



Western
Area Power
Administration

Northern California Power Agency

September 20, 2016

Mark A. Gabriel
Administrator and CEO

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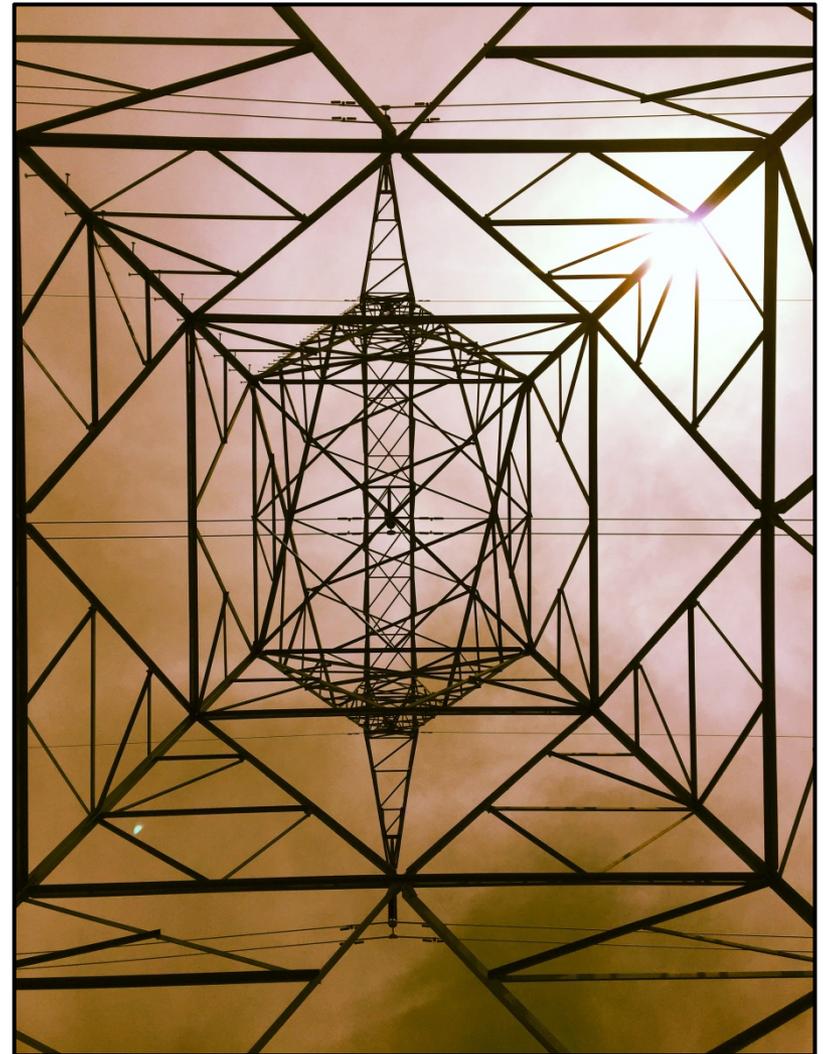
Big Picture

