

WESTERN AREA POWER ADMINISTRATION

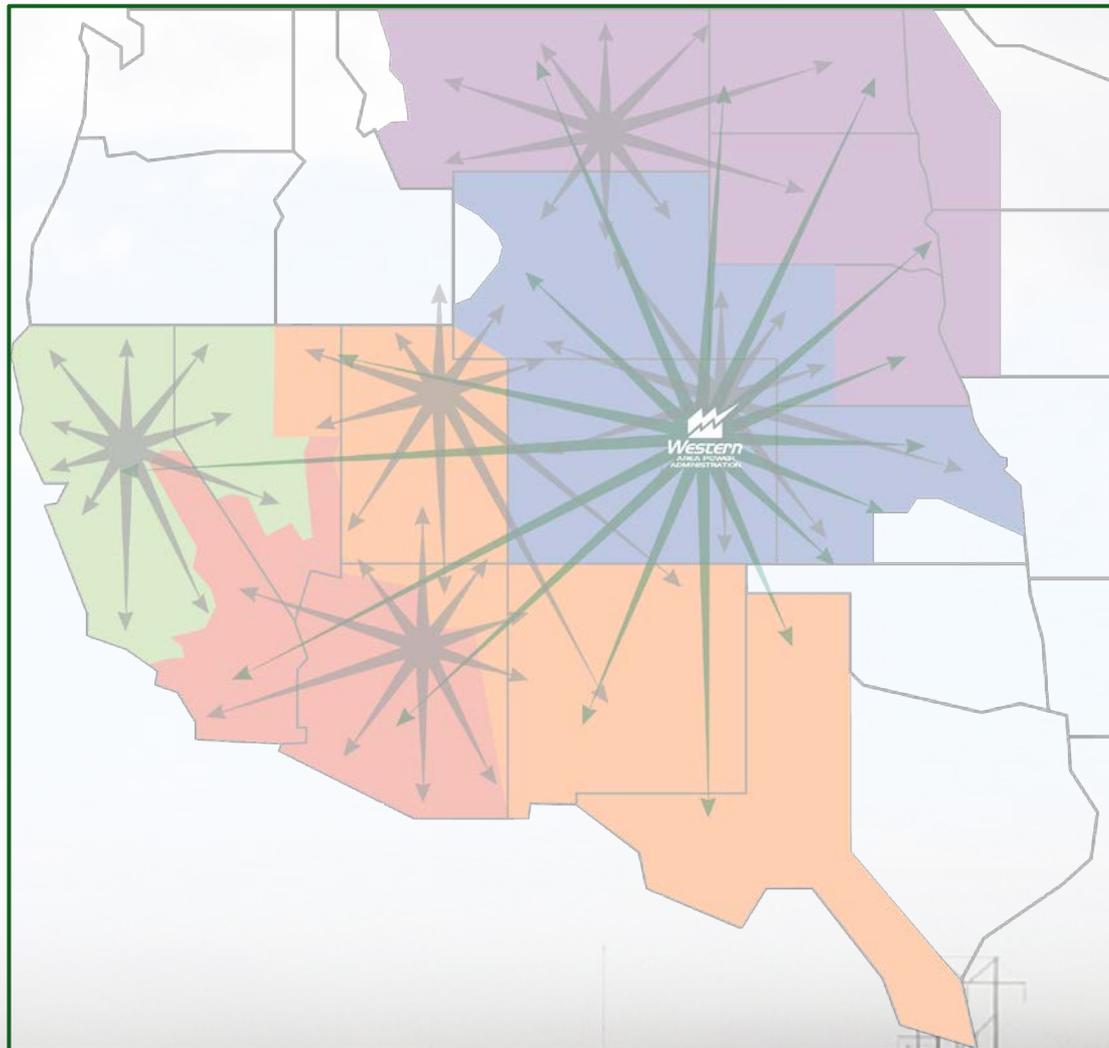
Mid-West Board Meeting Washington DC

Mark A. Gabriel
Administrator & CEO

March 15, 2016



What I Know, I Learned from Western



Value of Customers

- Your Insight
- Your Knowledge
- Industry acumen
- Willingness to work through tough issues



Complex Financial Structure

- Two-year budgeting challenge
- Decisions on staffing viewed in context
- Playing by the rules has costs; not playing by rules has higher costs
- Predictions, particularly about the future, are difficult



Shared Dedication

- Long service records of employees and partners
- Bridge competing demands
- Navigate challenging climates
- Utility meets government: depth of varied skill sets
- Customer participation key
- Your success is our success



