

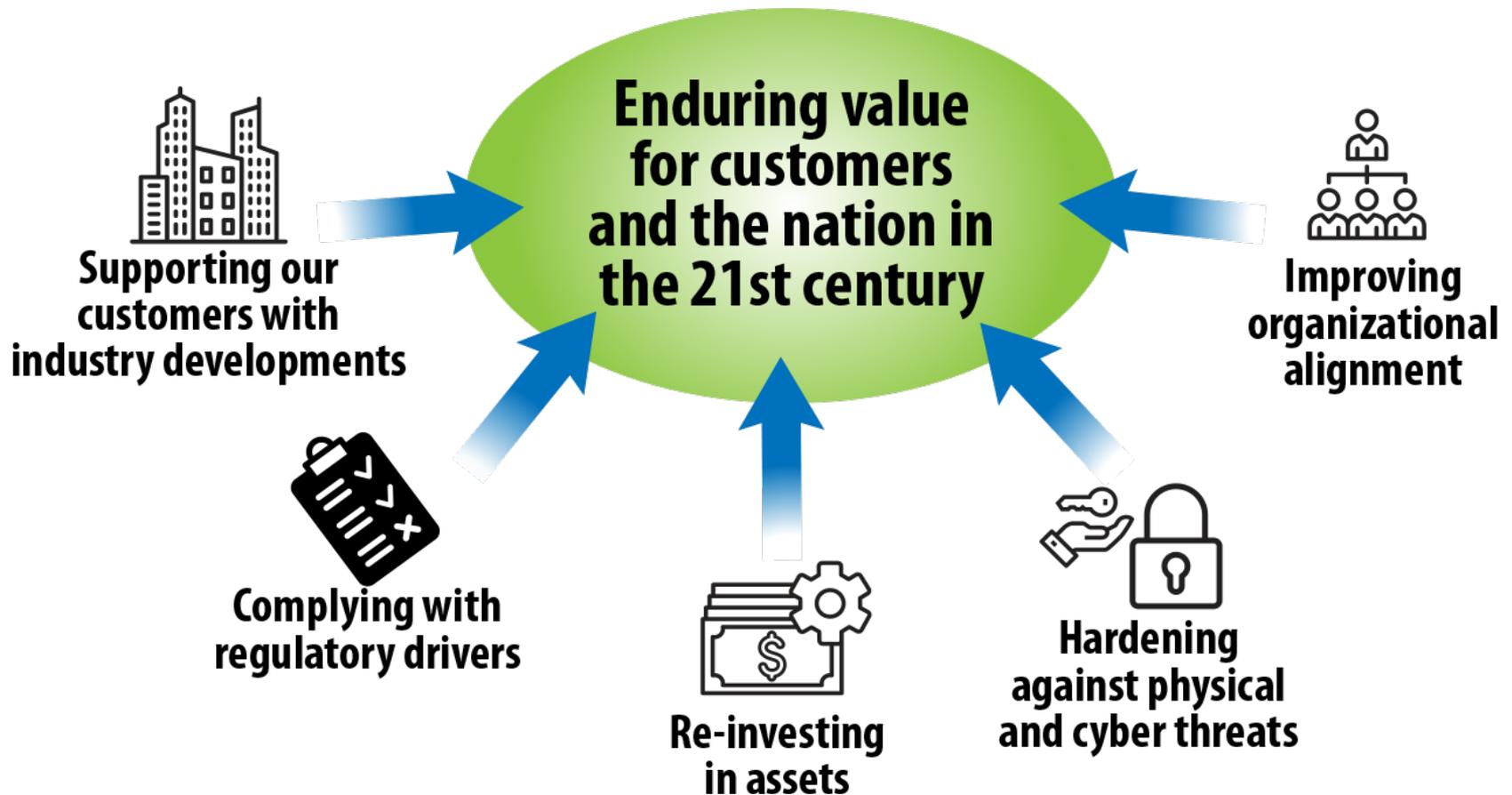
Providing value amid a changing energy industry