Mark A. Gabriel | Administrator and CEO



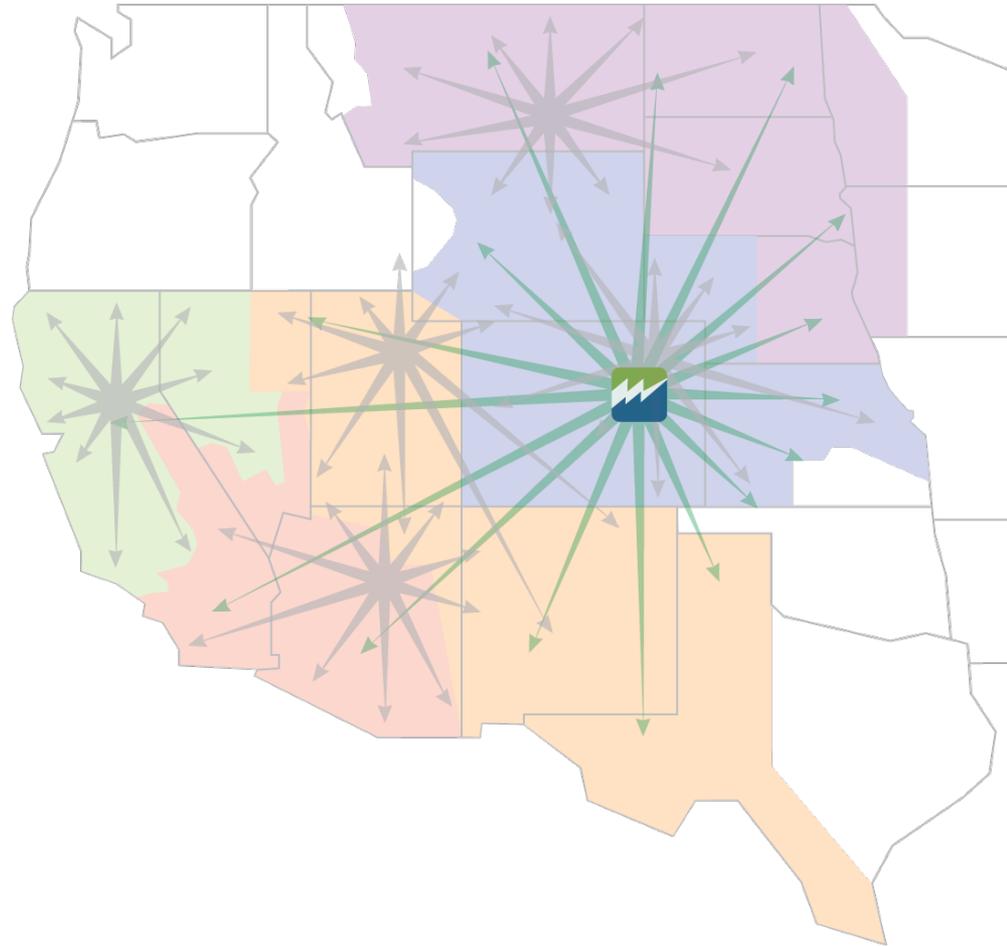
WAPA's Interest

- WAPA's significant transmission system
 - More than 17,000 circuit miles
 - 15 states
 - Among top 10 in the country
- Expanding geographic scope of markets
- Expanding number of participants
- Increasingly limited trading partners



