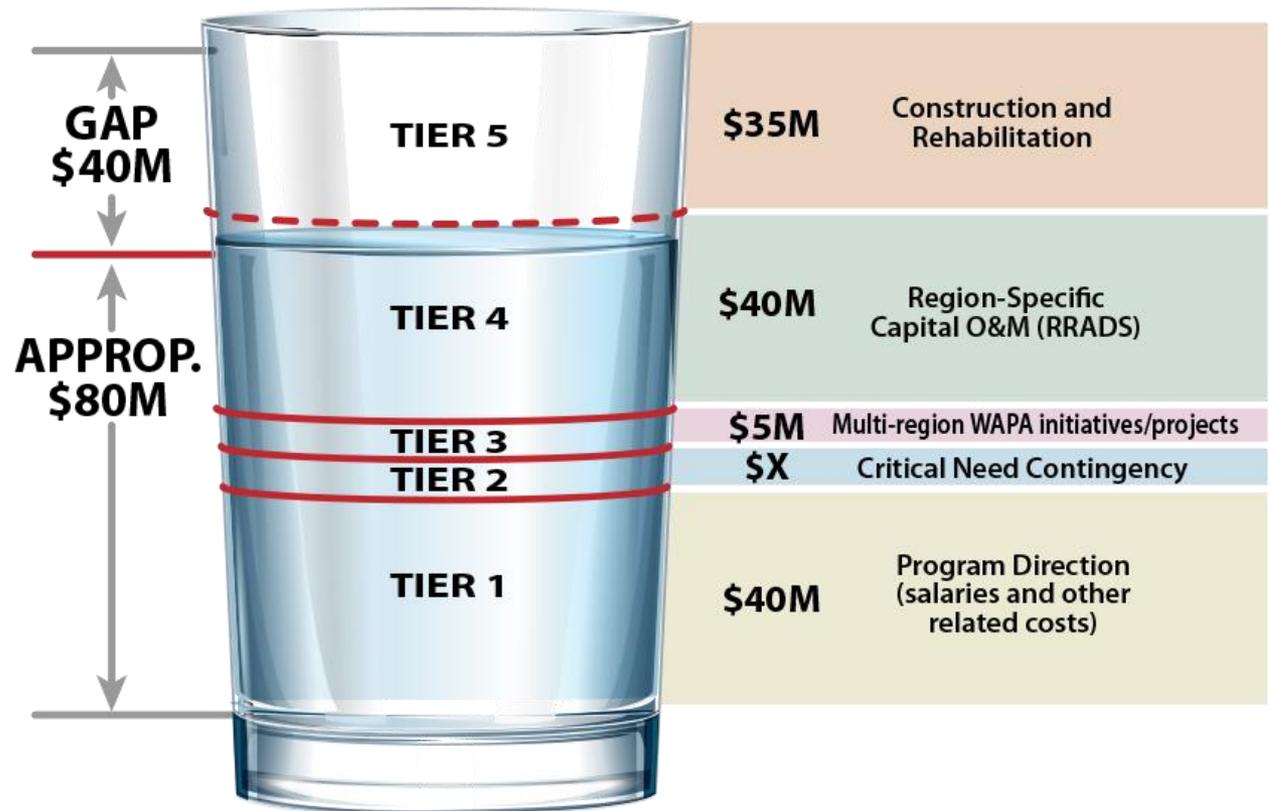
Tier	Description
1	<b>Program Direction (PD)</b> <ul style="list-style-type: none"><li>• All capital PD</li></ul>
2	<b>Critical Need Contingency</b> <ul style="list-style-type: none"><li>• Imminent outage/high-risk project with no customer funding</li><li>• WAPA Senior leaders must agree to put project in this category</li><li>• Expect this will rarely be used</li></ul>
3	<b>WAPA Initiatives and Projects with Multi-Region Allocation</b> <ul style="list-style-type: none"><li>• Examples: IT, Physical Security, Aviation</li></ul>
4	<b>Regional Direct RRADS</b> <ul style="list-style-type: none"><li>• Regions determine to request funding at the program or project level or both</li><li>• Includes IT Direct assigned costs</li></ul>
5	<b>C&amp;R</b> <ul style="list-style-type: none"><li>• Use existing process to evaluate and prioritize WAPA-wide</li></ul>

