

Engaging in a world of change

Utah Associated Municipal Power Systems annual meeting
August 18, 2020 | Virtual meeting

Mark A. Gabriel
Administrator and CEO

Engaging in a world of change

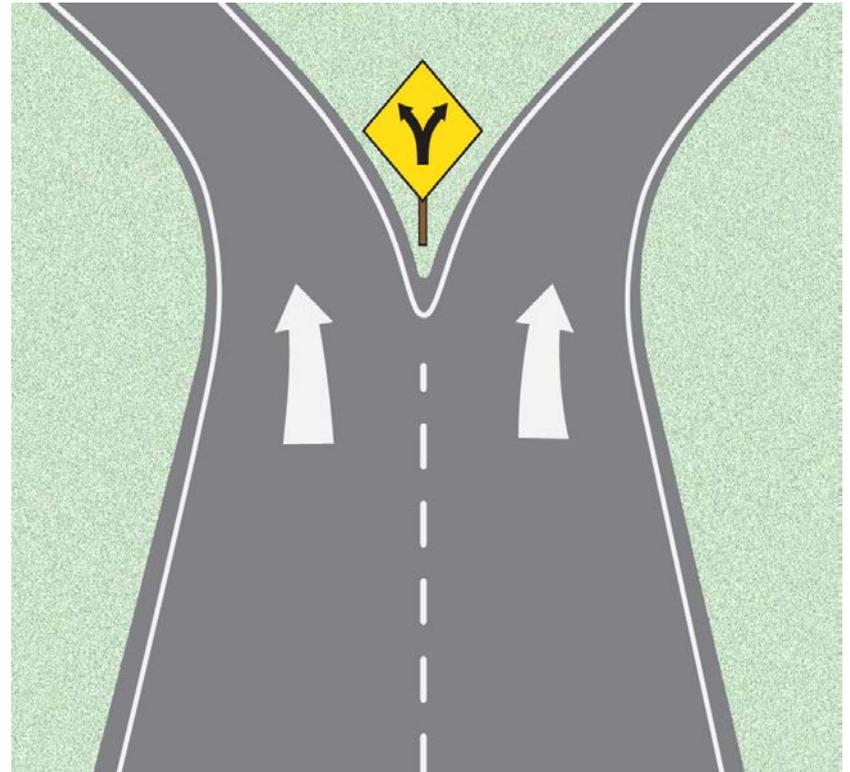


2020 accomplishments

Common SCADA platform
State fact sheets and stat appendix
Top safety performance
Workplace violence prevention training
Progress on workload planning
Transmission vision moving ahead
Integrated Communications Group
WEIS/EIM on track
Began consolidated CRSP and DSW t-line rates initiative
Planning for Craig plant retirement
Four new Asset Management categories
New Leadership Development Program
Exploring battery storage with BOR
Fiber report finished
T-line and substation projects on track
Received a clean audit
Joined NWPP Reserve Sharing Agreement
Leading DSW markets study

Challenges in the energy frontier

- Aging infrastructure
- Increased regulation
- Intermittent resources
- Varying hydropower production
- More customer-side resources
- Changing markets
- Security



Change is upon us

***NEW HISTORICAL
WIND PEAK***

18,343 MW

11:13 P.M. | JULY 17, 2020

 **SPP** *Southwest
Power Pool*

Carbon/capacity conflict

- Demand for new power sources will outstrip capacity
- Demand for clean energy will outstrip the capacity
- Public perception contrasts with the reality of the system
- Renewables are being promoted the only answer
- Cost of renewables creates financial challenges