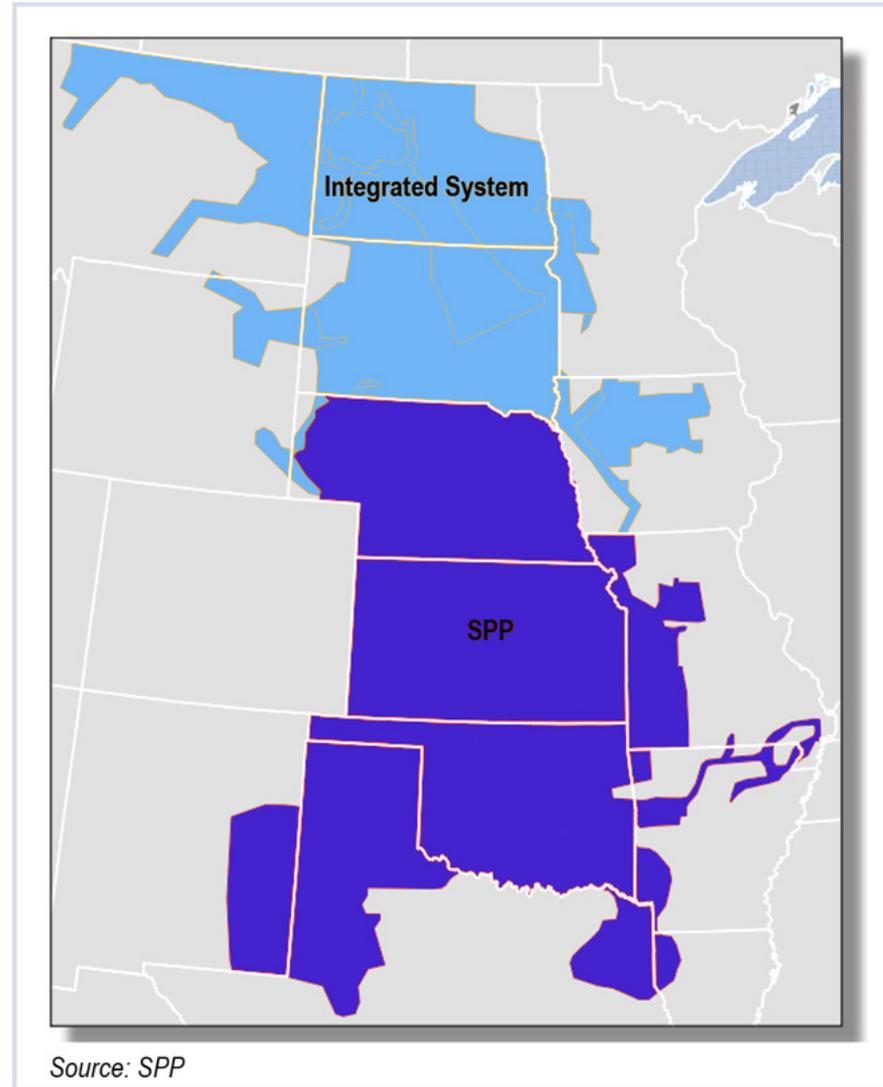
WAPA's Concerns

- Statutory requirements
- Each region has unique legislation and needs that must be addressed on case-by-case basis
- Cost