Where We Are Now: Funding



FTEs and Budget

Full-Time Equivalency

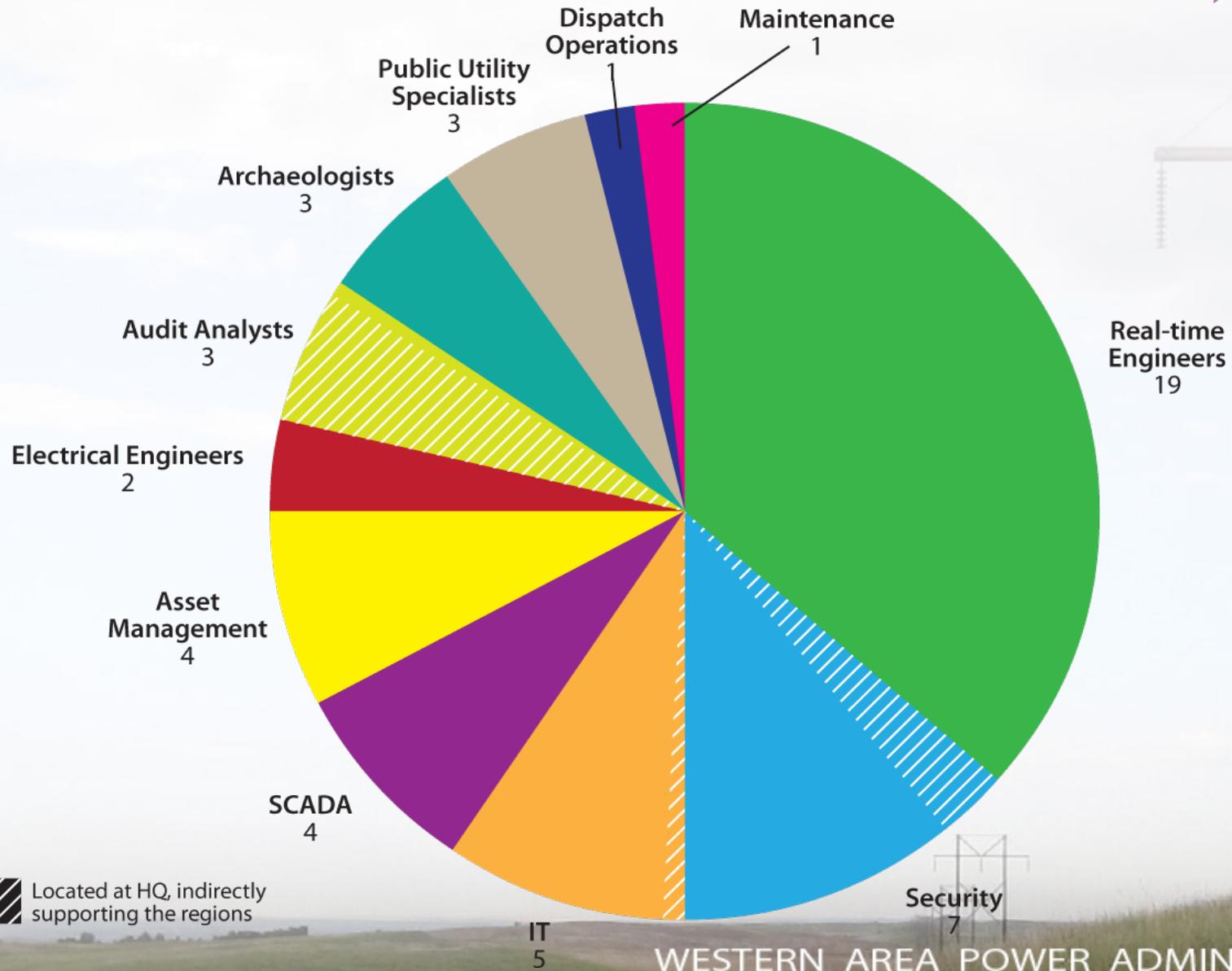


Construction, Rehabilitation, Operation and Maintenance



7 *Dotted line = projected work plan

FY 2017 FTEs



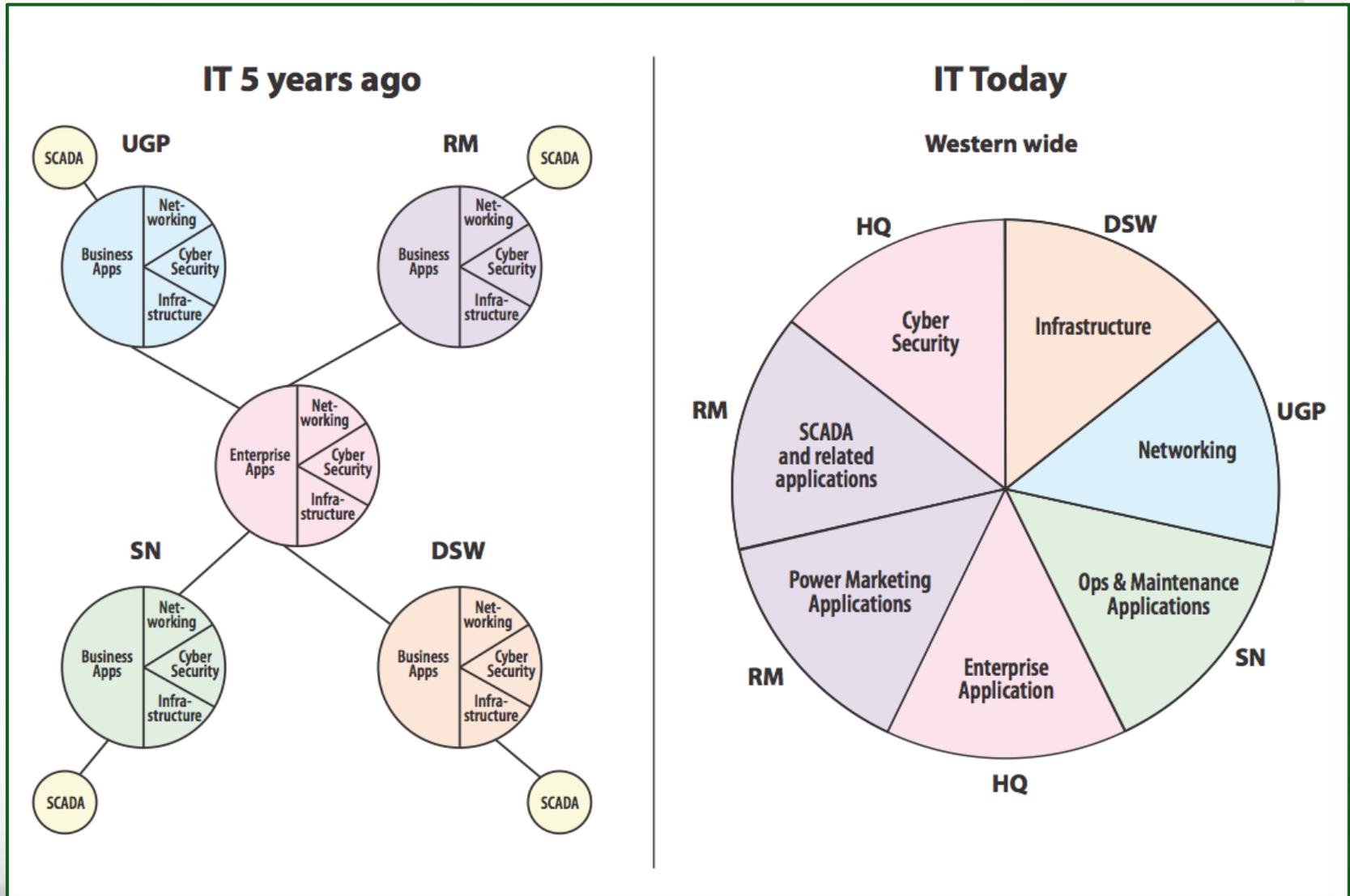
Real Time Engineers

- Hiring Real Time Engineers = good business practice
- Cost avoidance to customers
- 30 minute real time modeling and operating plans
 - Real time System Operating Limits (SOL)
 - Reduced Transmission curtailments
 - Reduced generation re-dispatch
 - Method to comply with new NERC standards



Mimicking real time desk at training center

Business Practices: IT Evolution



Continuous Process Improvement

- Since inception:
 - Total \$2.9M in cost avoidance
 - Includes \$707K from Just Do It Initiatives
 - Roughly \$2.2M in CPI work
- Non CPI savings:
 - Millions in reorganization and consolidation
- Upcoming CPI and JDI:
 - Federal Register Notice process
 - Procurement
 - Budget Formulation

THE CONTINUOUS PROCESS IMPROVEMENT PROGRAM TO DATE RESULTED IN

\$2.98M in cost avoidance
A 540% ROI

AND WE'RE JUST GETTING STARTED



For more information, view
Western's CPI film: www.wapa.gov

Transparency: The Source

Powering the energy frontier
Western Area Power Administration

About ▾ Power Marketing ▾ Transmission ▾ Regions ▾ Newsroom ▾ Training ▾ Energy Services ▾ Renewables ▾

You are here: Western

Hydropower Report

Water Matters

Fiscal year 2015 proved interesting for water availability, hydropower generation and power marketing.

[Read more...](#)