Value of hydropower

Renewable

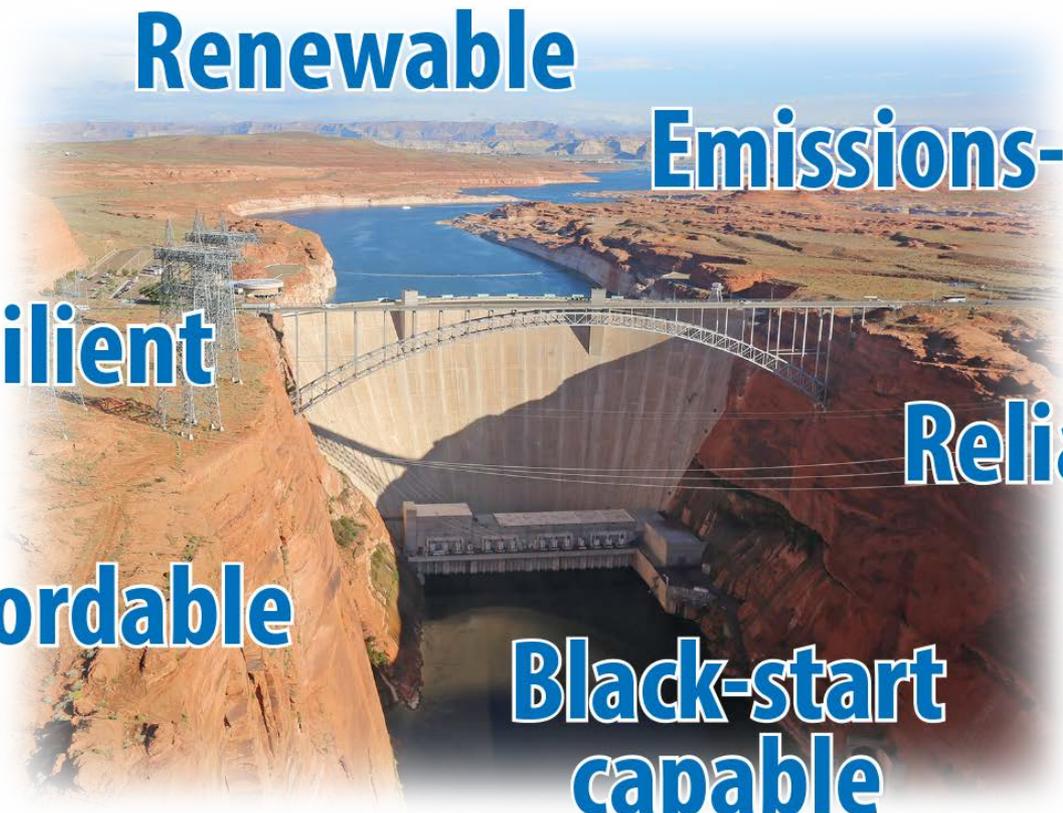
Emissions-free

Resilient

Reliable

Affordable

**Black-start
capable**



Challenge for transmission

- Closure of traditional generation out of sync with transmission buildout
- Not a financial, permitting or process challenge
- No one willing or able to sign long-term contracts due to market uncertainty



