

WAPA-wide Capital Appropriations Allocation Plan

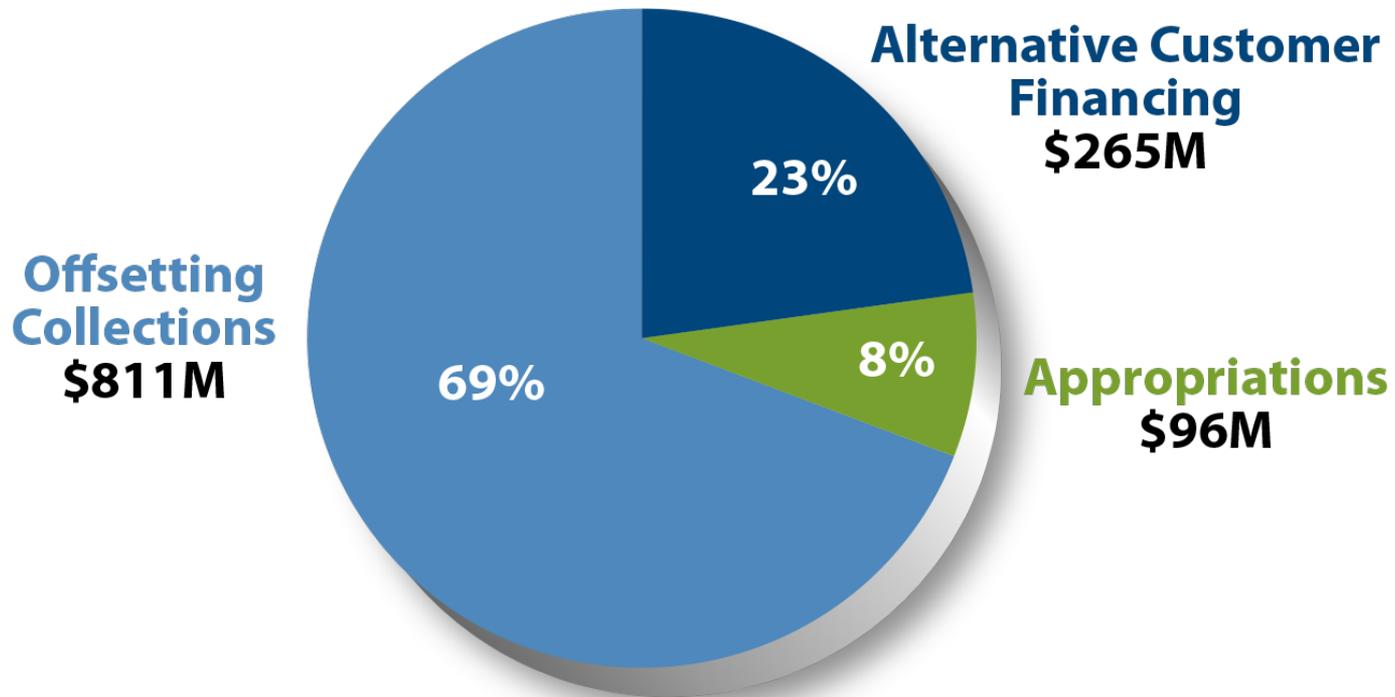
June 2, 2017

Overview

- WAPA Funding
- Purpose and Background
- The Plan

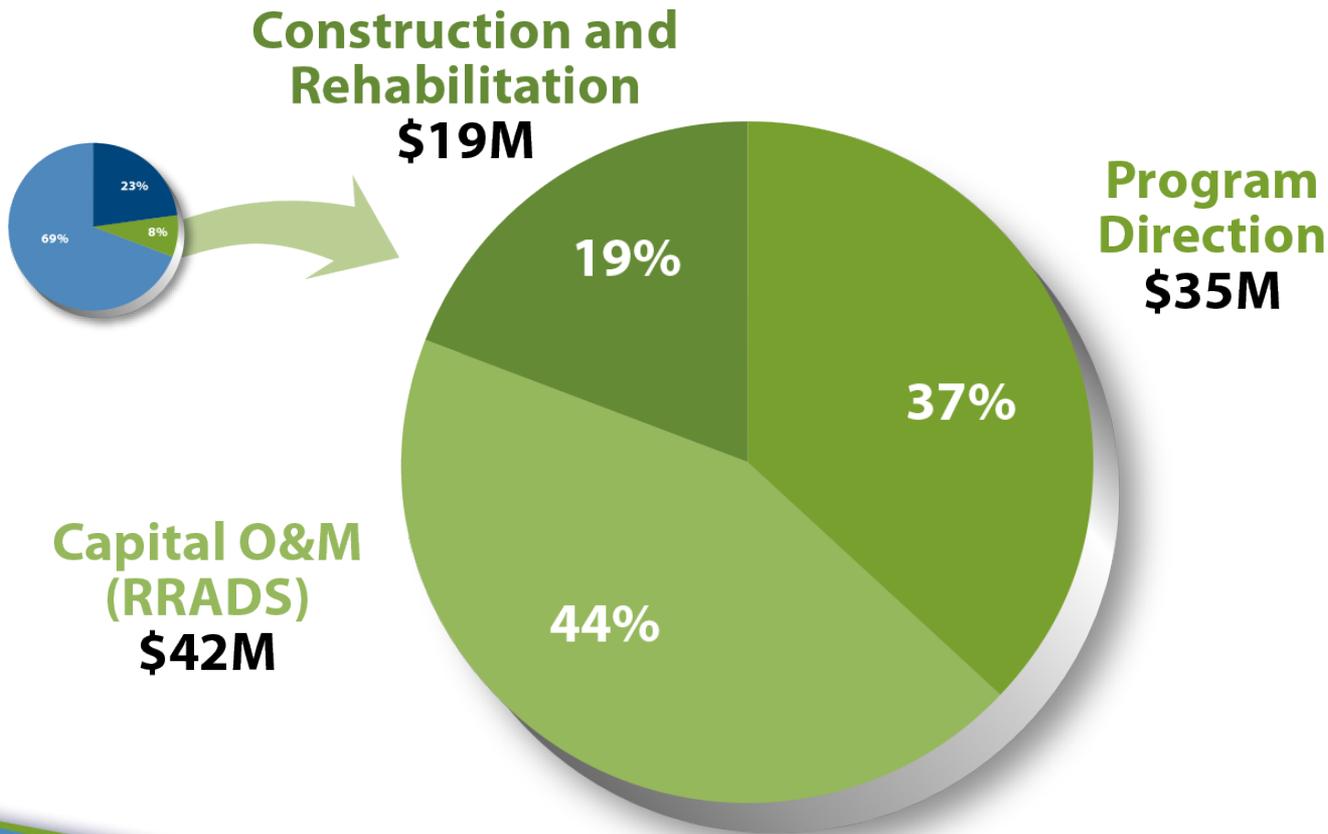
WAPA Funding Sources