Mid-West Electric Consumers Association

June 12, 2018 | Estes Park, CO

Mark A. Gabriel
Administrator and CEO

Value in all we do



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
- Reduced drought adder to 0
- CVP mid-year rate decrease by 13%



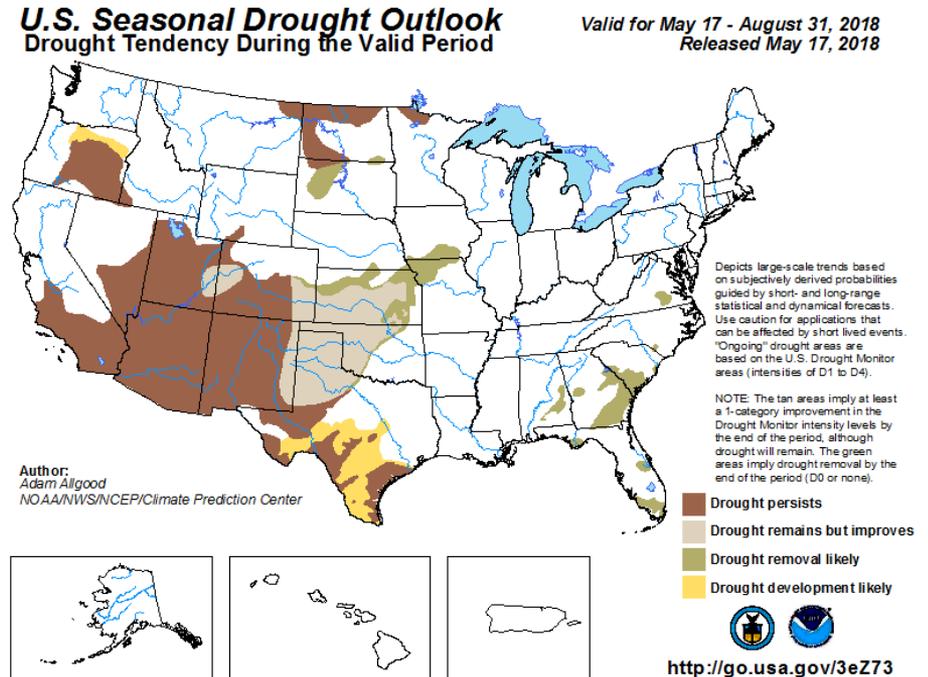
Rates as measure of success

- Over the past **nine** years, rates have remained **flat** for more than **20%** of customers
 - Anticipated rate decrease for Salt Lake City Area/ Integrated Projects as early as next year
- 2000-2001 California Energy Crisis Refund case concluding

