

# Providing value amid a changing energy industry

Heartland Consumers Power District

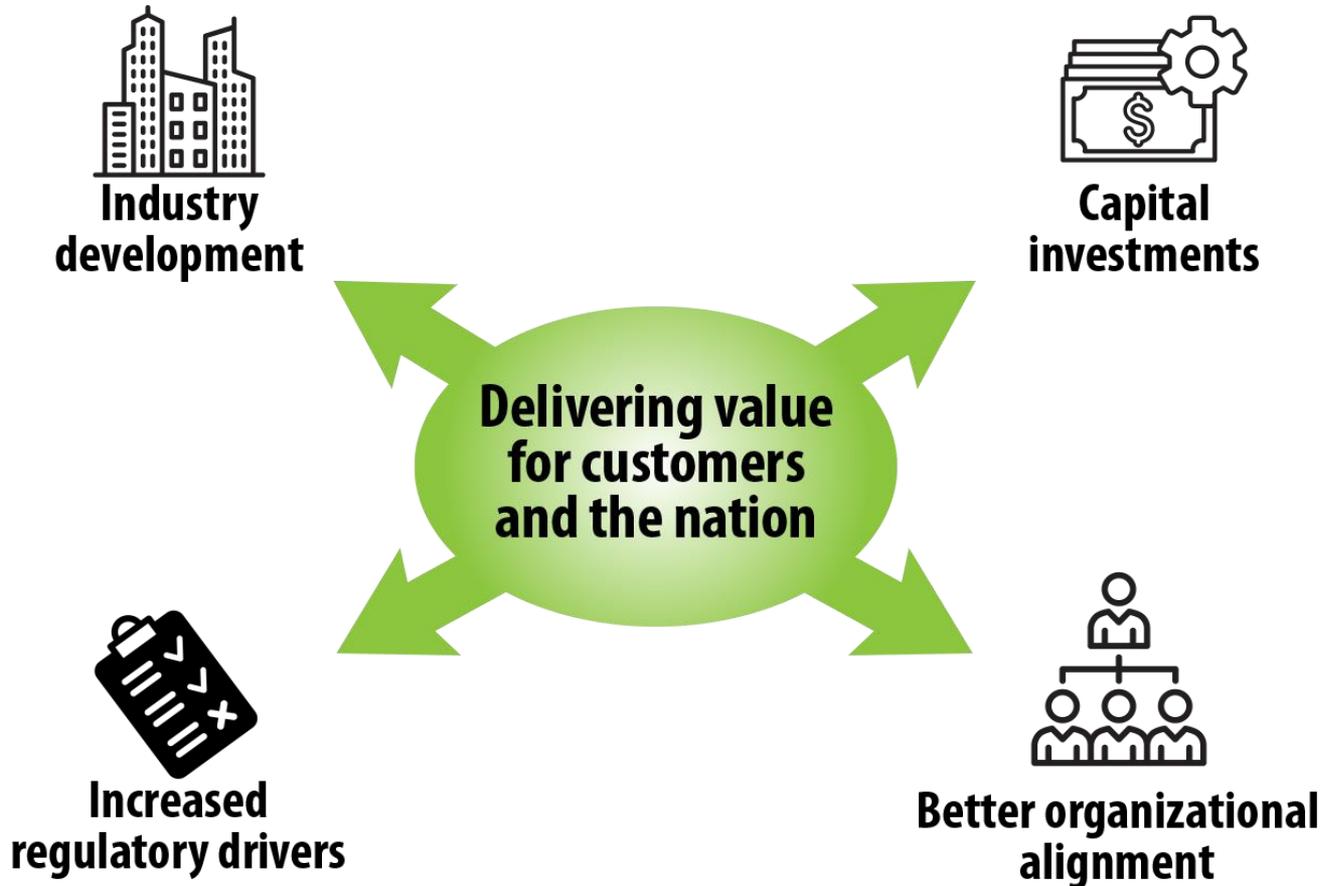
May 11, 2018 | Madison, SD

Mark A. Gabriel  
Administrator and CEO

# The value of WAPA



# Value in all we do



# Powerful partnerships

Transparency

Power  
Repayment  
Study

Markets



# Transparency



## ANNUAL REPORTS

Find annual reports and statistical appendices for the current and past few years.



## BUDGET ALLOCATION

Find WAPA and regional fact sheets and 10-year planning information. Content will be updated yearly.



## BY THE NUMBERS

Searchable index created to increase transparency about WAPA's power systems. Content updated yearly.



## CUSTOMER NEWS

Get updates, alerts, and news on topics of interest to customers.



## KEY TOPICS

Access key topics affecting WAPA's mission or service.