Shared integrated grid

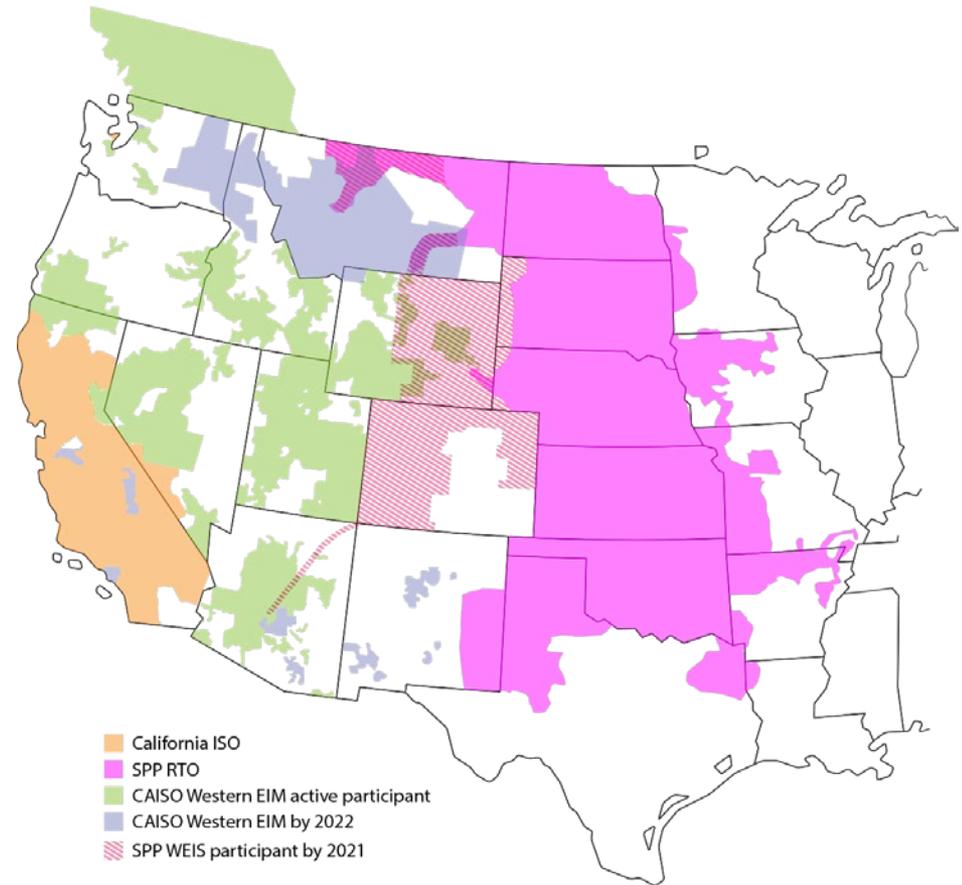


Transmission vision and strategy



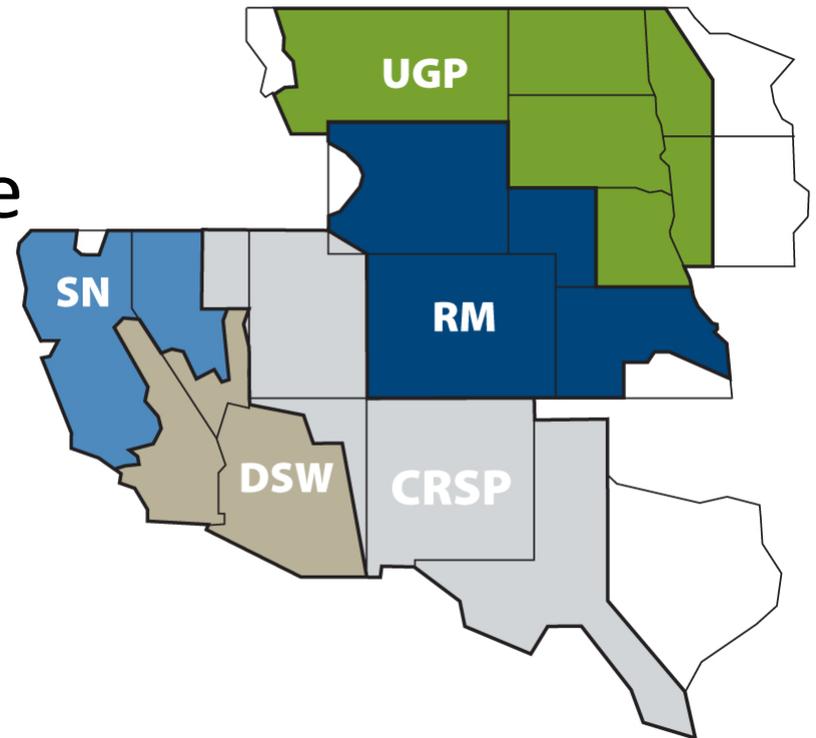
Why are we joining EIS/EIM

- Change in generation mix
- Shortage of electric capacity
- Reduced bilateral trading partners
- Price volatility
- Increasingly dynamic system

