

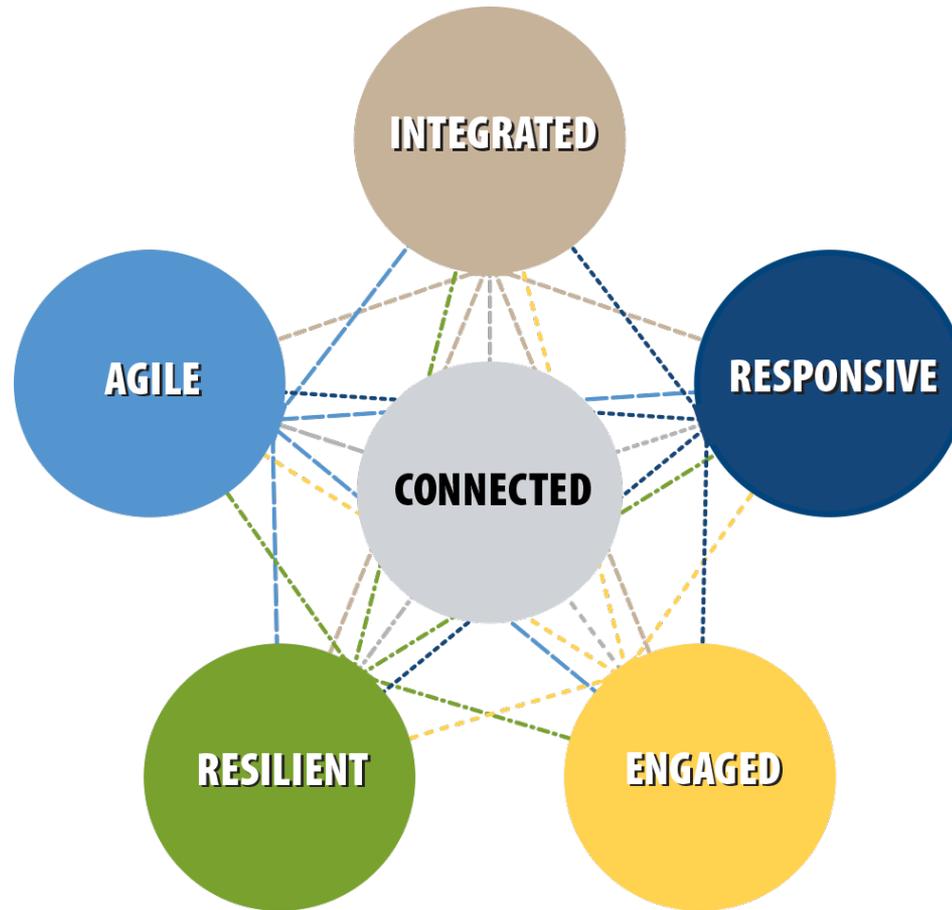
Investing in a connected future

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

and

28
percent

of dollars invested
in maintenance
and related areas



DELIVERY

334
people

and

22
percent

of dollars dedicated
to power operations
and engineering areas



MARKETING

including purchase power
and wheeling

158
people

and

42
percent

of dollars committed
to power marketing areas



COST-BASED

and related services

298
people

and

8
percent

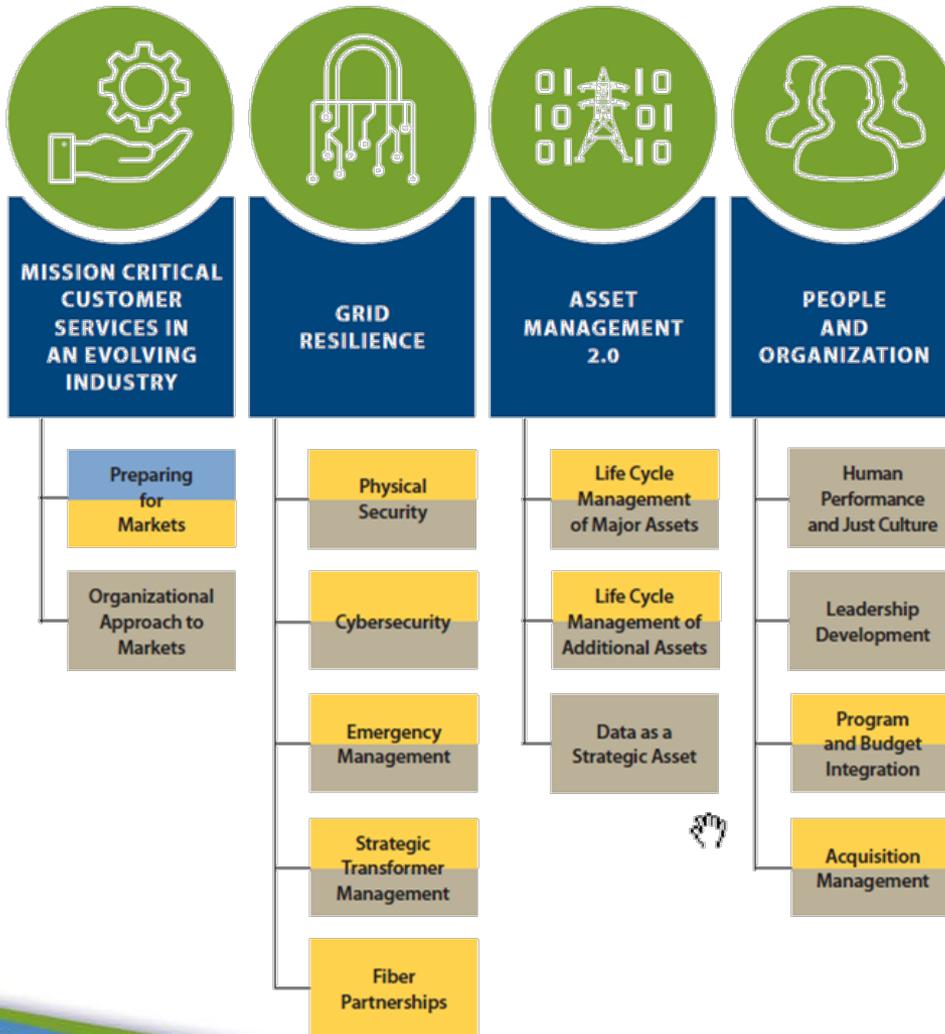
of dollars applied to
support the mission



