

Headquarters Ten-Year Capital Plan Meeting Remarks October 20, 2020

Welcome to the first virtual Headquarters Ten-Year Capital Planning meeting. This is our fifth year hosting this meeting to share the priorities and opportunities at Headquarters over the next decade, and it is our best-attended meeting—40 people registered from across our footprint.

The pandemic has dramatically changed the way most of us work and live, but if there is any silver lining to be found, it is that we have been compelled, as individuals and as an organization, to be innovative to meet our commitments to you, our customers, and the nation.

- Perhaps in the future this meeting should remain virtual, allowing more attendees to participate and improving our transparency.

Our theme this year is Engaging in a World of Change, though COVID-19 was not what we meant when our theme was revealed in December. Instead, we intended to highlight how the world around us is changing – with markets, new technologies at the edge of the grid, increased IT needs and a need to better balance and forecast our resources against competing and continuous work priorities.

We have talked about the importance of stability, relying on the strong foundation we have internally and with our customers to deliver on our mission, while also being progressive to adapt to the dynamic energy frontier and retain and strengthen our value to you into the future.

I would argue the biggest threat facing us all is not about things or regulations or carbon-free energy goals, it is about becoming irrelevant. It is no longer enough to deliver reliably energy; we are being asked to do more and often with less.

COVID, though, helped emphasize this world of change better than we ever could, demonstrating vividly where our strengths and weaknesses lie and introducing a level of change we could not expect. If I could visit myself one year ago and try to warn me about what was coming, I would not have believed me.



Yet we adapted and persevered through these changes to operate at the same level and rate of excellence that I would have expected if COVID had never reached our shores. This year, we:

- Executed 98% of our operational maintenance budget and 96% of our capital projects budget during unprecedented disruptions.
- Awarded \$189 million in contractors and invested \$142 million in capital projects, greater than the past two fiscal years.
- Returned \$272.3 million to the U.S. Treasury. Over the past 8 years, we have returned nearly \$2.6 billion to Treasury.
- Transitioned to maximized telework for 1,500 people – a feat made possible by the incredible work of WAPA’s IT department in the past several years to bolster our bandwidth and networks and strengthen our security.
 - In fact, we were able to also send our real-time marketers home to work only because this year in Montrose, we switched from an in-house tagging system to a commercial off-the-shelf IT solution that permitted off-site functionality.
 - Those who were required to remain at work received the best safety guidance we could gather. We re-organized operations centers, limited intraoffice movement, prepared for safe sequestration, allowed crews to take their vehicles home and established parameters for working at WAPA and joint sites – all with the goal of keeping our employees safe and healthy.
- We selected a common SCADA vendor, which will improve our ability to manage and operate the most critical platform we have at WAPA.
- We maintained our transmission system to the high rates of reliability that you rely on, leveraging our Aviation program for human external cargo operations – the ultimate social distancing and a safer, faster, cleaner maintenance option in general.
- We met all our deadlines to transition into CAISO’s Western EIM and SPP’s WEIS and made progress on multiple studies to determine the best option for DSW and its customers.
- We hired and onboarded more than 140 people since March, a feat considering the vast majority of these new employees have never worked in the office or met their coworkers in person.



- We also have had movement in our senior leadership team: bidding fond farewells to Dawn Roth Lindell, Jody Sundsted and Steve Johnson and welcoming Tim Vigil and Mike Peterson. We are starting a nationwide search for replacements for the UGP and RM Regional Managers as we speak, and we expect to announce the new CAO soon.

We have achieved much in this unprecedented year, and I could go on for the rest of the meeting listing our accomplishments, but I call attention to these items as they were made possible by the efforts of the exemplary employees working at HQ.

They are not the employees directly involved in delivering electrons to our customers, but they are critical to our operations nonetheless. Without them, we could not complete our mission. They are all crucial components to the WAPA engine that ensure reliable energy while keeping rates as low as possible consistent with sound business principles.

I greatly appreciate how our conversations have evolved about these mostly invisible but imperative functions within WAPA and look forward to continuing those discussions now and in the future.

Thank you again for joining us today. Colin, let us get started.

