WAPAPA’s position on industry trends

CRSP Management Center
Annual Customer Meeting
May 23, 2017  |  Salt Lake City, UT

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Administrator and CEO
The world is changing
New administration

• Formal transfer of government
• Political appointee turnover
• Deputy Secretary Senate hearing Thursday
• WLO activity
Change is upon us
Change brings challenges

• Aging infrastructure
• Increased regulation
• Intermittent resources
• Decreased hydro production
• More customer-side resources
• Changing markets
• Security
Fundamental change

The challenge for the utility of today is not only what is real but what is perceived as real.
Home tech drives benefits

4.92 billion wireless devices globally / 66% penetration

Source: Hootsuite, January 2017
Radical thoughts ...

- kWh is dead
- All-you-can-eat electricity
- Time-of-purchase rates NOT time-of-use rates
- Flexing your distribution system with customers
- Utility is the network provider
Mountain West update

- Formed 2013
- Evaluating options
- Expected decision mid-2017
- If applicable, market implementation 2019
- May 24 meeting with CEOs
What are we doing about it?
Shift in strategic thinking

- Broader perspective
- Data-driven decisions
- Industry impacts to customers
Increasing requirements

• Investments in Security
• NERC requirements
  o CIP version 5
  o Audits, mock audits
  o Alerts
  o Standards
  o FAC-003 & FAC-008
  o NATF peer reviews
• FITARA
• FISMA modernization
• OMB Circular A130

• New endangered species
• DHS binding operational directives
• OSHA requirements
  o Fall Protection 100% attachment
  o Transient over-voltage compliance
• Formalized grounding cable procedures
• GPR monitor for t-lines
Physical security

- Consolidated office in 2013
- All-hazards approach
- Assessing all subs
  - 203/319 complete
- Nearly tripled investments since 2013
- 40,000 hours on CIPv5
Lifecycle considerations
Cost containment

CPI projects: $2,700,000
FEDERAL REGISTER
ex: Federal Register Notice Process

Just Do It projects: $1,400,000
ex: Oil-filled equipment disposal (SN)

WAPA Strategic Initiatives: $30,000,000
ex: AmpJack Tower Raising

WAPA cost savings and avoidance: $34,000,000 as of March 31, 2017
Position on industry trends

Transparency
Key takeaways

Focus on value and business excellence.
Be aware of industry trends and changes.
Continue delivering on mission.
Contact/follow me

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