FY17 Budget Request totals \$1.2 billion



WAPA Appropriation Breakout

FY17 Capital Appropriations Request totals \$96 million



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

The Plan

Existing Capital Appropriations Priority by Tier

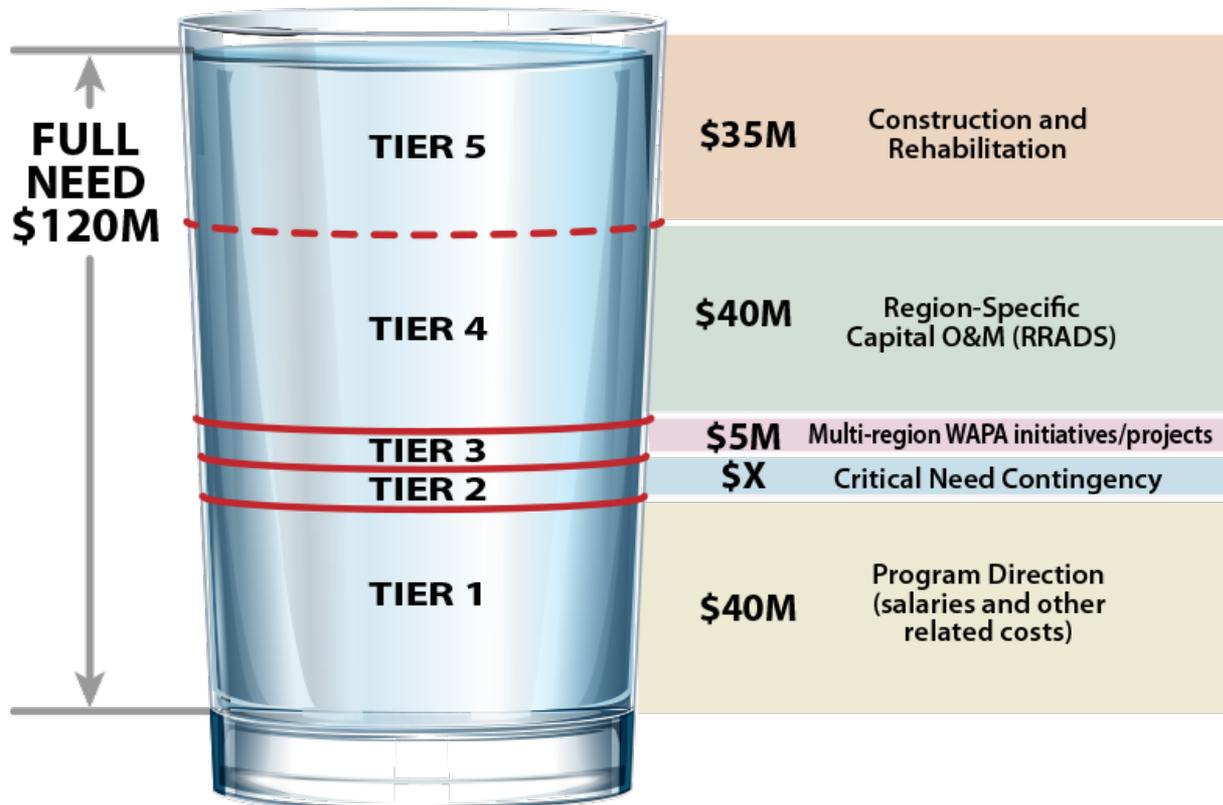
Tier	Description	Funding Status
1	Program Direction (PD)	Fully Funded
2	Replacements, Retirements and Additions (RRADS)	Fully Funded
3	C&R	Prioritized