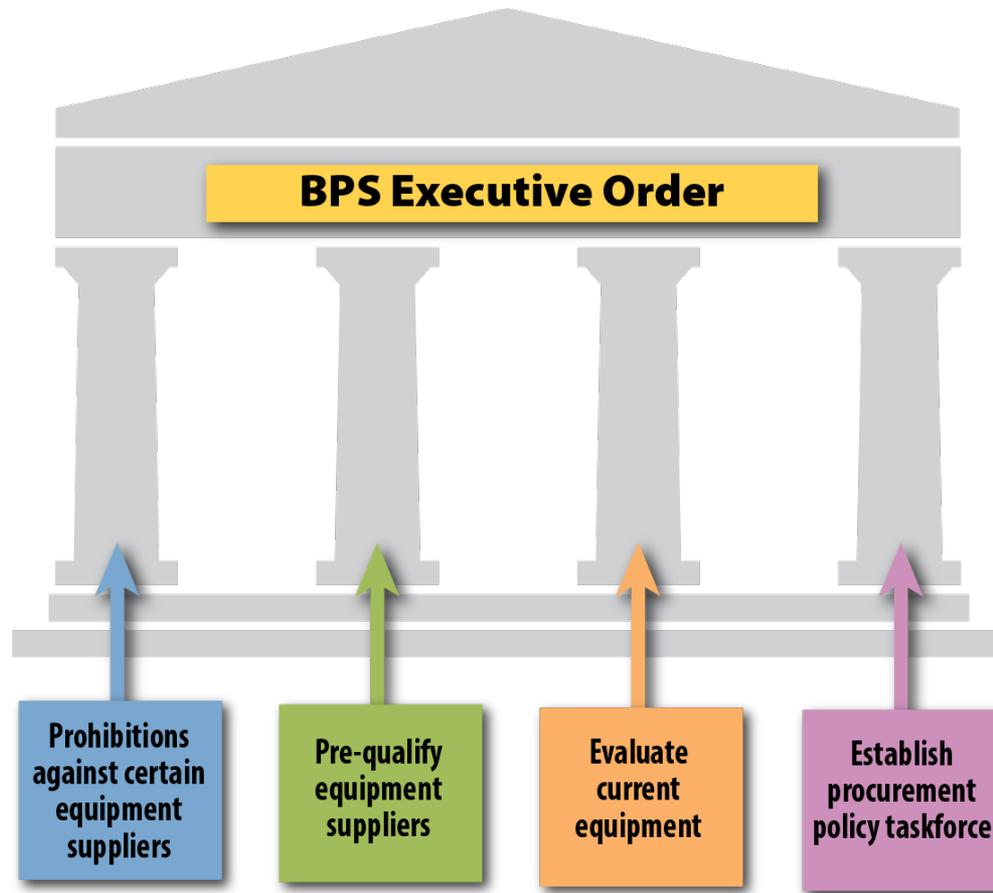


WAPA's position on markets

- No “one-size-fits-all” solution
- Stay strategic, proactive and aligned with our mission
- Create best possible outcome for our customers and WAPA