Regions

- Headquarters
- Desert Southwest
- Sierra Nevada
- Colorado River Storage
- Rocky Mountain
- Upper Great Plains

Working with Western

- Careers
- Doing Business
- The Source

Stay Connected

-
-
-
-

Spotlight

Strategic Roadmap 2024
Transmission Infrastructure Program
Estes-Flatiron Line Rebuild
OATT
Tribal Webinars

Projects

ED5-PVH Project
TransWest Express

About	Power Marketing	Transmission	Newsroom	Business	Policies
Customers Financial information	Drought EPAMP	Functions Infrastructure projects	Fact sheets News features	Careers Doing business	Accessibility Adobe PDF



Audit Schedule (CY 2016)

Org	Activity	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
INTERNAL	Travel Card	■	■	■										
	A-123 IT					■	■	■						
	RRR/Service Agreements				■	■	■	■	■					
	Travel Program									■	■	■	■	
	A-123		■	■	■	■	■	■	■					
	Overtime		■	■	■	■	■	■	■					
	Telework									■	■	■	■	
	CAISO - DSW/SN Meter Reads									■				
	P-Card Roll Forward Review				■	■	■							
	Fitness		■	■	■	■	■							
	Procurement							■	■	■	■	■	■	■
	Avuation Card	■	■	■										
	FMFIA	■	■	■										
	Transmission Asset Program Review					■	■	■	■					
EXTERNAL	DSW Procurement		■	■	■	■	■	■	■	■	■	■	■	
	OIG	National Environmental Policy Act			■	■	■	■	■	■	■	■	■	
		Potential/Unscheduled IG Audits			■	■	■	■	■	■	■	■	■	
	DOE	Human Capital Mgmt Accountability Pgm		■	■	■	■							
		Cyber-security review (HR, RM, UGP)						■	■					
	KPMG	Annual Financial Statement Audit	■	■	■	■	■	■	■	■	■	■	■	
	NERC	CIPv5	■	■	■	■	■							
	NERC/FERC	UGP MRO	■	■	■	■	■							