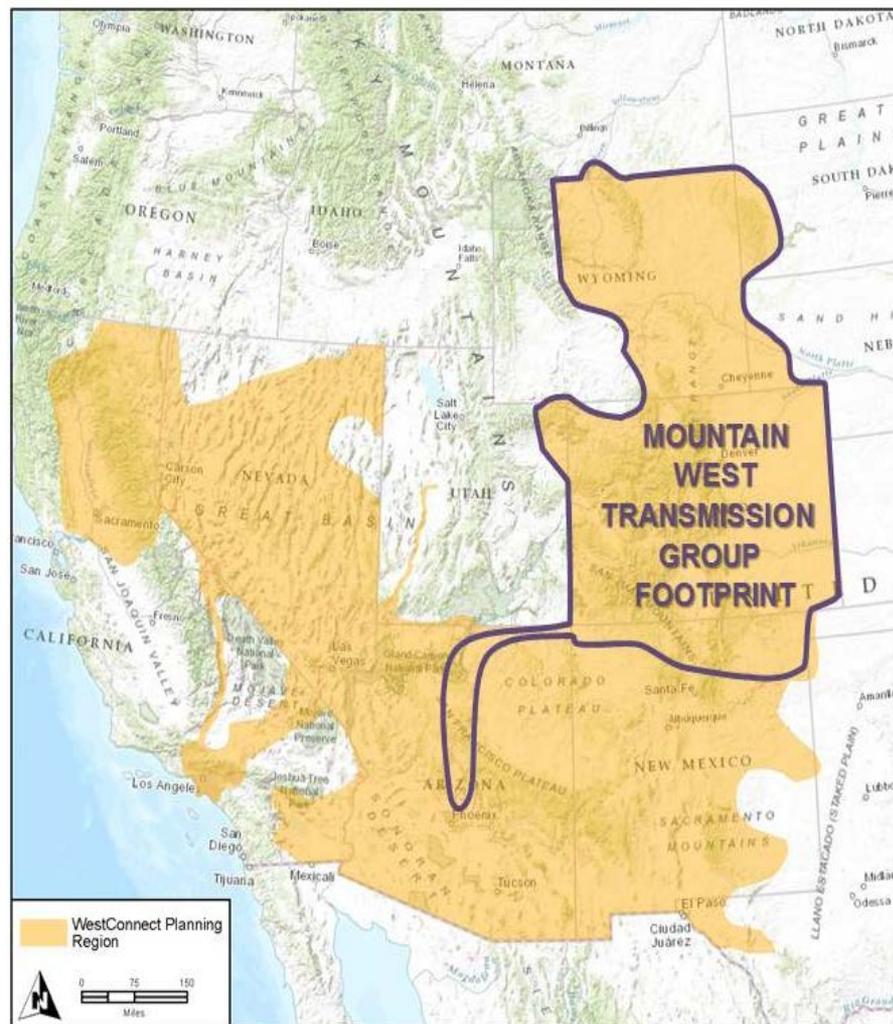
Joining Southwest Power Pool

- Joined SPP October 1, 2015
- SPP provides greater flexibility
Creates more options for buying and selling
- Reduces constraints in delivering power
- Helps keep costs low for customers
- Alternate Operations Study \$11.5 M net benefits predicted initial year savings/cost avoidance
- Savings estimated to be greater than the AOS



MWTG

- Goal – Create a single multi-company transmission tariff and explore “Day 2” market alternatives
- MWTG TSPs include: two IOUs, two municipals; two REA G&Ts; two Federal PMA projects
- MWTG members are a sub-set of the WestConnect planning region members and are members of the Colorado Coordinated Planning Group (CCPG)
- Currently includes seven parties with nine transmission tariffs