Pick-Sloan composite rate projection

WAPA project	Long-term composite rate (weighted average) \$/MWh	Average long-term market-based electricity prices \$/MWh
Loveland Area	31.44	63.72-76.30
Pick-Sloan	24.00	35.26-66.60

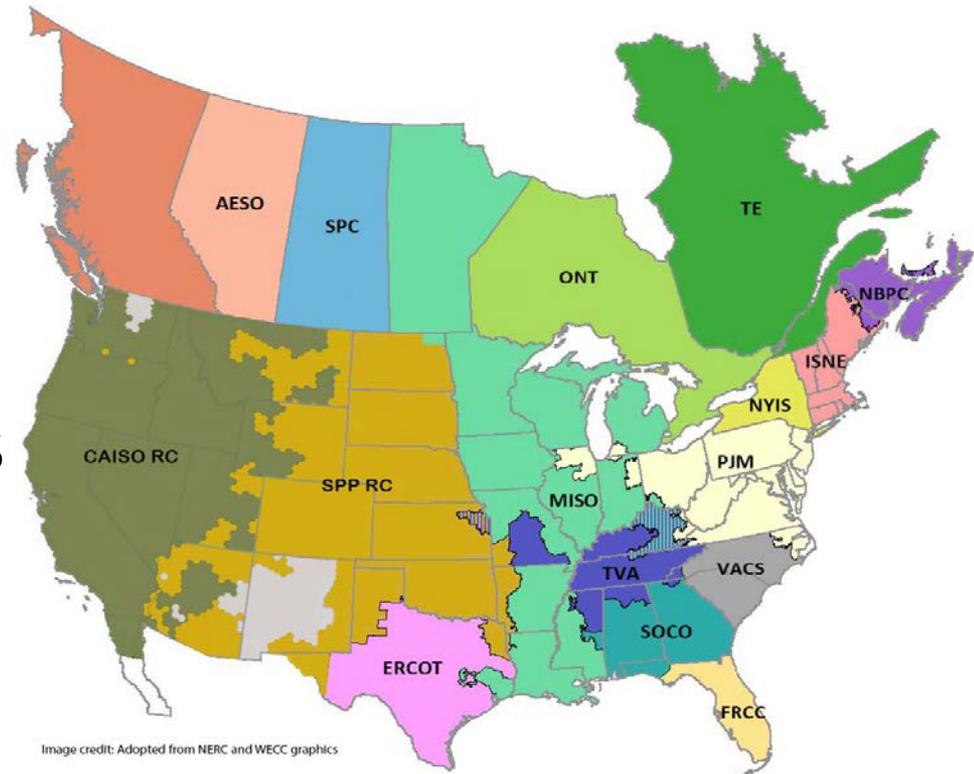
2019 Tactical Action Plan



- Evolution of Services
- Mutually Beneficial Partnerships
- Business, Technology and Organizational Excellence

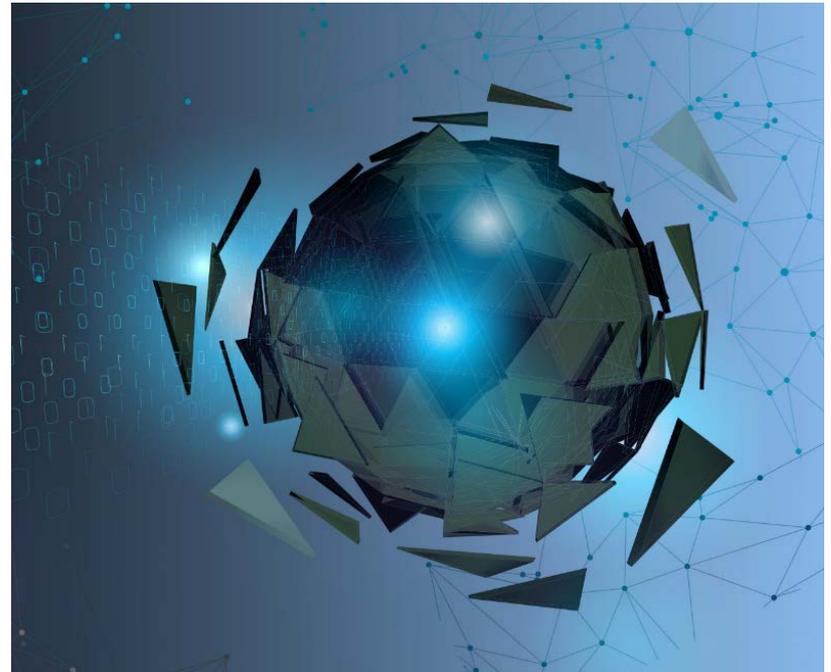
Mission critical services

- 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

Contact/follow me

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