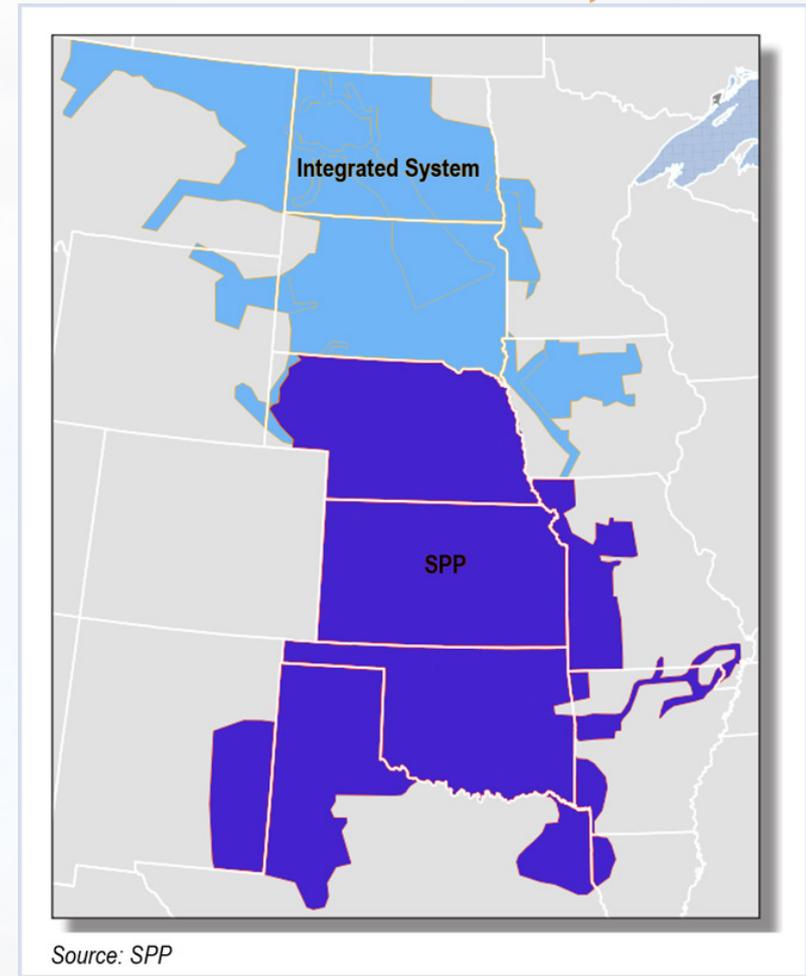


Mutually Beneficial Partnerships

- Long Term Experimental and Management Plan
 - Glen Canyon Dam and Power Plant
 - Balancing hydropower production with environmental concern
- Central Valley Project Improvement Act
 - Striking balance between Act's intention, drought, and hydropower production
 - Pathway toward proportionality
- Platte River Power Authority
 - In Colorado working to allow municipality to use fiber cable to support needs

Move to SPP

- 5 Months of Operation
 - 20 market invoices
 - 4 transmission invoices
- Alternate Operations Study
 - \$11.5 M net benefits predicted initial year savings/cost avoidance
- Thoughts based on 1st 3 months
 - Savings estimated to be greater than the AOS



EPTC

- Revised charging model for power training center in FY14
- Cost sharing agreement between Western, Army Corps, and Reclamation
 - Reduces tuition for federal student operators
 - Reduces costs passed on to customers
- Total cost avoidance of \$249K a year



Senior DOE advisors simulate blackouts during training session with Western COO Tony Montoya.