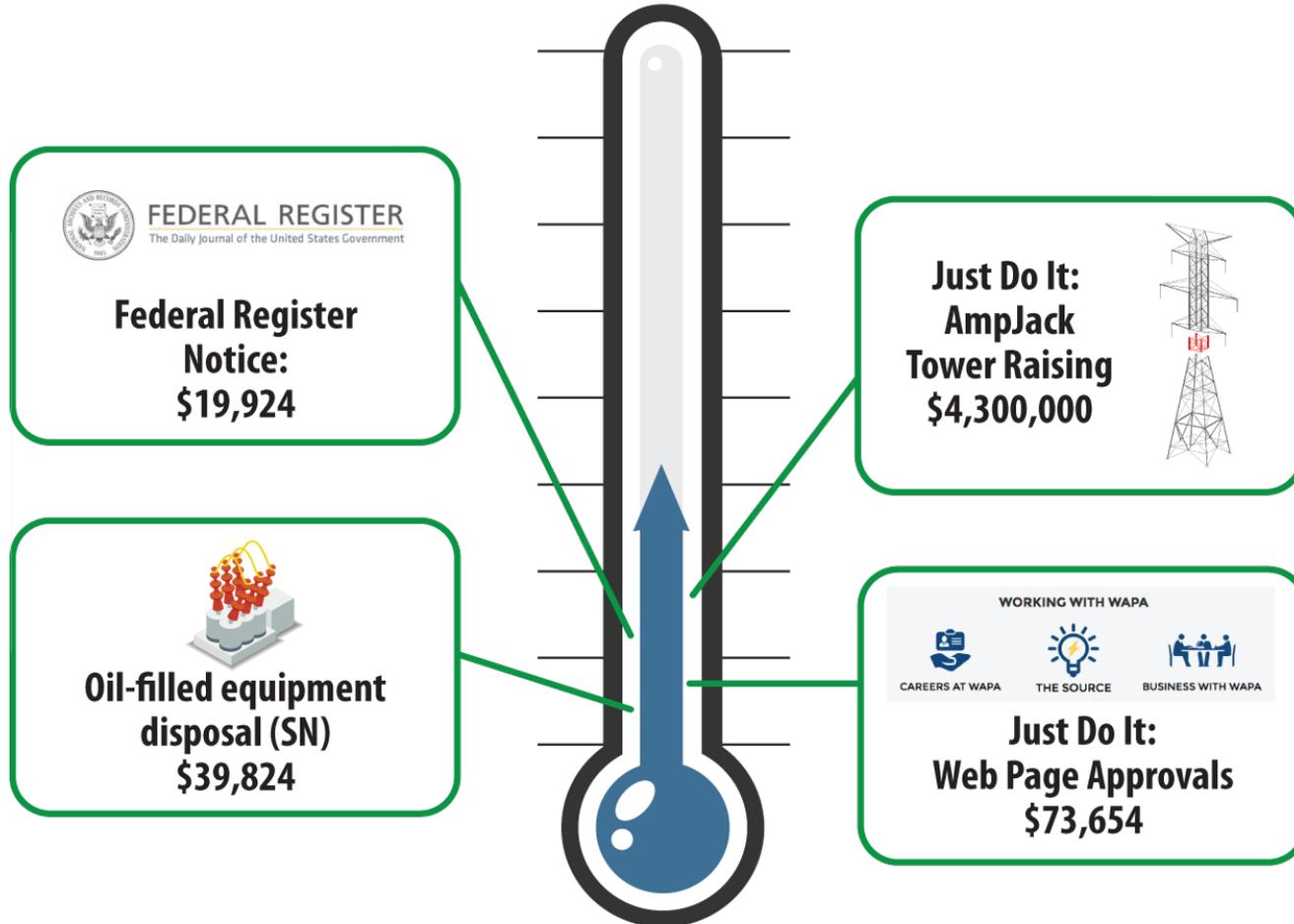
Exploring EIM Alternatives

- DSW exploring and analyzing existing markets and EIM alternatives
- Participation in EIM or alternative must provide value for DSW customers
- Ultimate Objectives: Determine any customer benefits of EIM or potential alternatives
 - Weigh opportunities for market participation
 - Evaluate operational benefits, including renewable integration
 - Provide stakeholders and customers with thorough analysis of all options