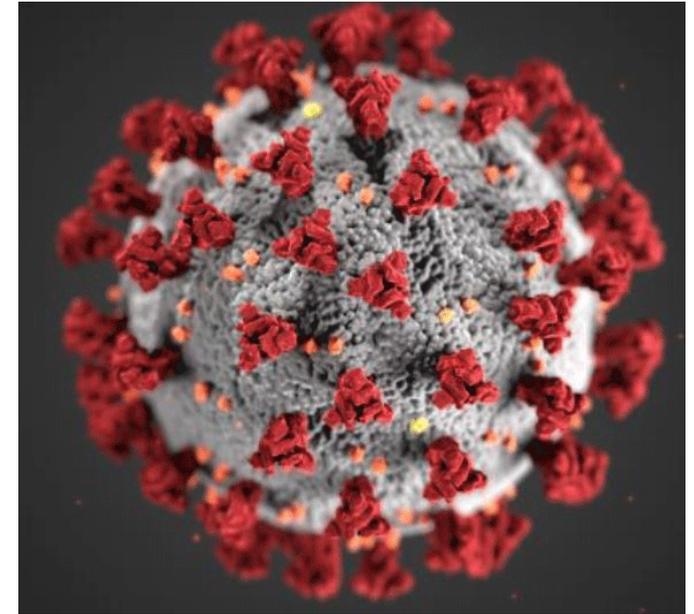


BPS Executive Order

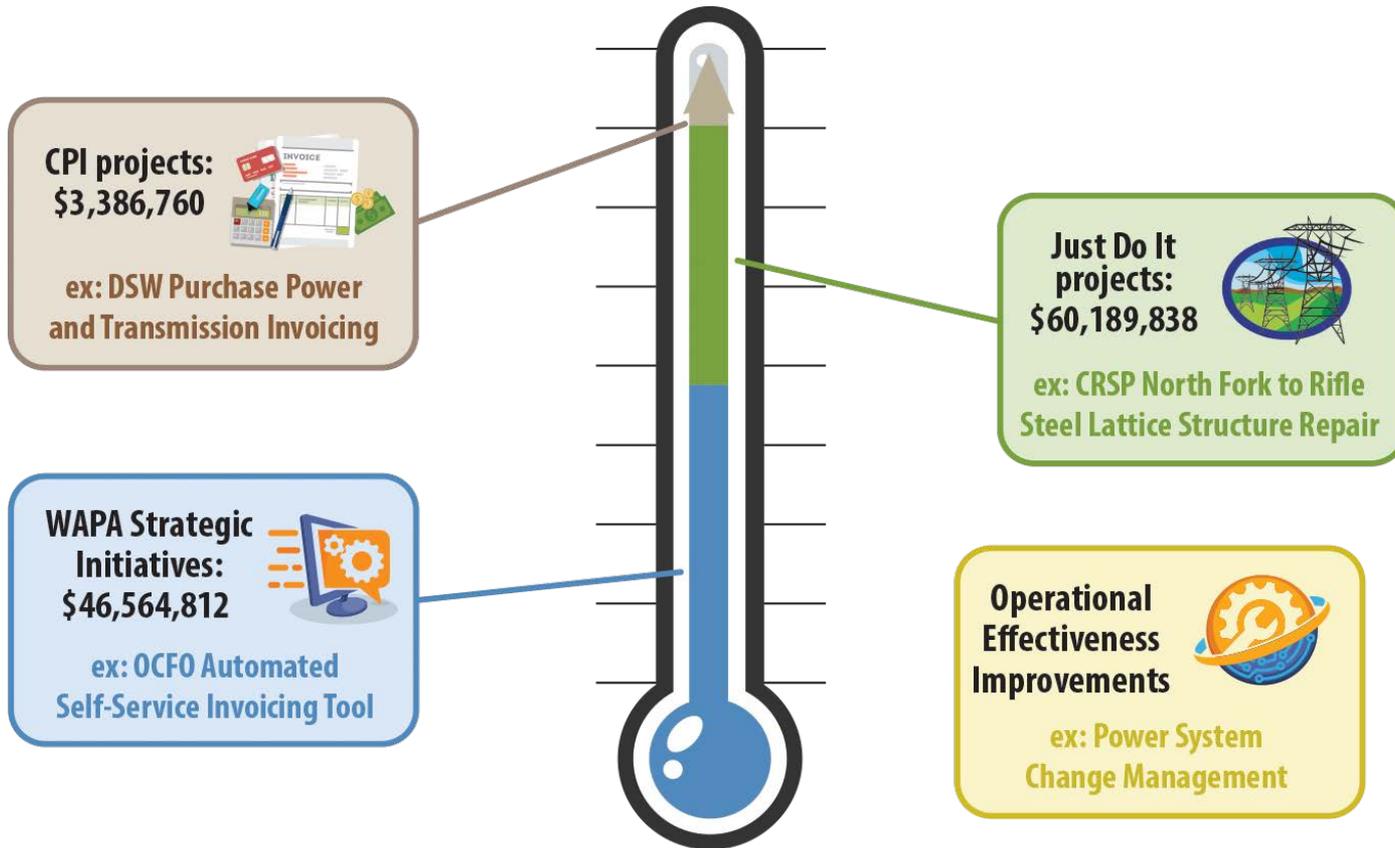


Coronavirus response

- Objective: Ensure continued mission success and protect employees
- Maximized telework
- Social distancing plans in place for Ops & Maintenance
- Collaborating with federal, state & local entities
- No visitors to WAPA facilities
- Starting Responsible Workplace Re-entry
 - Mission-critical travel & training only