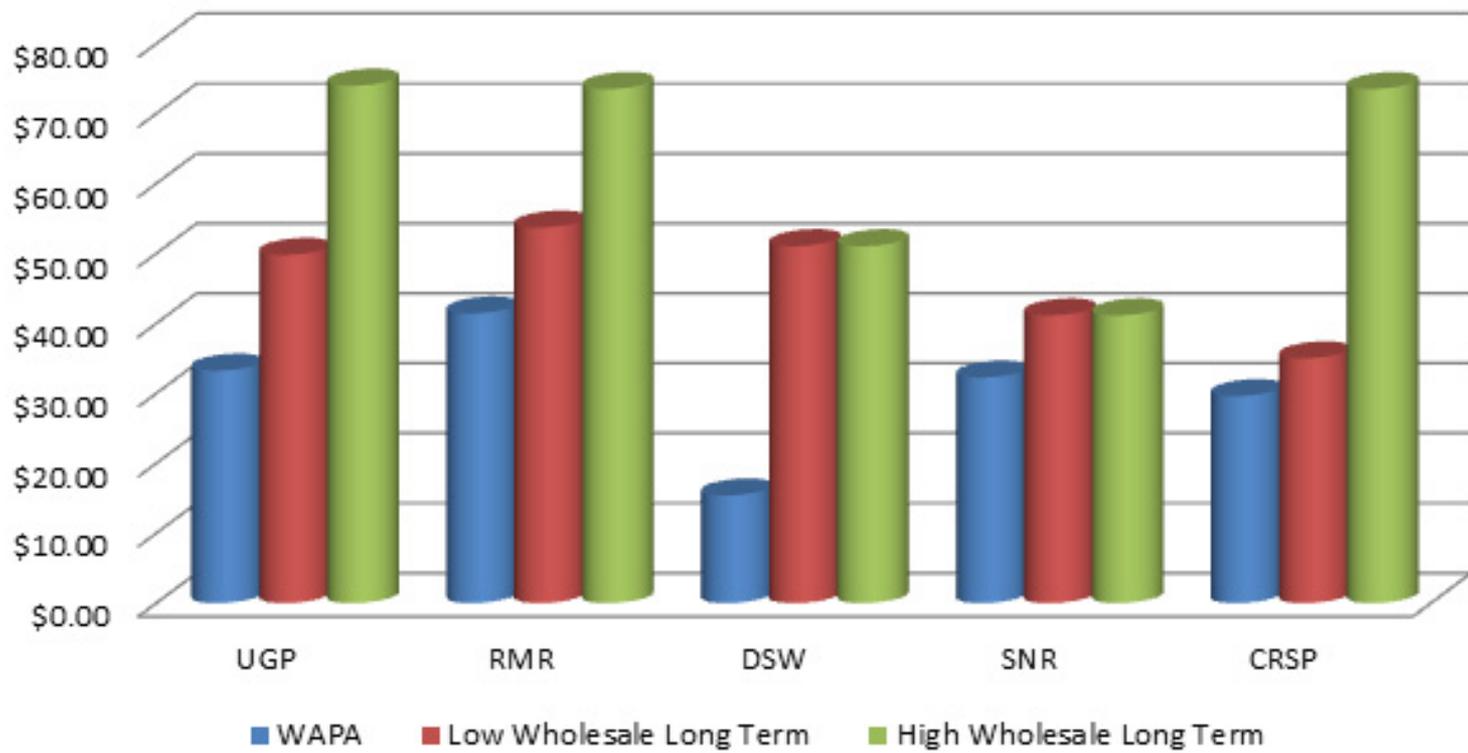
Collaboration



- Budget Formulation
 - Kick off meeting last week of March
 - Looking to build customer feedback into budgeting process
- Ten Year Plans and Capital Planning
 - Transmission Asset Management now formal program
 - Informs 10-Year Plan
 - Anticipating nearly \$160 million in capital work for FY16

Reality of Rates

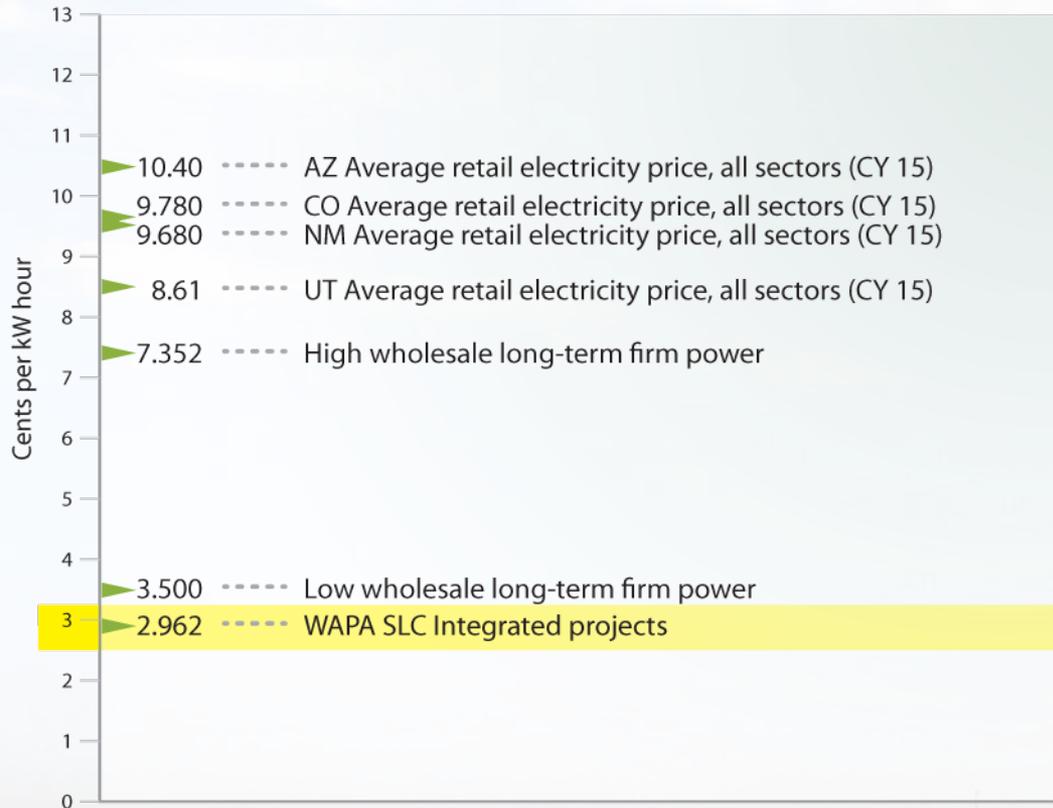
**Regional Weighted Average Firm Power
Composite Rates \$/MWH**