## PRESENTATIONS & SPEECHES

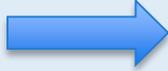
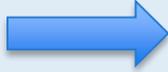
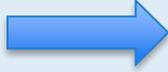
Discussions between our CEO, Senior Executive team, and customers.

# Transparency

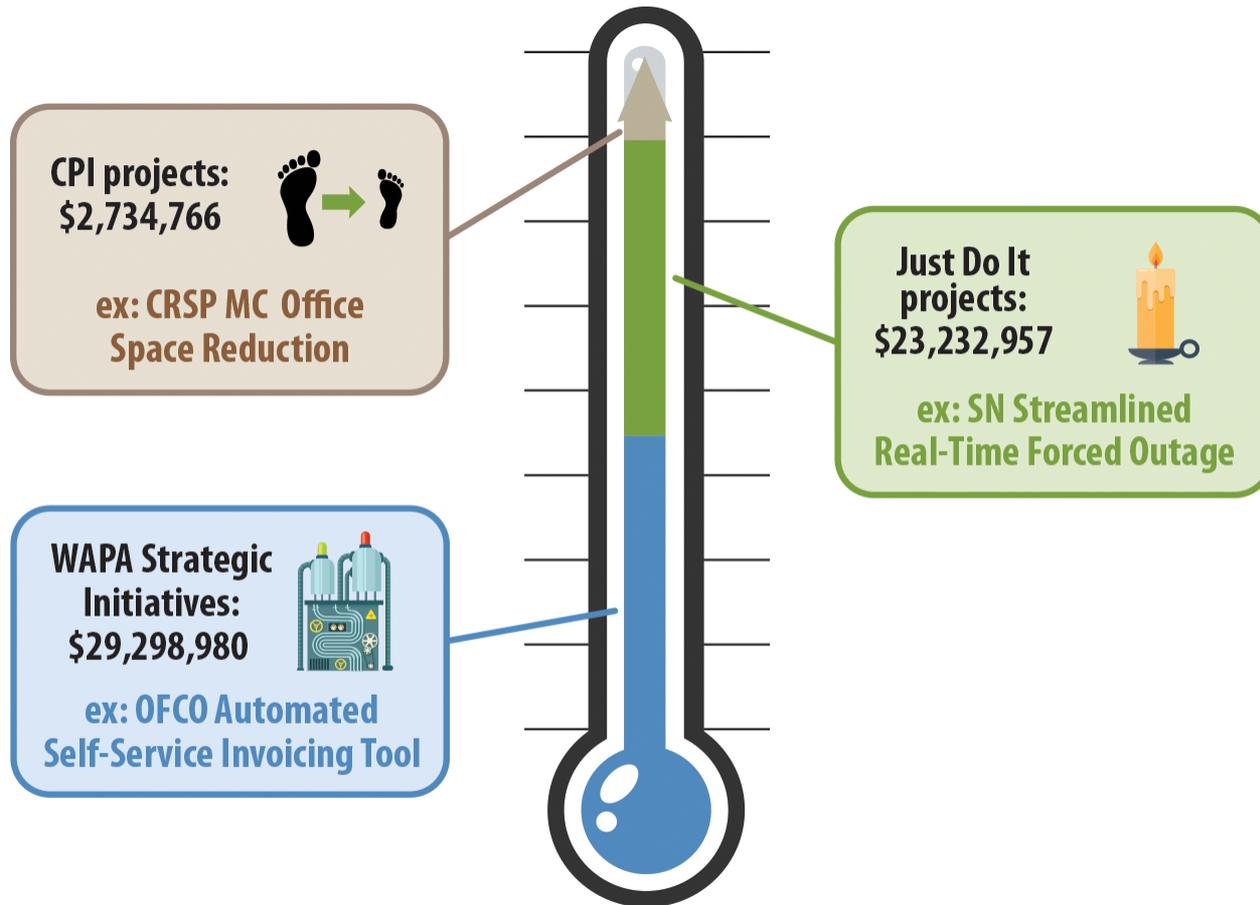
- Expanding available data
  - 10-year history
  - Includes expenditures
  - Narrative to explain increases/decreases
  - How-to guide to help navigate data
- Worked in partnership with customers



# Value of cost drivers

Driver		Value
O&M costs		Increased resilience and reliability
Capital investments		Increased resilience and reliability
Physical and cybersecurity		Mitigated risk
Increasing regulatory requirements		Strengthened grid
Organizational realignment		Increased efficiency, cost reduction