Continuous Process Improvement

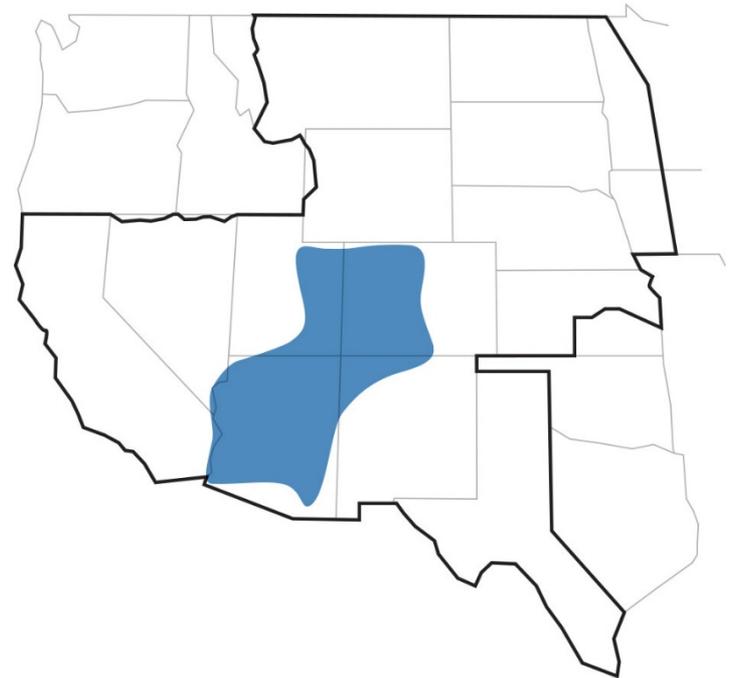


WAPA cost savings and avoidance: \$110,141,410 as of March 31, 2020

Combined transmission service rate

- Includes CRSP & DSW transmission projects
- Beginning of collaborative process with customers
- Part of continuous improvement and increasing efficiency

Combined Transmission Rate Footprint



Common SCADA

- Does not equal one SCADA across WAPA
- OSI vendor selected
- Expected benefits
 - Improve operational flexibility
 - Increase reliability
 - Avoid future support and administrative costs due to cross training and supporting multiple contracts

Project timeline

FY 2019	FY 2020	FY 2020-2021	FY 2021-2022	FY 2023-2024
Evaluation of products	Selection and procurement of product	Sierra Nevada implementation	Upper Great Plains implementation	Desert Southwest and Rocky Mountain implementation