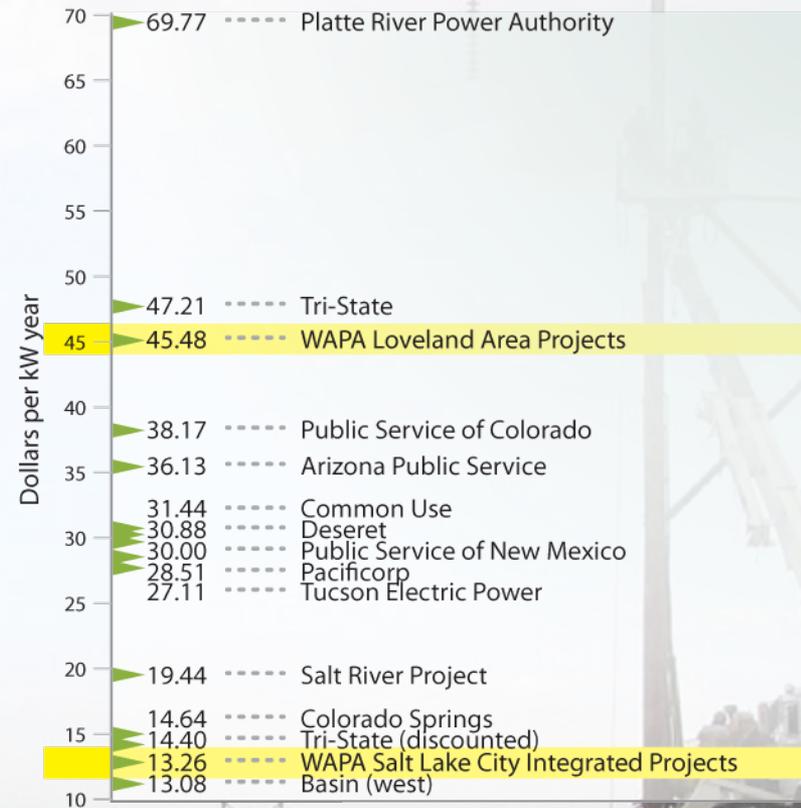
Rates: CRSP

FY/CY 2015
(AZ, CO, NM, UT)

Firm Composite Power Rates/Prices



Firm Point-to-Point Transmission Rates

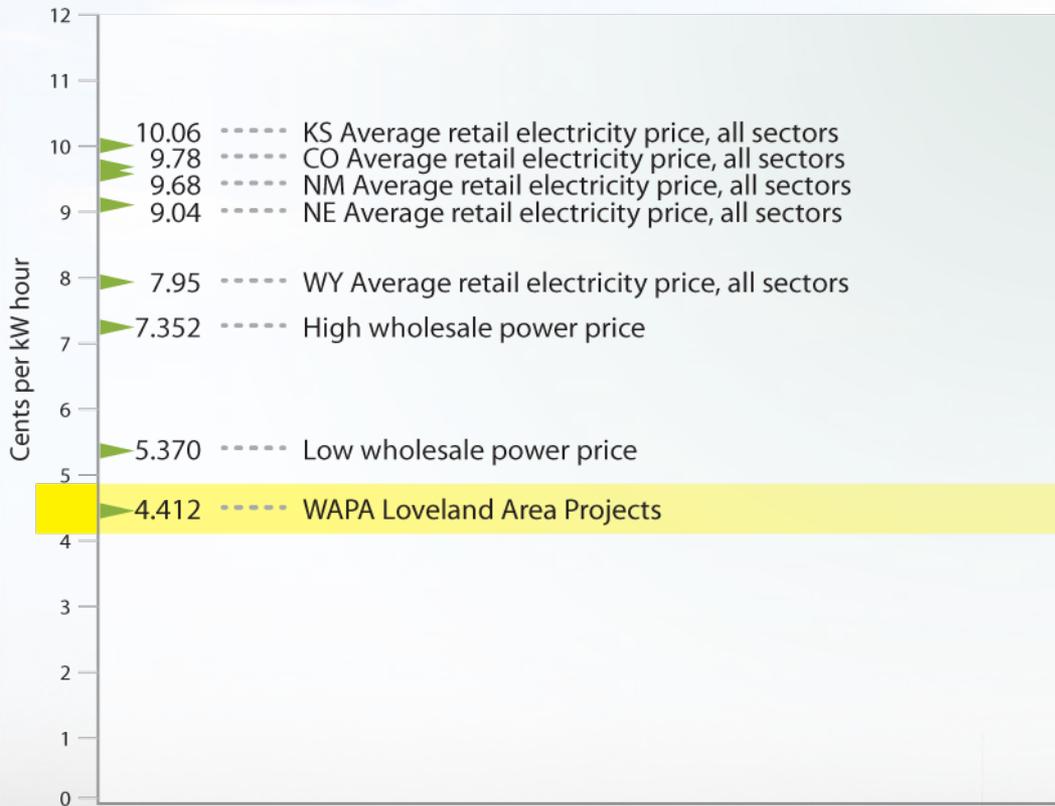


Retail data sourced from EIA table 5.6.B.