WAPA seeks customer advanced funding for unfunded C&R

New Plan's Capital Appropriations Priority by Tier

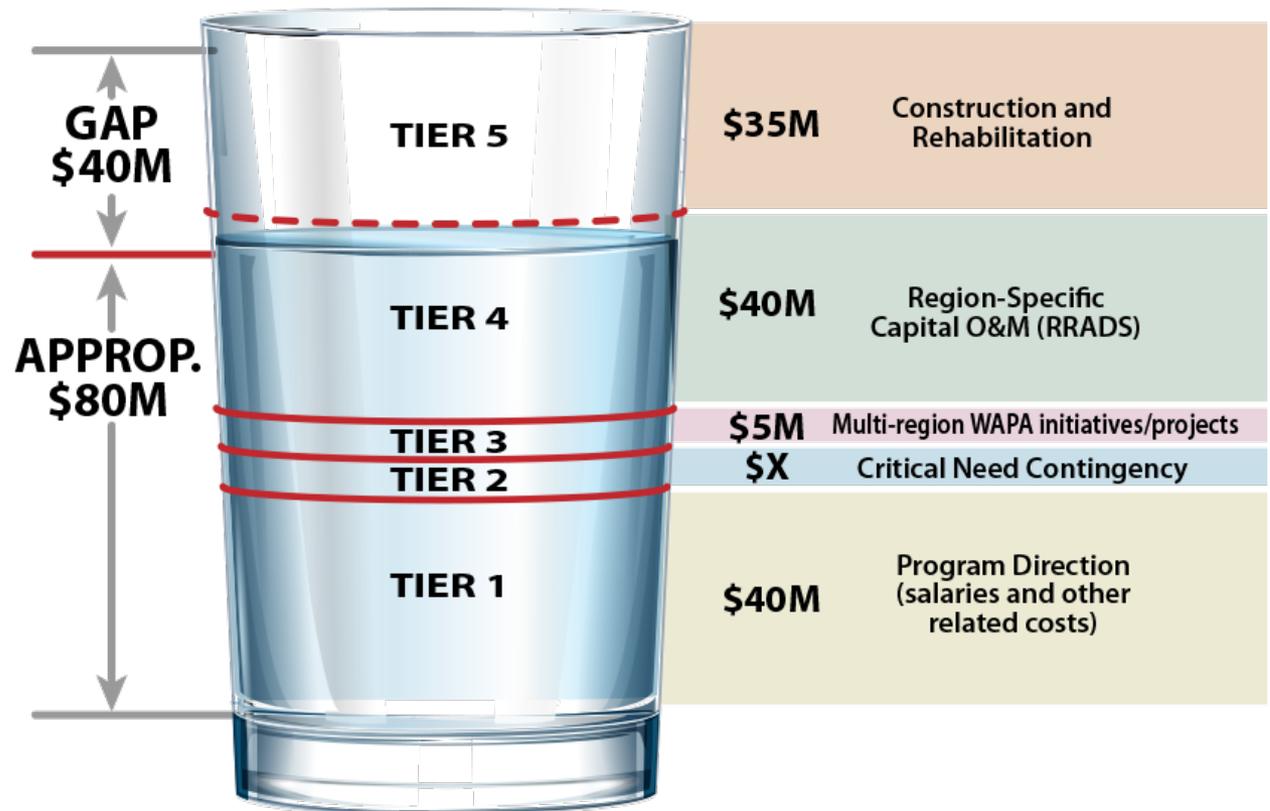
Tier	Description
1	Program Direction (PD) <ul style="list-style-type: none"> All capital PD
2	Critical Need Contingency <ul style="list-style-type: none"> Imminent outage/high-risk project with no customer funding WAPA Senior leaders must agree to put project in this category Expect this will rarely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

Example FYXX WAPA Capital Program – Program Needs



Example FYXX WAPA Capital Program – Actual Appropriations Allocation

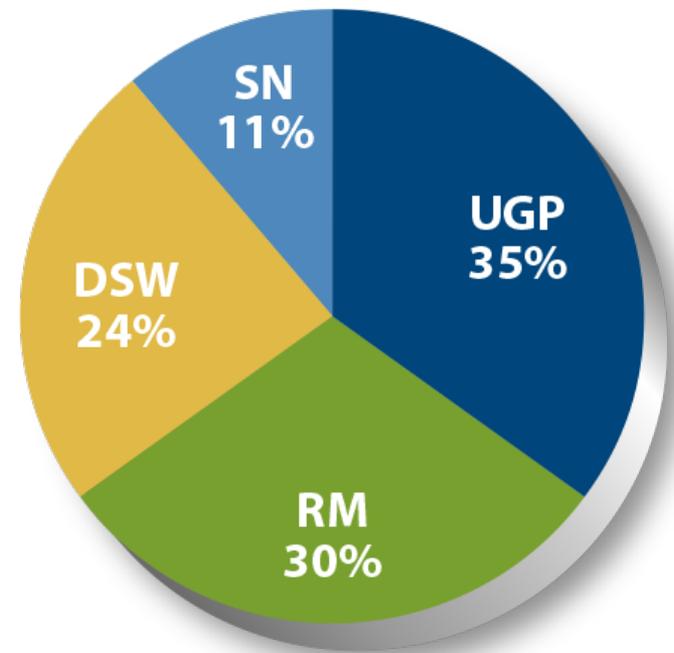
- \$120M in capital funding needed
- Received \$80M in appropriations
- Result: Can fund Tier 1, 2, 3, and part of Tier 4