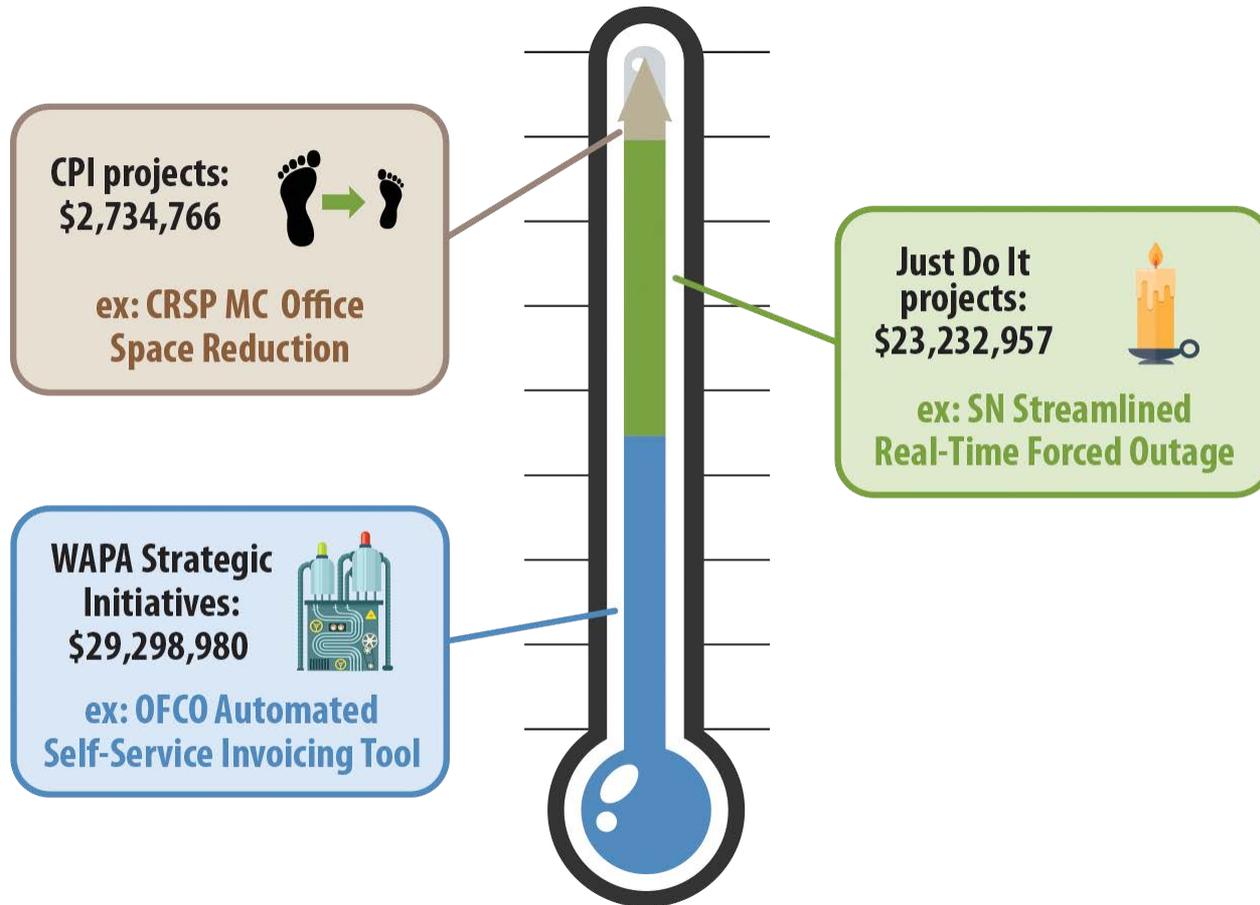


2018/2019 PPW budget status

- 2018 & 2019:
Reduced offsetting
collections
- No short-term impacts
- Unobligated balances
are essential
- Impact of sustained
constraints
- Congressional report
due June 23