Rates: RM

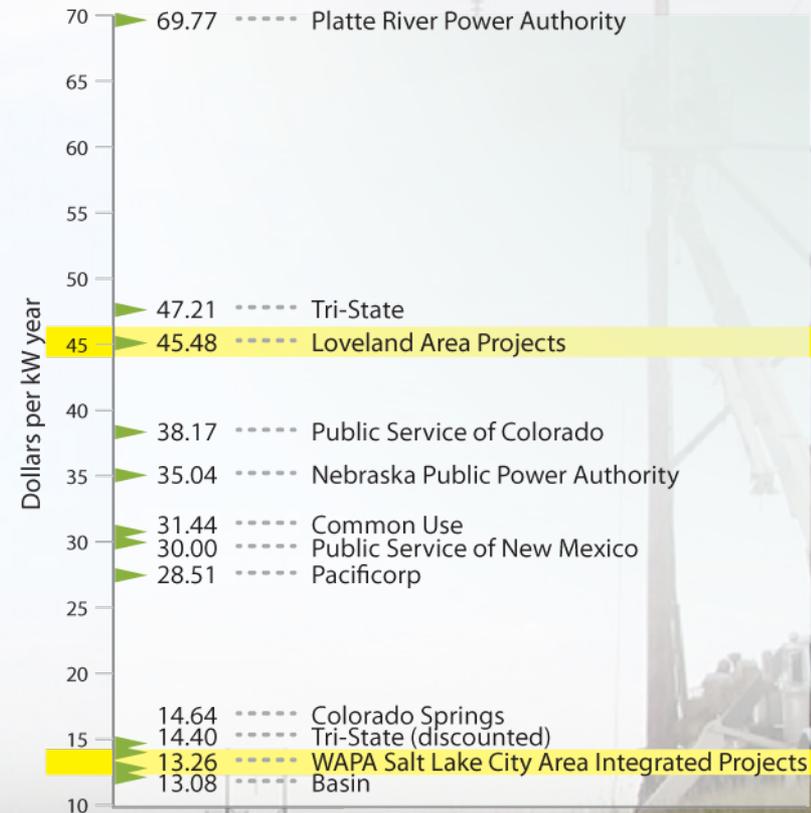
FY/CY 2015
(CO, KS, NM, NE, WY)

Firm Composite Power Rates/Prices



Retail data sourced from EIA table 5.6.B.