# Cost containment



**WAPA cost savings and avoidance: \$55,000,000+ as of March 31, 2018**

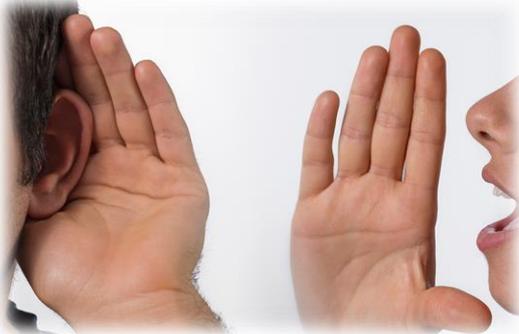
# Rates as measure of success

- Over the past **two** years, rates have **decreased** for about **60%** of customers
  - Pick-Sloan Eastern Division
  - Loveland Area Projects
- Over the past **nine** years, rates have remained **flat** for more than **20%** of customers
  - Salt Lake City Area/Integrated Projects



# Core values

**Listen to understand,  
speak with purpose**



**Seek. Share. Partner.**



**Be curious, learn more,  
do better. Repeat.**



**Respect self, others  
and environment.**



**Do what is right.  
Do what is safe.**

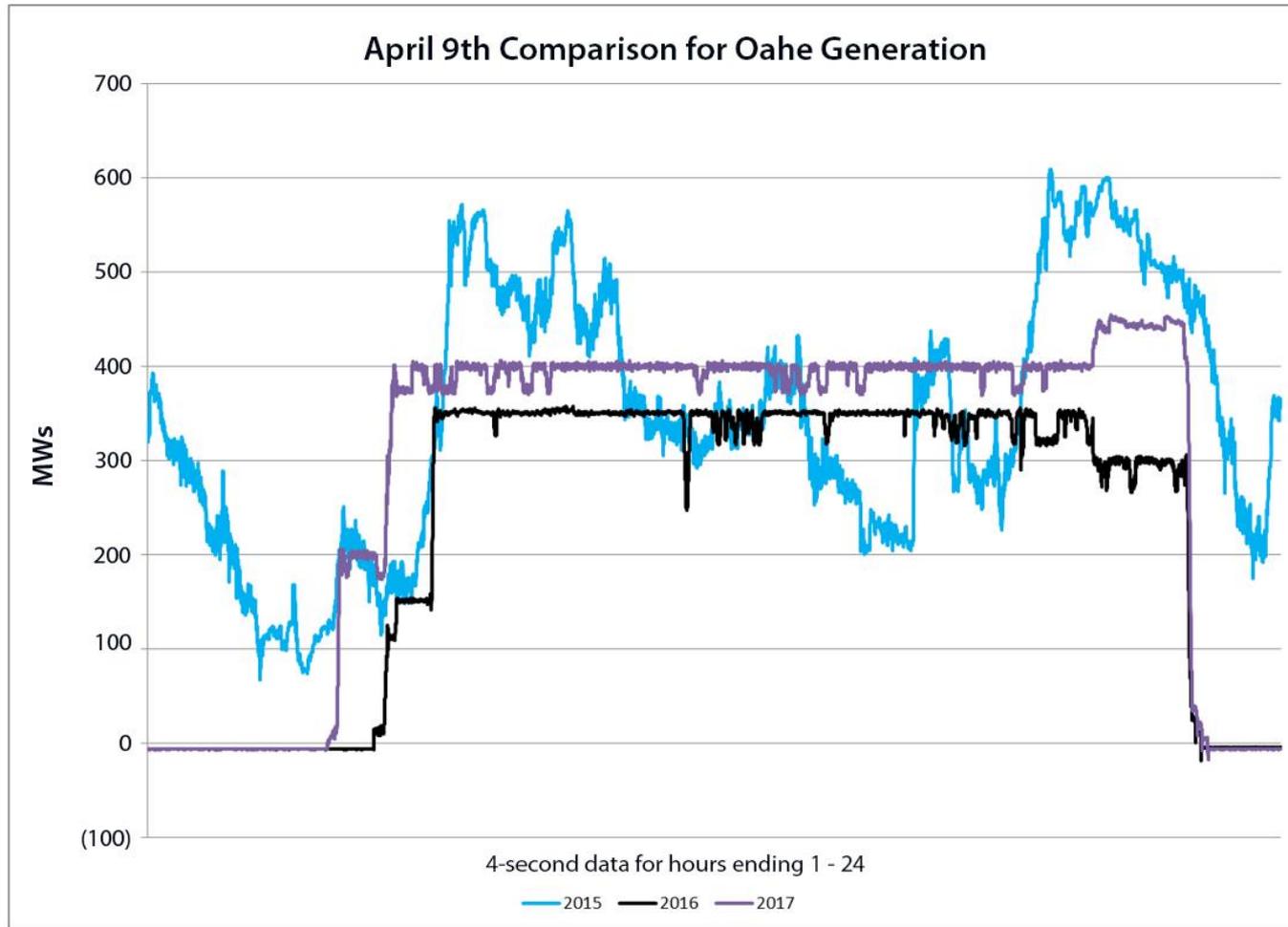


**Serve like your lights  
depend on it.**

# Change is upon us



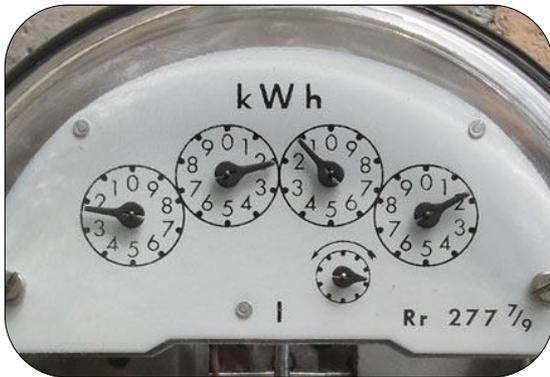
# Oahe generation



# Societal changes



# Radical thoughts



The kilowatt-hour  
is dead



Time-of-purchase  
vs. time-of-use



All-you-can-eat  
energy

# Change brings challenges

- Intermittent resources
- Decreased hydro production
- More customer-side resources
- Changing markets



# Economic challenge

How can we manage in a  
Twitter–centric world?



