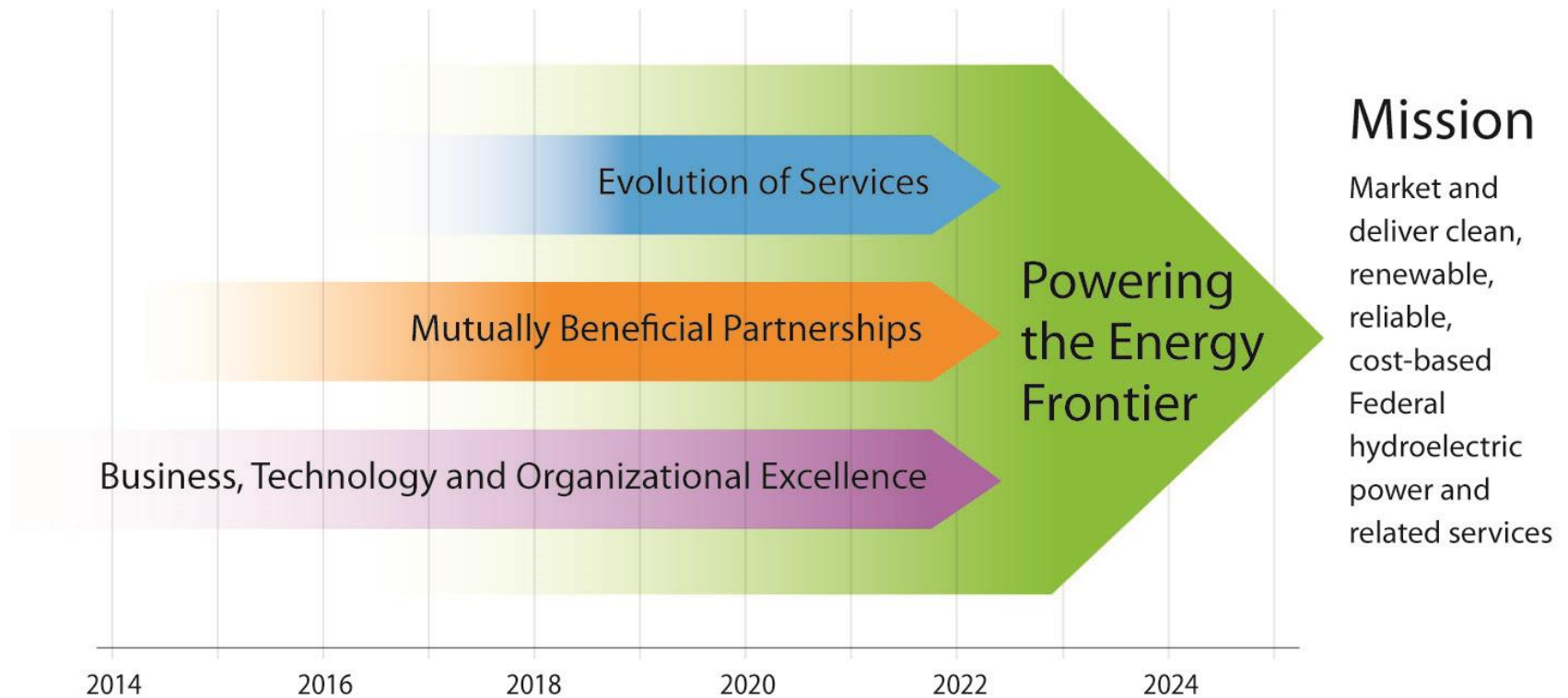


# Market Update

**Rodney Bailey**  
**Power Marketing Advisor**  
October 9, 2019

# Roadmap 2024 and Critical Pathways



# Strategic Target Area: Mission Critical Customer Services in an Evolving Industry

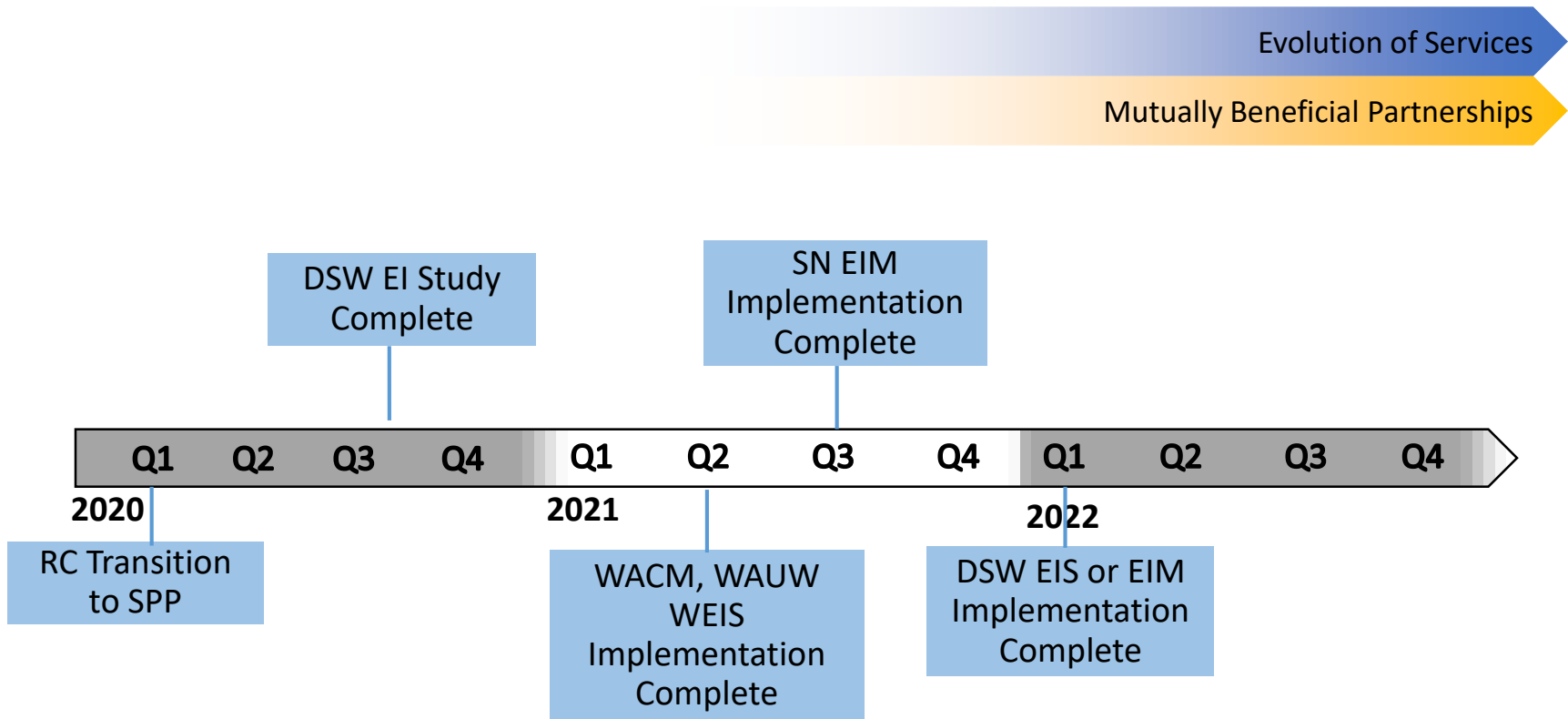


In an evolving and transforming electric utility industry, WAPA will continue to evaluate, enhance and improve the services it provides to preference power and transmission customers.

**Outcome:** The value of WAPA's cost-based power, transmission and related services is enhanced in a transforming industry.

**Prepare for Markets:** Position WAPA for regional energy market participation by effectively managing industry changes surrounding WAPA's footprint while ensuring system reliability and alignment with WAPA's cost-effectiveness principles.

# Major Milestones – FY 2020



# SN EIM Updates

- Current Status (2020 Q1)
  - Developing Project Plan
  - Transmission Model
  - Hydro Generation Model
  - Software Gap Analysis and Procurement
  - Beginning OATT Update Review
- Target Completion for Majority of Development - 7/17/2020
- Go-Live - 4/1/2021

# DSW Updates

- Current Status (2020 Q1)
  - Finalize Energy Imbalance Production Cost Study Scope
  - Begin work on Gap Analysis
- Target Completion for Study and Gap Analysis - Late Summer 2020
- Target Energy Imbalance Option Decision - Fall 2020

# Drivers for SPP's WEIS decision

- BA resource limitations
- Risk of diminishing bilateral trading partners in favor of a robust market solution
- Changing generation industry
- Addresses energy imbalance requirements with a broader scope of available resources through a stakeholder-involved governance structure that allows collaboration with customers
- Maintains reliability for the BAs
- Options for potential future Day-2 or fully integrated market in the Western Interconnection

# Cost & benefits for customers outside WACM BA

- **LAP:** SPP WEIS costs would be incurred by the majority of the LAP customers in BA.
- **CRSP:** Majority of SPP WEIS costs have been shifted to another WEIS participant within WACM.
- Follows cost-causation principles and results in a substantial discount to start-up and on-going administrative costs for CRSP's participation.
- Indirect benefits include system reliability and balancing for the WAPA generation and transmission assets used to deliver external FES schedules.
- Benefits of market participation from WEIS or more economically efficient energy imbalance transactions would benefit all customers through FES rate.



# WEIS Updates

- Current Status (2020 Q1)
  - Complete SPP WEMC Charter
  - Complete SPP Tariff Review
  - Developing WAPA Project Plan
  - Asset Registration
  - BA Customer Meeting October 29<sup>th</sup>
  - Software/implementation Protocols
- Target Completion for Majority of Development - 8/1/2020
- Go-Live - 2/1/2021