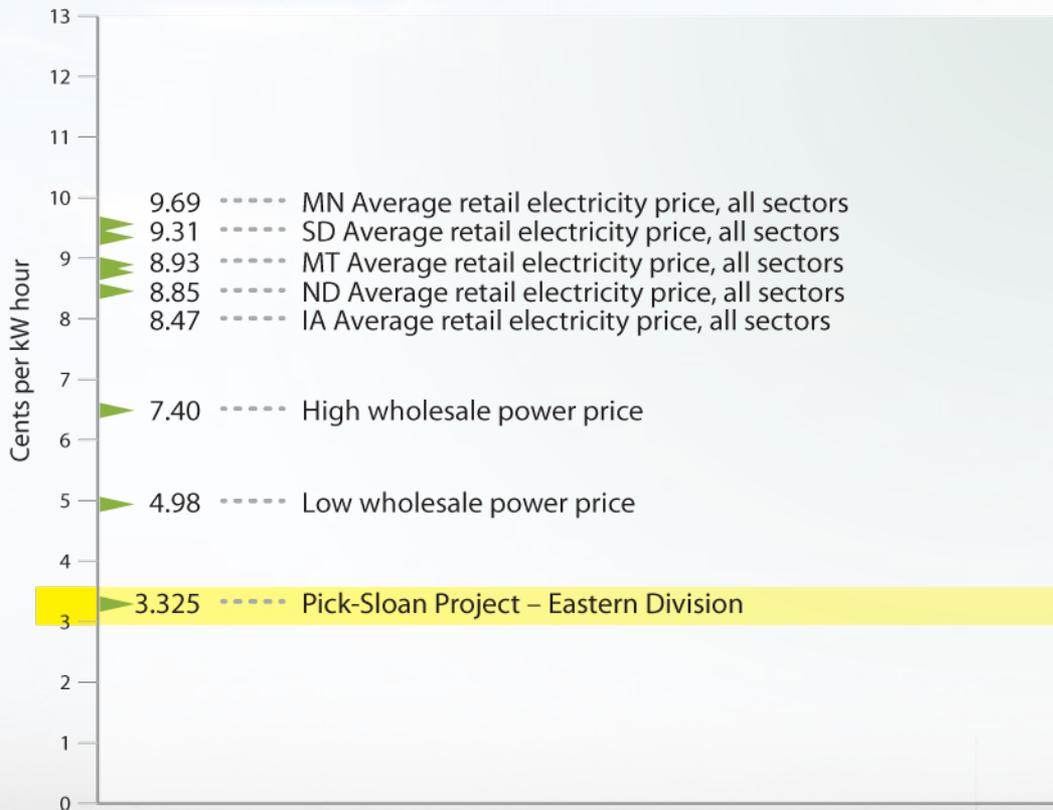
Firm Point-to-Point Transmission Rates



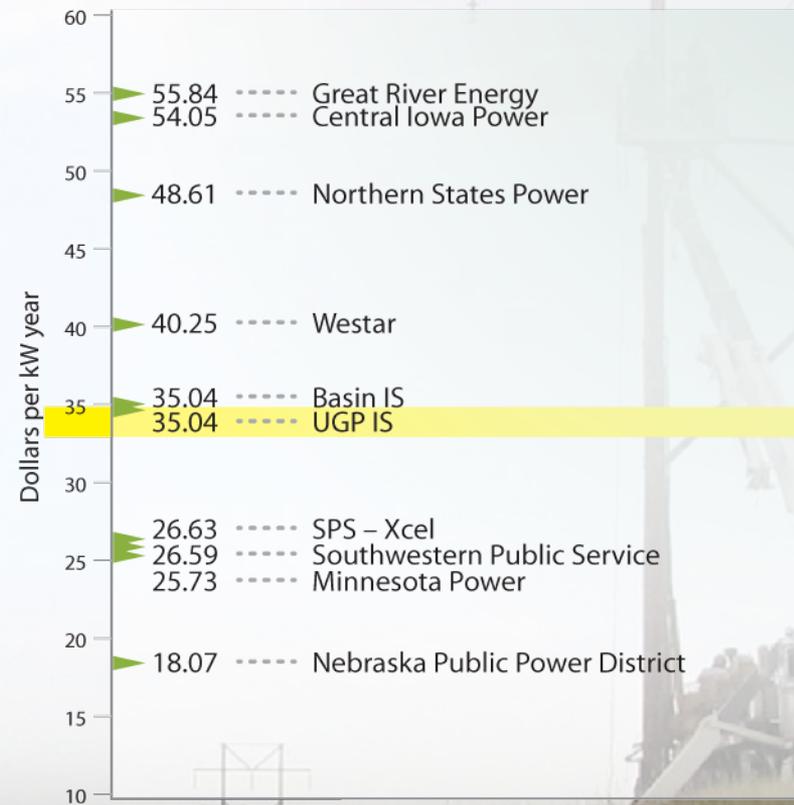
Rates: UGP

FY into CY 2015
(IA, MN, MT, ND, SD)

Firm Composite Power Rates/Prices



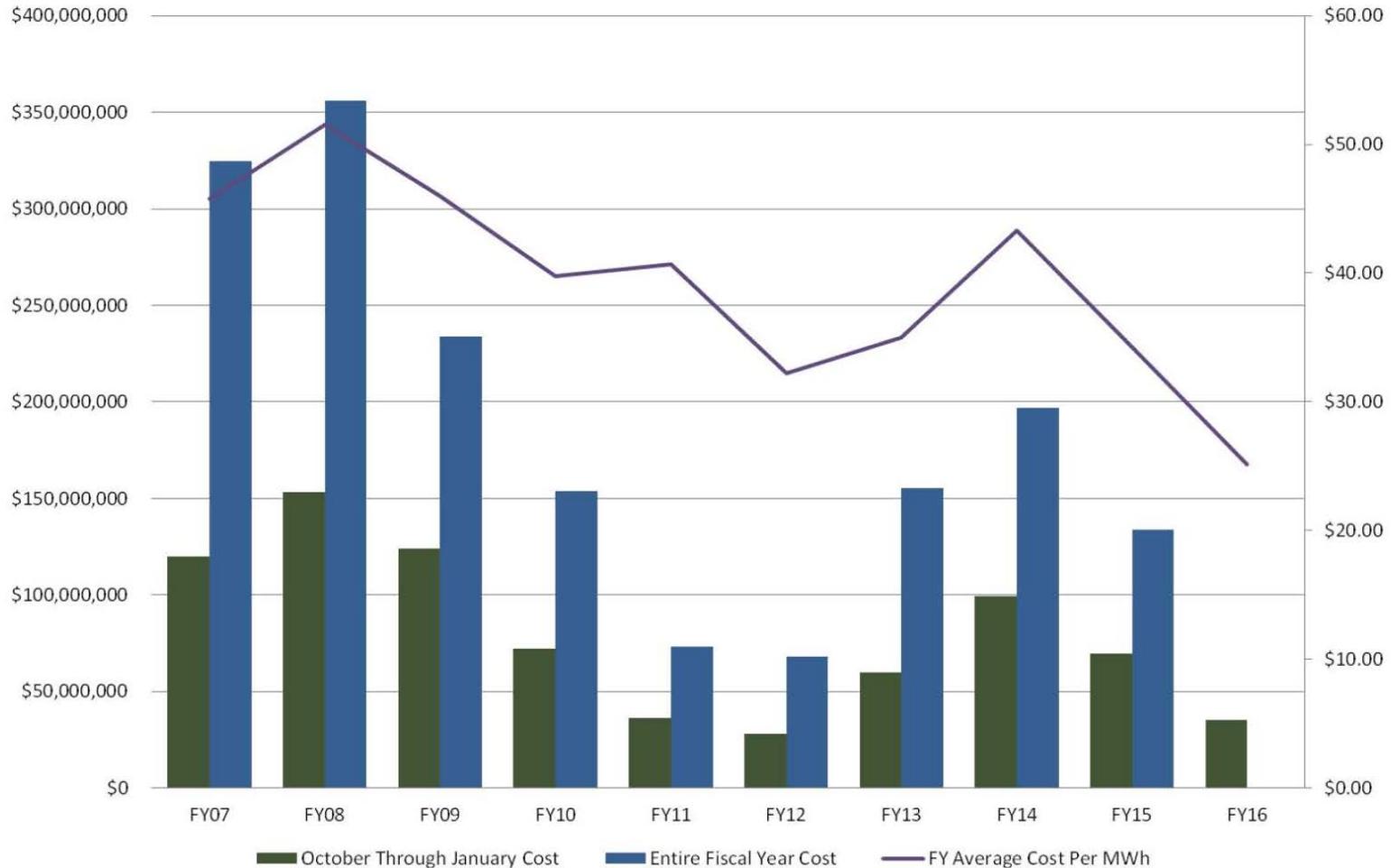
Firm Point-to-Point Transmission Rates



Retail data sourced from EIA table 5.6.B.

PPW

Purchase Power Cost Comparison - October Through January and Fiscal Year Totals



Next Steps



- Risk/Cost-Driver Discussion
 - Scheduled for April 7, Location TBD
 - Focused discussion on key risk areas
 - Highlight Risks and Gaps
 - Develop context and common understanding for future discussions
- Expansion of *The Source*

Contact

Mark A. Gabriel

720-962-7705

www.wapa.gov