# The future nexus





# Power Repayment Study

- New PRS went live April 27
- One system to set rates and track repayment for 15 power systems
- Secure, reliable
- Increases transparency

The application is functionally strong.

A great balance of versatility, data integrity and usability.

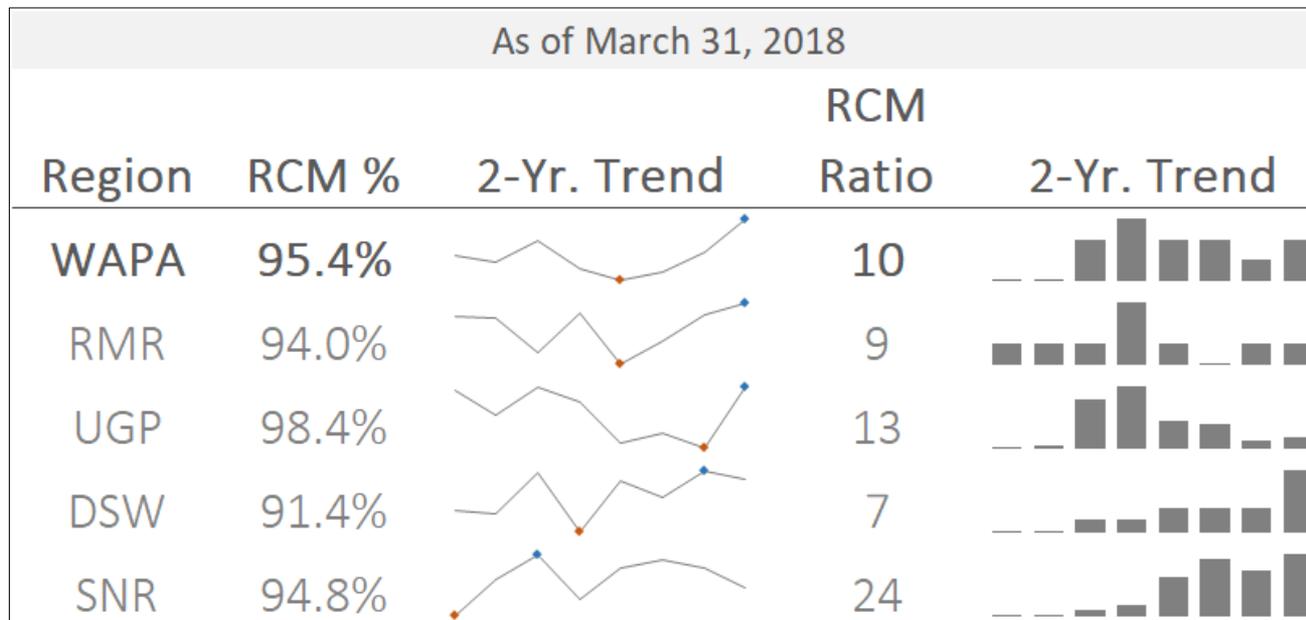
Data entry is a snap. Users can upload, hand input or cut and paste data. No more checking links and correcting formulas.

The process was open and flexible... That helped gain user buy-in, produce a better platform, and develop the next generation of PRS experts.

# Asset Management 2.0

## Reliability Centered Maintenance

Maintenance established a process for collecting data points to monitor and report



# Physical security

- Continue to improve security posture
- 319 substation assessments completed FY 2017
- 75 second-round assessments to be completed in 2018
- 18 complete as of Q2



# Maturing IT program

- Improving reliability through lifecycle management
- Federal overlay
  - FISMA
  - FITARA
  - CIP
- Audit load
- Increasing cyber threats
- Supply chain risk management



# 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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