Cost containment



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

Washington D.C. update

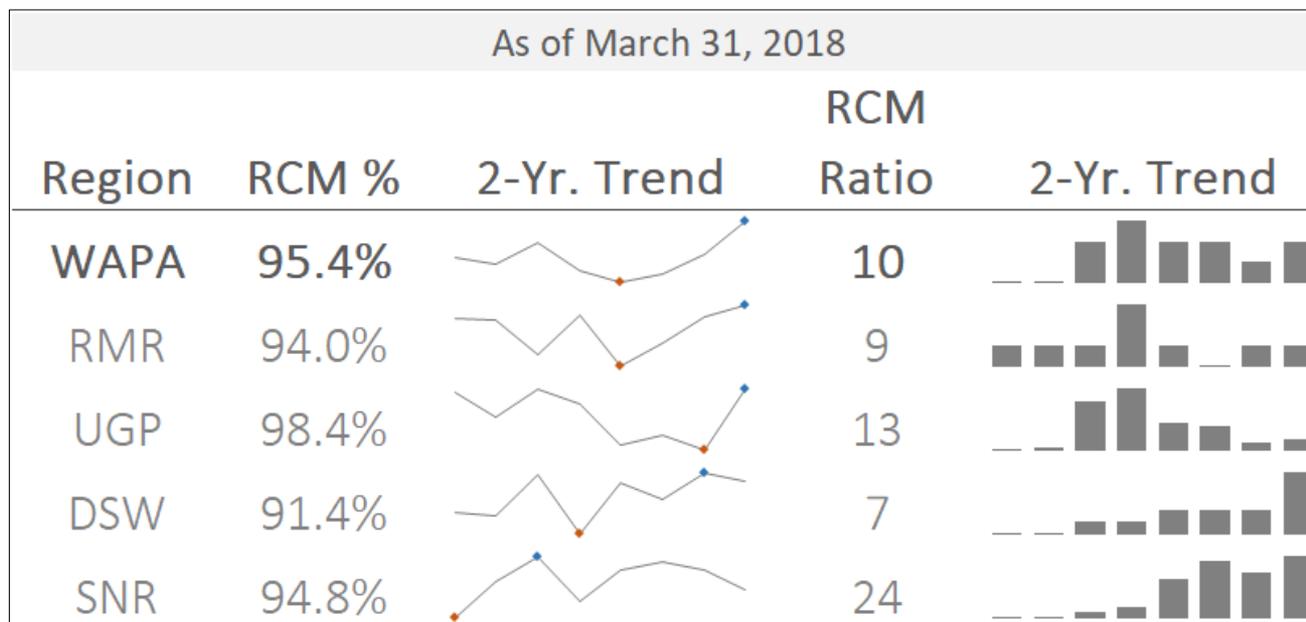
- Change from Deputy Secretary to Assistant Secretary of Electricity
- Inland Waterways Trust Fund
 - Not included in House version of Water Resources Development Act of 2018
 - Impact would depend on when power receipts are collected
 - Also would affect SEPA & SWPA



Asset Management 2.0

Reliability Centered Maintenance

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



Critical equipment resilience

- Assessing four options for transformer sparing strategy
- HILF events only
- Ongoing customer communications
- Expect decision shortly



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



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



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.

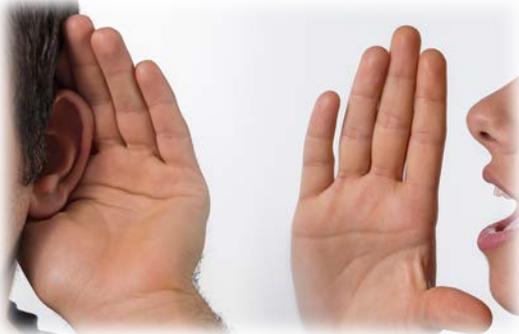
A great balance of versatility, data integrity and usability.

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.

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.**

Developing our workforce

- Inclusion and Diversity
- Organizational Change Management
- Inclusion, Innovation and Technology