# Example FYXX WAPA Capital Program – Program Needs



# Example FYXX WAPA Capital Program – Actual Appropriations Allocation

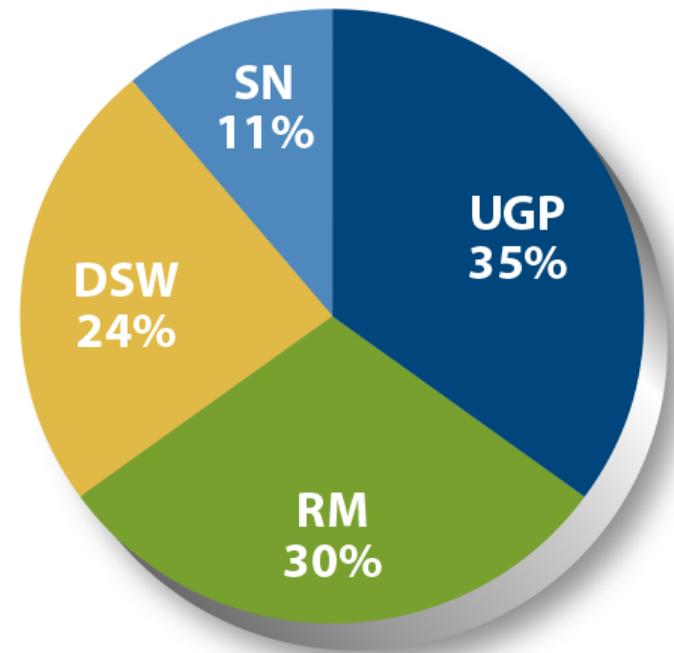
- \$120M in capital funding needed
- Received \$80M in appropriations
- Result: Can fund Tier 1, 2, 3, and part of Tier 4