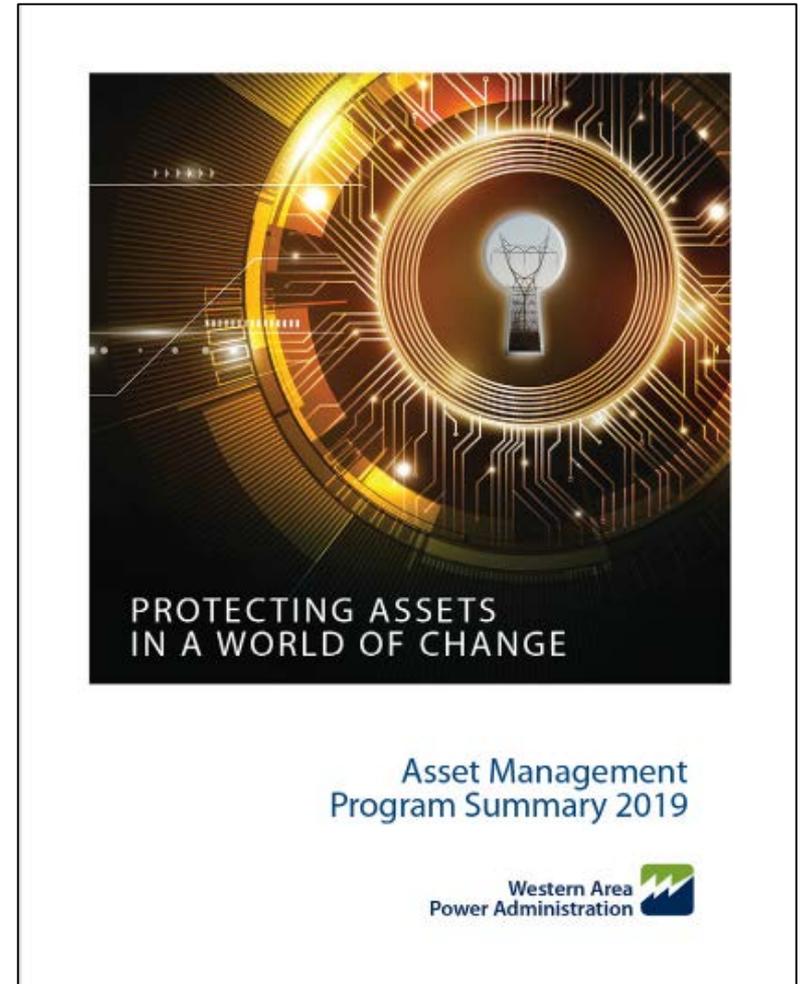
Wildfire prevention & mitigation

- Reviewing vegetation management programs
- Working with landowners & other agencies
- Participating in utility committees
- Active role on ESCC wildfire committee



AM Almanac

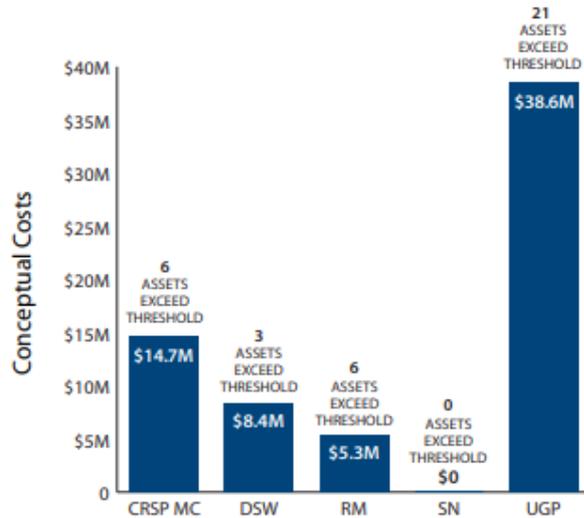
- Protecting Assets in World of Change
- Support informed and strategic decision making
- Provides info on WAPA's assets, performance data and trends



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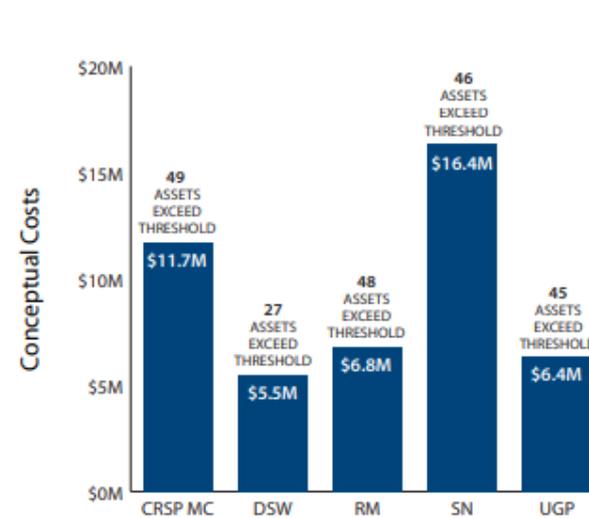
WARE RESULTS: POSSIBLE FUTURE INVESTMENT NEEDS

Possible Transformer Investment:
10-Year Outlook: 2019 – 2028



Commentary: The WARE tool projects asset replacement using current health and risk data for the current year, but only uses age data to extrapolate to future years. Mitigation options for assets that fall outside thresholds may include asset investment, replacement, additional maintenance or accepting the risk.

Possible Circuit Breaker Investment:
10-Year Outlook: 2019 – 2028



Commentary: The WARE tool projects asset replacement using current health and risk data for the current year, but only uses age data to extrapolate to future years. Mitigation options for assets that fall outside thresholds may include asset investment, replacement, additional maintenance or accepting the risk.

Personnel changes

- Deputy Secretary of Energy Mark Menezes
- New Senior VP and CFO Michael Peterson
- Steve Johnson departed Aug. 14
- Senior VP and CRSP Manager Tim Vigil
- Senior VP and DSW Regional Manager Tracey LeBeau
- Acting Senior VP and CAO Jennifer Rodgers

Key takeaways

We are committed to delivering on our mission. Industry is changing at a rapid pace, and we must keep up. Focus on optimizing existing technologies & assets.



Contact/follow me

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