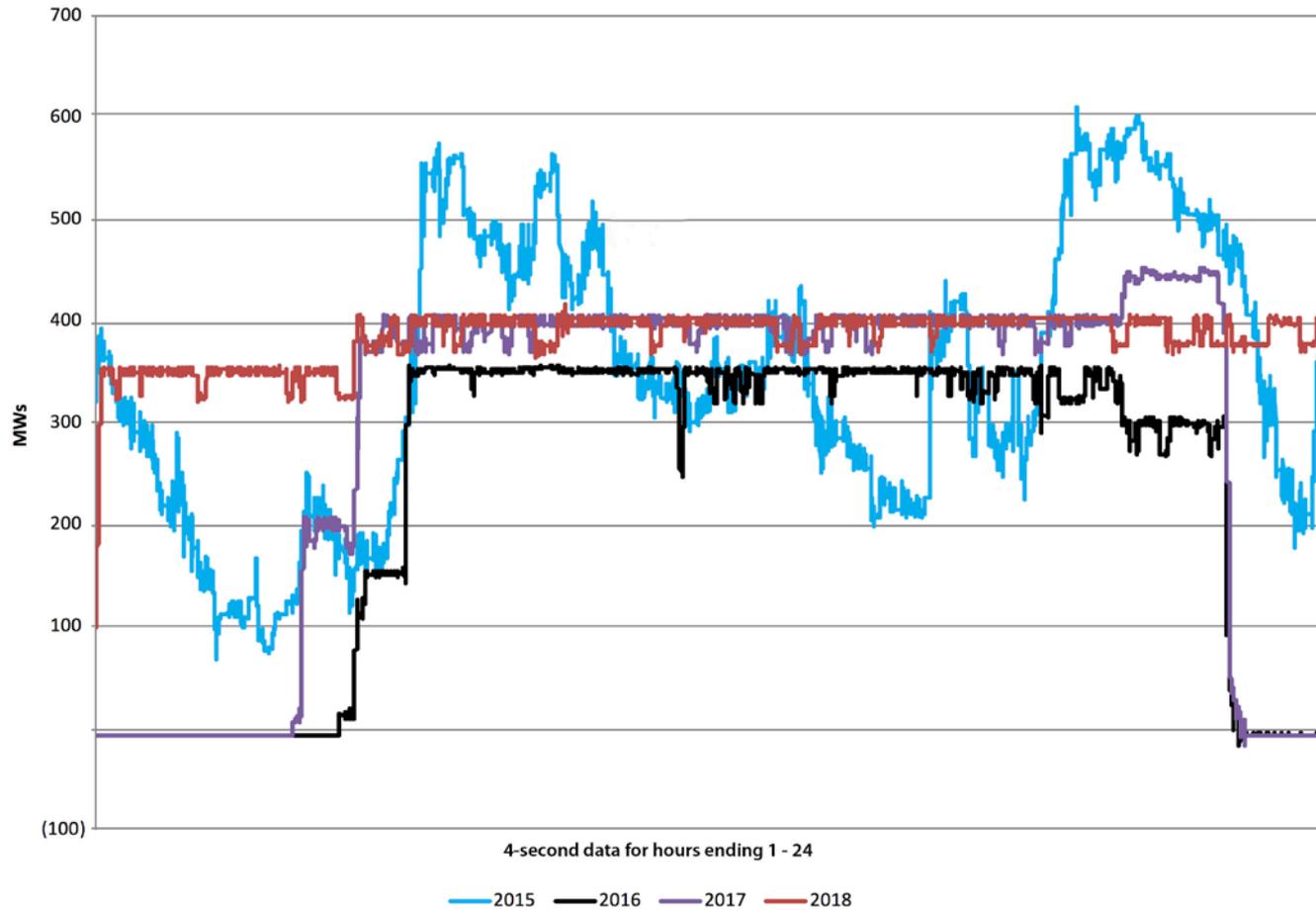


Change is upon us



Oahe generation

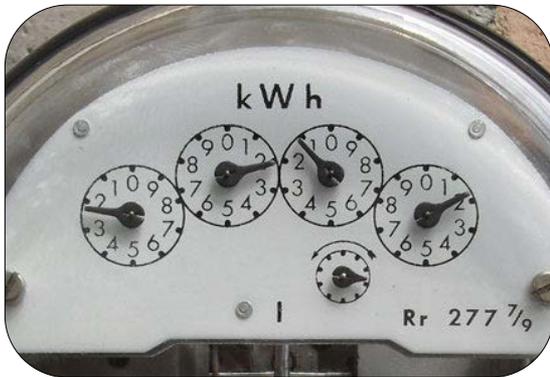
April 9th Comparison for Oahe Generation



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
- Variable hydro production
- More customer-side resources
- Changing markets