CPI: latest savings

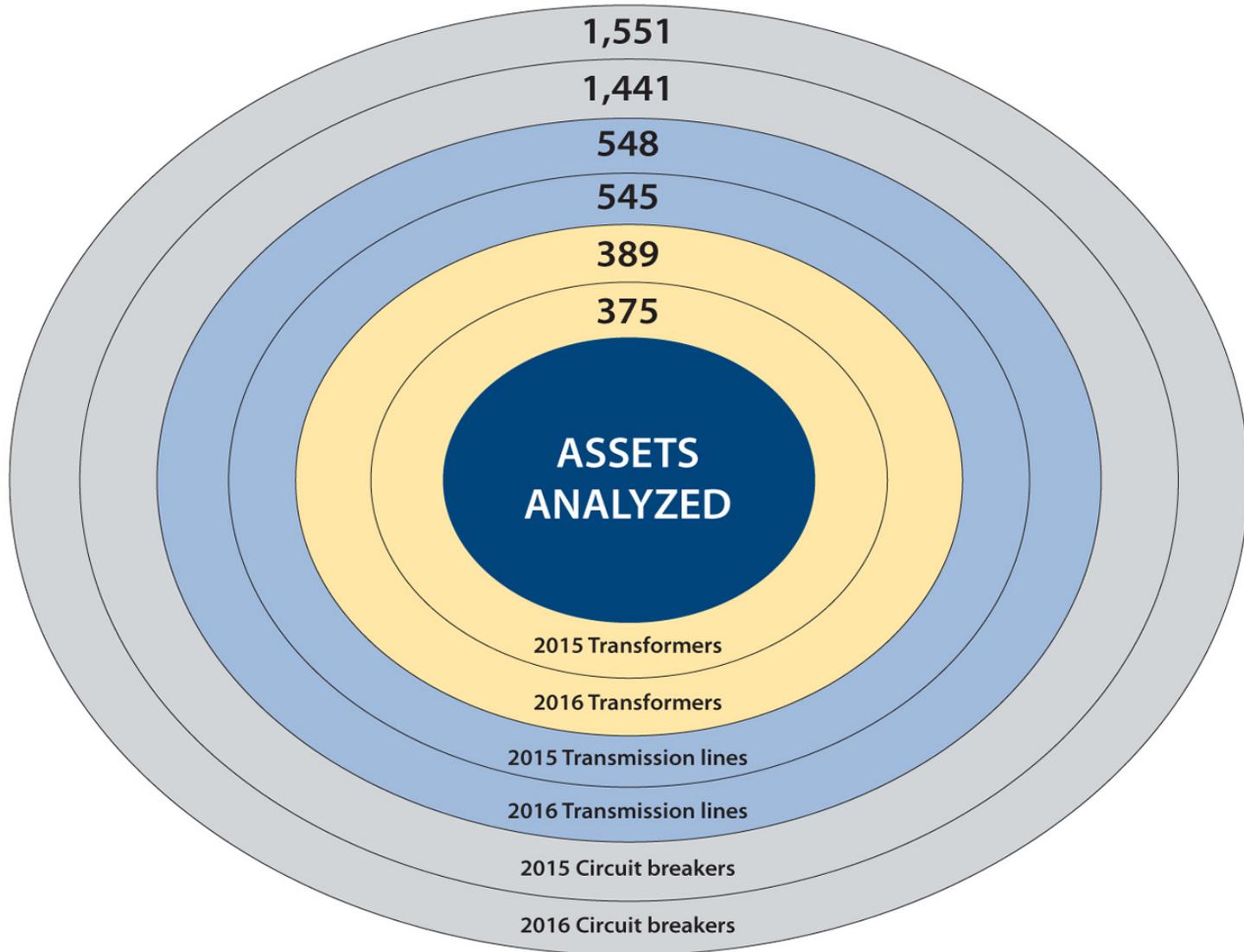
Unlocked Potential



\$9.3 million program cost avoidance as of 7-15-16

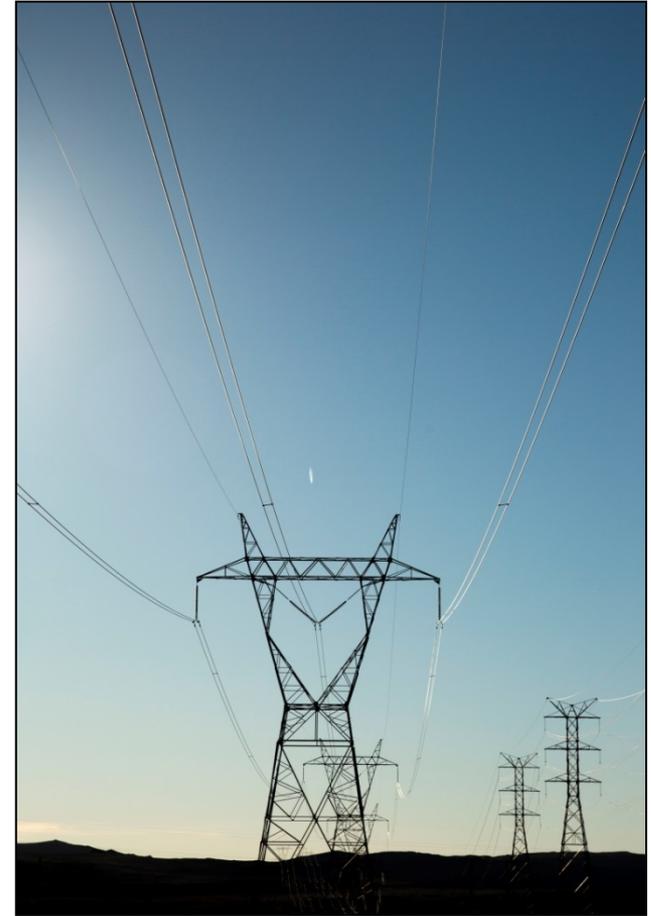


Risk asset management



Growing changes in security

- Meeting growing challenges
 - ✓ Met CIP requirements ahead of schedule and affordably
- Multi-factor authentication
 - ✓ \$265K vs. up to \$1.8M at other organizations
- IT Evolution
 - ✓ \$5M in cost avoidance
 - ✓ Controlling middle-ware costs



E-ISAC: communicating saves

- Create real time, actionable items
- Build trust environment where who needs to know, knows
- Improve timeliness
- Anonymity versus specificity
- Sign up today!