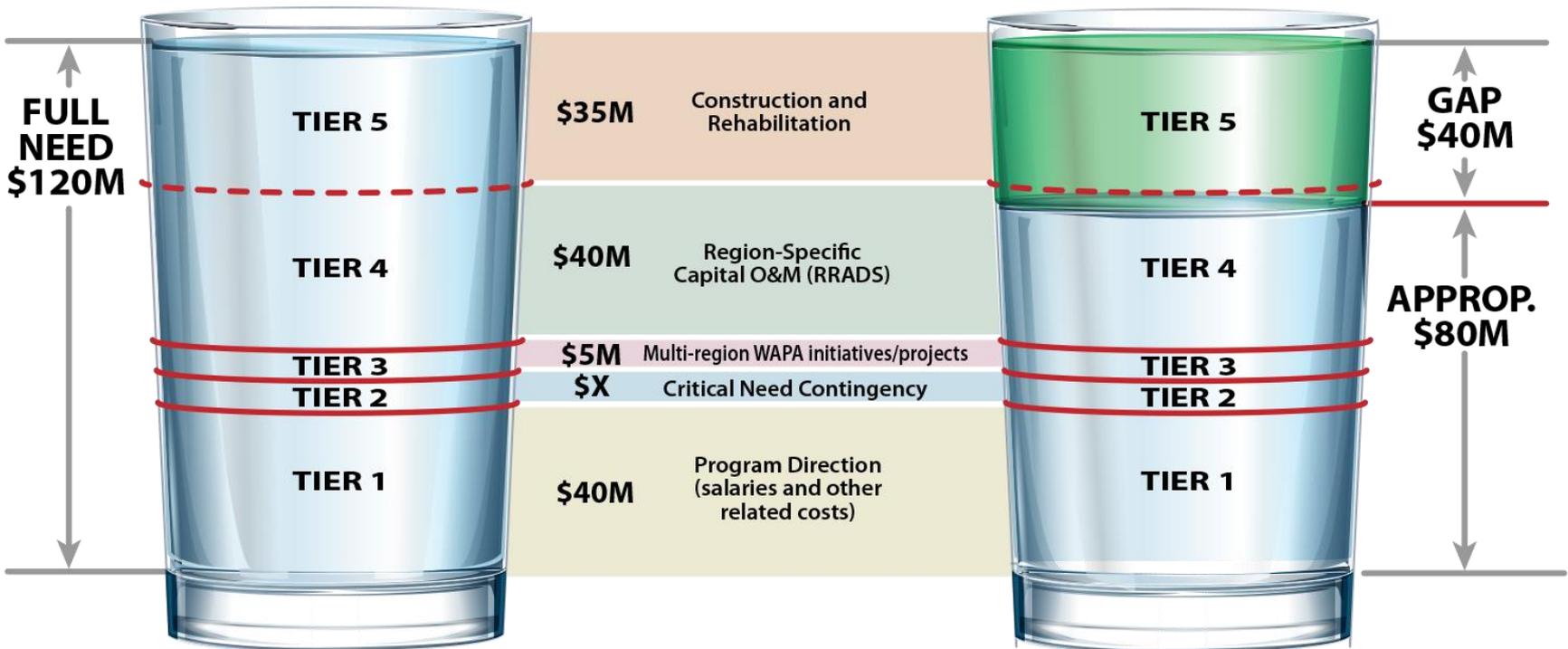


# Appropriations Allocation

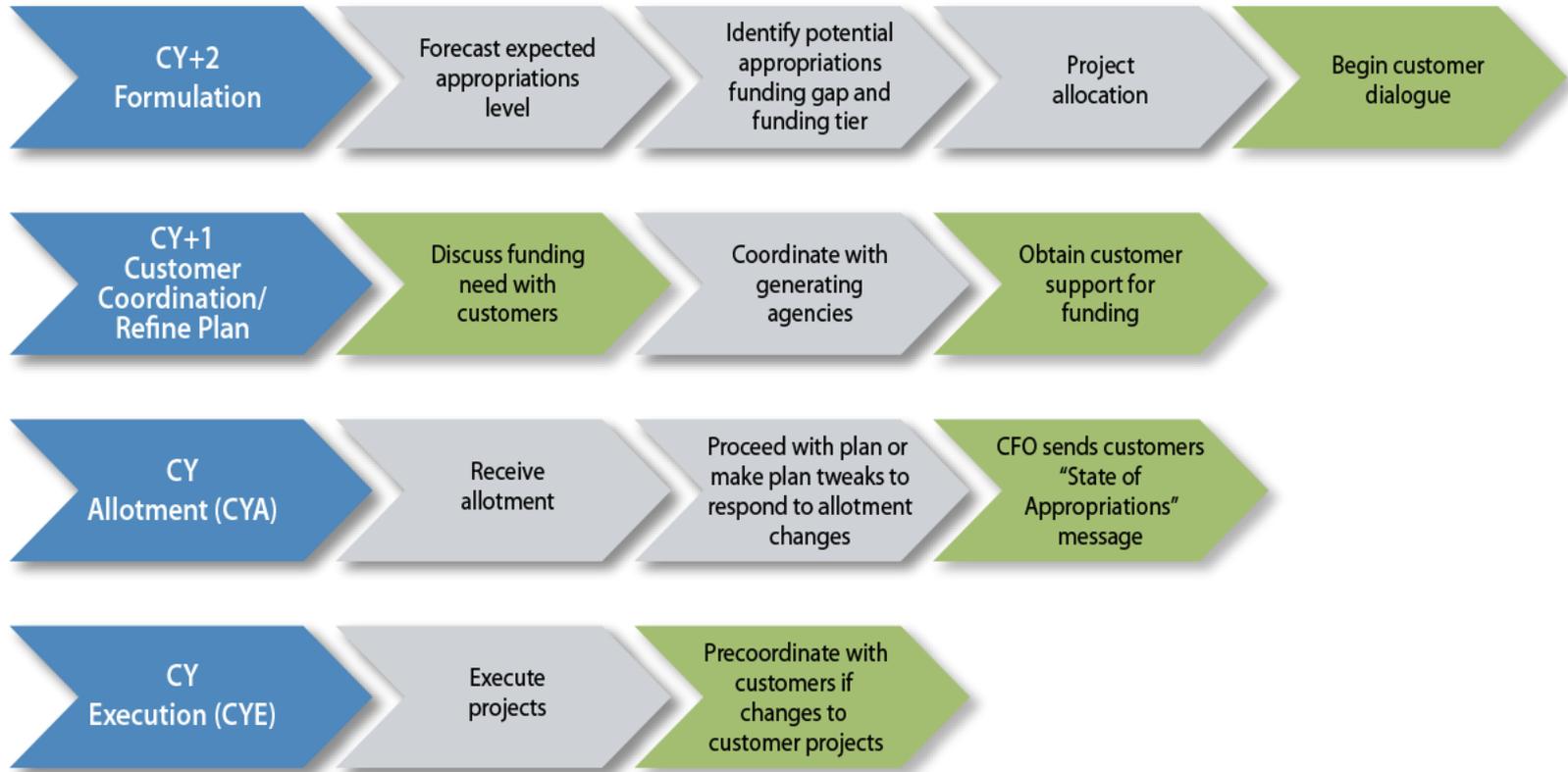
Appropriations will be prorated to regions based on their respective Tier 4 (RRADs) and Tier 5 (C&R) as a percentage of the total WAPA Tier 4 and Tier 5.

Example Allocation Based on FY19





# TYP Process Cycle



Note: Green arrows are points of customer interaction

# The TCC (Total Capital Committee)

- Purpose:
  - Implement “art” to the process when the unexpected occurs (funding cuts, unable to obtain customer funding, significant changes in the TYP)
- Members:
  - Cross-regional, cross-functional subject matter experts
- Criteria used:
  - Ability to execute; cash flow/customer bill limitations; project risk

# Next Steps for External Communication

Timeframe	Action
February 24	Customer WebEx to review process; following WebEx presentation posted on The Source
March 24	Deadline for customer comments on process
April	Project team reconvenes to review comments and make any necessary changes
May	Communication to customers* (email) regarding comments received and final outcome

\* Customers who attended this meeting or submitted comments will receive the email

## Submit Comments

Comments, feedback and letters should be submitted to:

[OCFOTYPFeedback@wapa.gov](mailto:OCFOTYPFeedback@wapa.gov)

Deadline: March 24, 2017

Today's slides will be posted on *The Source* at  
[www.wapa.gov](http://www.wapa.gov)

# Questions