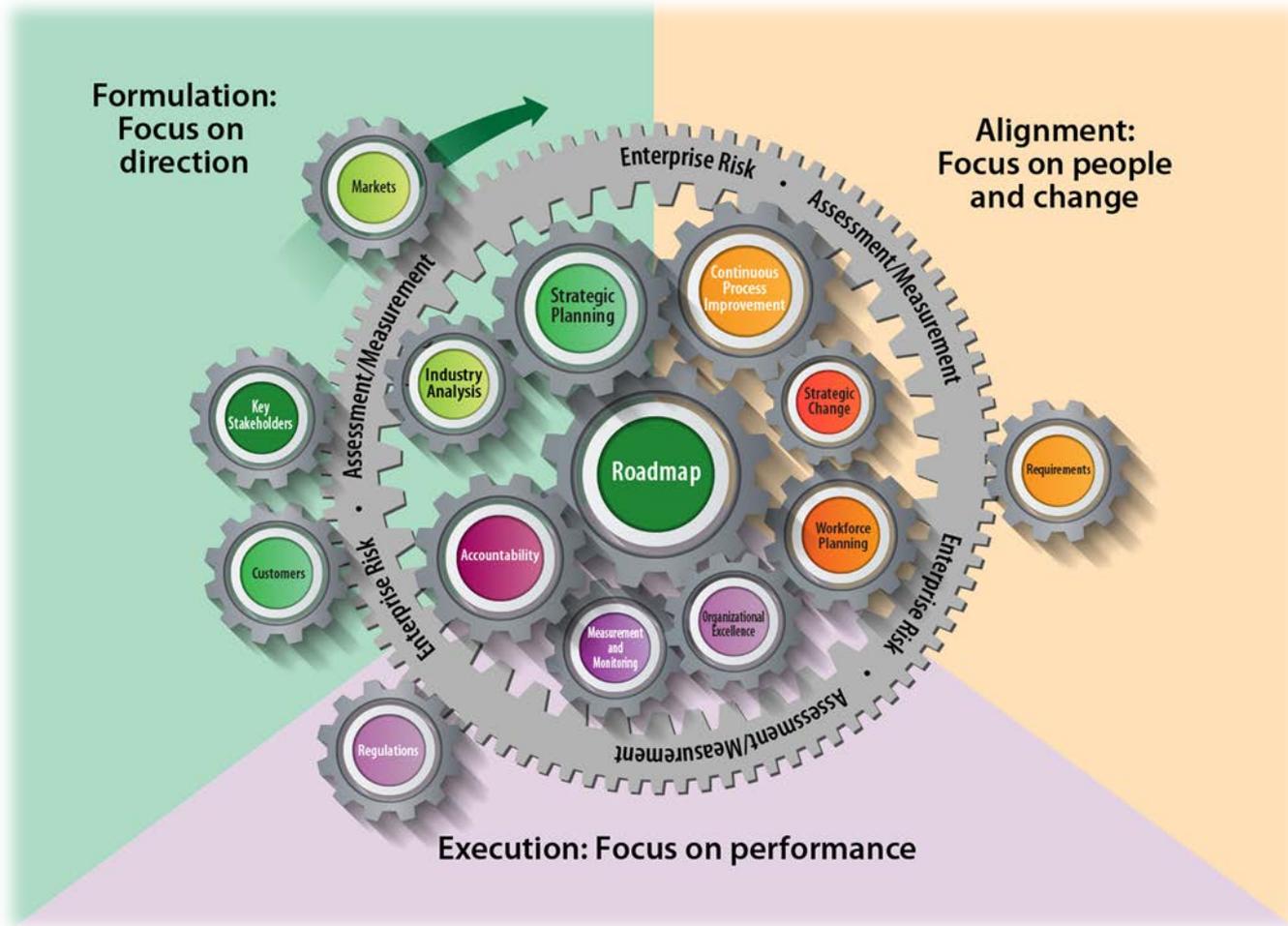


Economic challenge

How can we manage in a
Twitter–centric world?



What are we doing about it?



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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