Investing in a connected future

Mid-West Electric Consumers Association
March 5, 2019  |  Washington D.C.

Mark A. Gabriel
Administrator and CEO
A connected WAPA
Mission breakout

**RELIABILITY**
- 651 people
- 28 percent of dollars invested in maintenance and related areas

**DELIVERY**
- 334 people
- 22 percent of dollars dedicated to power operations and engineering areas

**MARKETING**
- Including purchase power and wheeling
- 158 people
- 42 percent of dollars committed to power marketing areas

**COST-BASED**
- And related services
- 298 people
- 8 percent of dollars applied to support the mission
## Pick-Sloan composite rate projection

<table>
<thead>
<tr>
<th>WAPA project</th>
<th>Long-term composite rate (weighted average) $/MWh</th>
<th>Average long-term market-based electricity prices $/MWh</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loveland Area</td>
<td>31.44</td>
<td>63.72-76.30</td>
</tr>
<tr>
<td>Pick-Sloan</td>
<td>24.00</td>
<td>35.26-66.60</td>
</tr>
</tbody>
</table>
2019 Tactical Action Plan

- **MISSION CRITICAL CUSTOMER SERVICES IN AN EVOLVING INDUSTRY**
  - Preparing for Markets
  - Organizational Approach to Markets

- **GRID RESILIENCE**
  - Physical Security
  - Cybersecurity
  - Emergency Management
  - Strategic Transformer Management
  - Fiber Partnerships

- **ASSET MANAGEMENT 2.0**
  - Life Cycle Management of Major Assets
  - Life Cycle Management of Additional Assets
  - Data as a Strategic Asset

- **PEOPLE AND ORGANIZATION**
  - Human Performance and Just Culture
  - Leadership Development
  - Program and Budget Integration
  - Acquisition Management

**Colors of the Chart:**
- Light Blue: Evolution of Services
- Yellow: Mutually Beneficial Partnerships
- Brown: Business, Technology and Organizational Excellence
Mission critical services

• Continuing conversations on the future of markets
• Organizational Approach to Markets
• Reliability coordinator transition
Grid Resilience

- Increasing regulations
- Internet of Things
- OT/IT convergence
- Asset management nexus
- “Smart” technology
- Continuing communications
Asset Management 2.0
People and Organization

- Human Performance and Just Culture
- Leadership development
- Program and budget integration
- Acquisition management
Financial update

• Received full appropriations through Sept. 30
• 29% O&M executed through January
• $142M expected execution for capital
• PPW report approved by DOE; under review by OMB
• $200M+ expected return to Treasury
The Source

- Posted FY 2018 data Jan. 31
  - Rates and sales data by power system
  - Federal FTE equivalents
  - Expenditures
  - Capital investments by project
  - Reserve funding balances matrix
DC update

• Subcommittee Testimony
  March 12, 10 a.m. ET

• Moved to House
  Subcommittee on Energy
  and Mineral Resources
American Broadband Initiative

Assess viability of leasing DOE dark fiber

• **April:** Complete feasibility assessment plan
• **December:** Complete the feasibility assessment
How we are responding

• **To date**: Established Fiber Optic Partnerships feasibility assessment team
• **April 17**: Submit Feasibility Assessment plan to DOE
• **May**: Develop regionally-based customer outreach
• **June-September**: Regional customer outreach
• **Dec. 11**: Submit Feasibility Assessment to DOE
• Report progress quarterly using performance metrics
Market Forum

• Facilitated discussion on goals and objectives for markets in the West.

April 9 (1-5 p.m.)
• Welcome and Introductions
• Markets and the Western Interconnection
• Roundtable discussions
• Debrief roundtable discussions
• Evening social event (TBD)

April 10 (8 a.m.-noon)
• Continued roundtable discussions
• Debrief roundtable discussions
• Create goals and objectives
• Next steps and additional discussions
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Courtesy of USACE