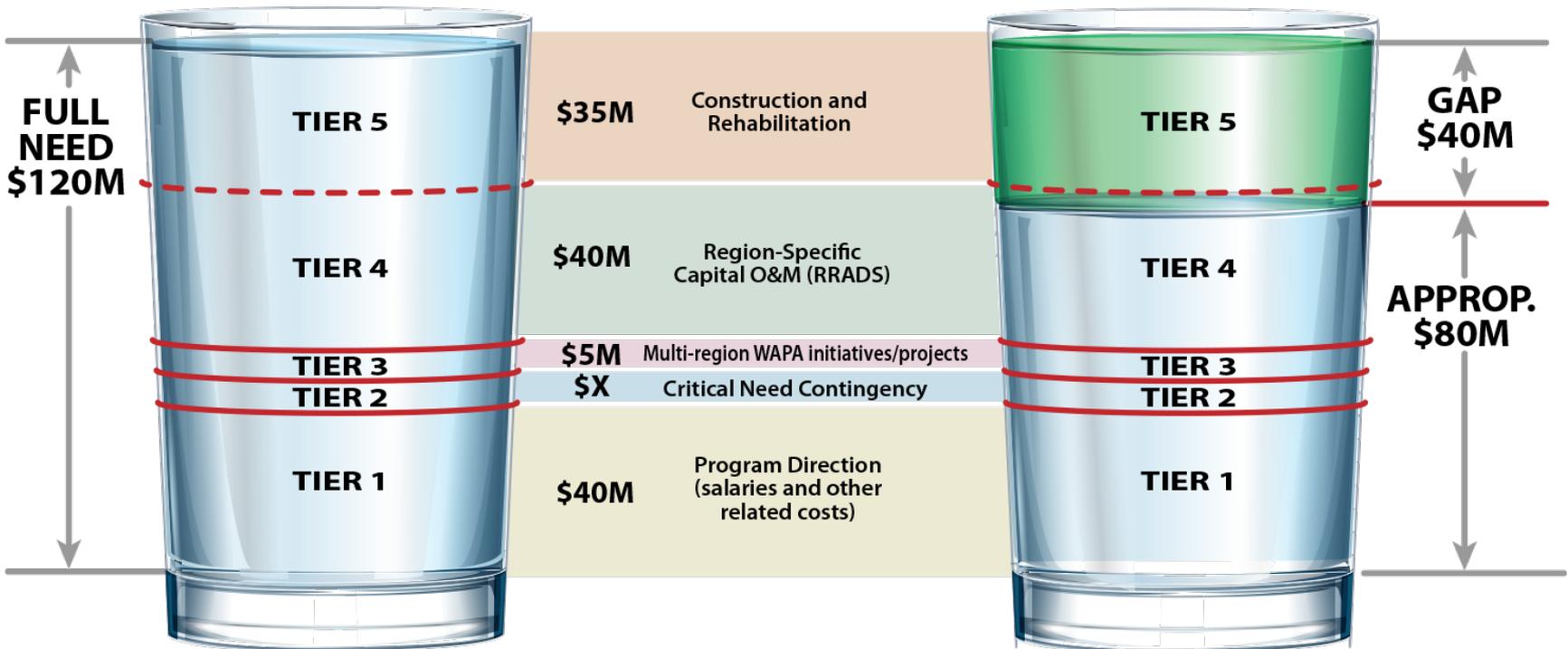


Appropriations Allocation

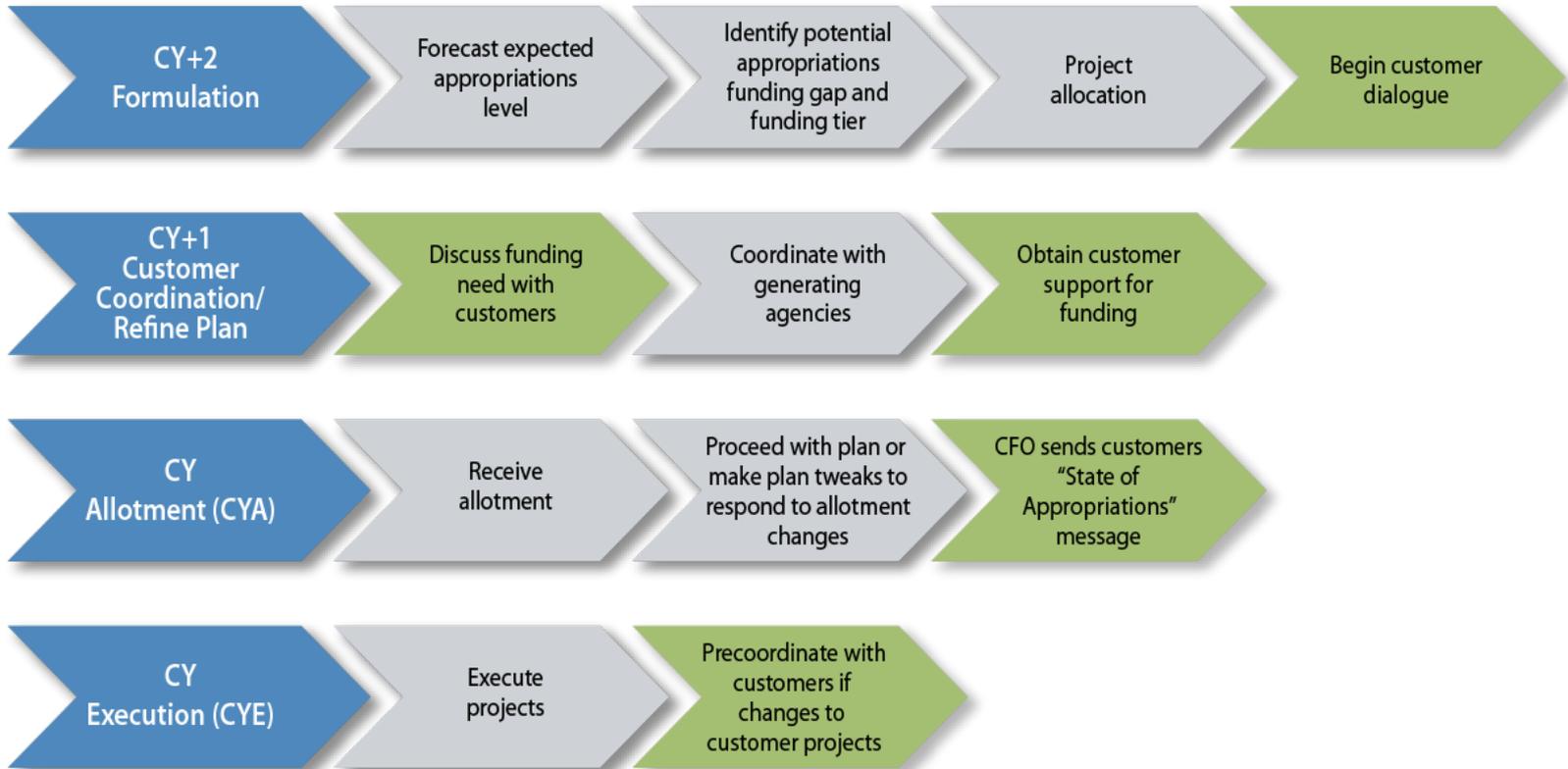
Appropriations will be prorated to regions based on their respective Tier 4 (RRADs) and Tier 5 (C&R) as a percentage of the total WAPA Tier 4 and Tier 5.

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