Key take away

*Customer engagement is critical.
Cooperative efforts result in shared success.*



Regional Picture

Subhash Paluru | Senior VP and SN Regional Manager



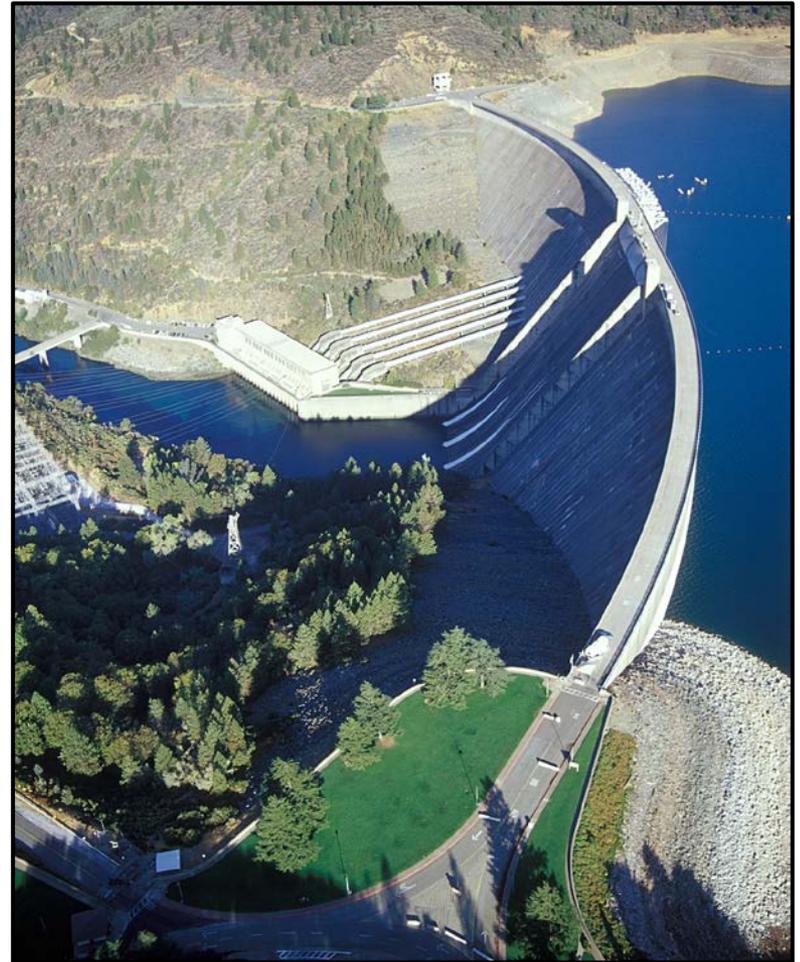
BANC emerging market initiative

- Partnering with customers
 - ✓ Pursuing alternative markets
 - ✓ Assessing benefits, costs, opportunities
 - ✓ Investigating risks
- Situational awareness
 - ✓ What's happening in industry
 - ✓ Maintaining open and flexible



Key SNR Topics

- Cost Allocation
- Physical Security
- Cyber Security
- Drought and Market Costs
- CVPIA



Shasta Dam, courtesy of Reclamation



Schedule: 2025 Power Marketing Plan

- *May 6*: FRN published
- *June 1*: public information forum
- *July 12-August 4*: public comment period
- *Summer 2017*: Anticipated FRN publication
- *Jan. 1, 2025- Dec. 31, 2054*: service life of proposed plan



Thank you

www.wapa.gov

