Good morning. It is an honor to be with you here today, and in person.

The work APPA does to support community-owned power is vital to a great many of our customers, the nearly 300 municipalities that are represented by APPA.

To echo my colleagues, we are busier than ever and for WAPA, this is manifesting in a number of ways:

- We continue to navigate, in conjunction with our customers, an evolving energy industry in the West.
- We are collaboratively seeking opportunities to address significant operational challenges, such as drought and increasingly extreme weather impacts.
- We are energized at the exciting prospect of this generational opportunity to address the needs of the communities and customers we serve, and the West, with grid solutions to meet the needs and the promise of our interconnected futures.
- We are keeping a vigilant eye on the myriad threats, both physical and cyber, in this particularly concerning time.
- And, organizationally, we have and are undertaking new dialogue around our strategic organizational future as well as the ways we can work collaboratively to address our shared operational impacts from drought.

First, though, a little about me.

I am a native South Dakotan—born in Vermillion SD—both of my parents and their families were from around what is now known as the Gettysburg area.

In other words, I have serious familial roots in the areas in which the Army Corps and now WAPA has had historical impact and interests, as well as first-hand experience with APPA member organizations, and how all three, in collaboration, influence and benefit the communities I still regard as a home.

Throughout most of my life, I have lived the better part of my life in the WAPA footprint.

WAPA’s mission, and the path that we walk together with the customers and communities we all operate in, is meaningful to me on multiple levels. That’s something I thought helpful to share with you all—I get the impact WAPA has and public power has on the communities we serve.

Professionally, most of my career has been focused on the energy industry, more than 20 years of it, in fact.

- I worked in the private sector through 2011, where I was a principal at Dentons law firm, and the co-chair of its renewable energy practice.
- I received my first experience in federal service as an appointee in the Obama Administration, standing up the Department of Energy's Office of Indian Energy Policy and Programs, an applied energy program office, and serving as its first director.
- Joined WAPA in 2014 as senior executive leading our Transmission Infrastructure Program, our $3.25 billion infrastructure financing program.
- Led a major reorganization in 2018 and served as WAPA’s Chief Administrative Officer.
And throughout the pandemic, I led as our Desert Southwest region’s Regional Manager until stepping in as Administrator last March.

This event is nearly a one-year anniversary for me, which is hard to believe.

In this time, WAPA employees have continued to rack up accomplishment after accomplishment in service to our mission, our customers and the nation.

- My admiration for the employees at WAPA grows every day as they tackle and triumph over any obstacle thrown in their path.
- They are steadfast, innovative and wholly committed to doing what is best for our mission and customers, using our core values to guide their activities and prioritize limited resources.

If you wish to read more about our recent accomplishments, I encourage you to read the latest Annual Report and State of WAPA’s Assets both located on our public website.

Here is what I see for WAPA this coming year. Despite some existential challenges, I see this year as exciting and hopeful year.

Our organizational theme for 2022, “Reflect, Recharge and Resolve,” illustrates our commitment to honor our legacy—including our 45th anniversary in December, renew our strategy and our connections, and move forward resolutely in a time of change.

Like many utility businesses right now – although we are focused on our business fundamentals, we are also having to shift and develop strategies that work best for our workforce in a dynamic and changing workplace of the future.

- We are defining and cultivating WAPA’s organizational and business strategy in what feels like, at times, an exciting and a chaotic industry.

We will continue to focus on the initiatives and activities carried over for several years, including:

- Analyzing the costs and benefits, the challenges and the opportunities relative to the numerous market proposals and evolving market discussions throughout the West.
- DSW joining the CAISO Energy Imbalance Market in April 2023.
- Exploring the Western Resource Adequacy Program being developed, known as the Western Power Pool (formerly the Northwest Power Pool).
- We also continue to mature our critical enterprise programs such as asset management, safety, and our physical and cyber security so as to effectively and efficiently maintain and harden the grid against threats, be they natural or intentional.
- Finally, we remain committed to collaboration and transparency.
  - More than a decade of system and financial information is publicly accessible, fulfilling our shared desire for this kind of information to be used, useful and an opportunity to facilitate productive collaboration on matters important to all of us.

This year will also herald new initiatives and activities as we address the changing world before us and ensure continued success into the future.
First, we are developing a new strategic plan that will take us from now through 2030.

- Strategic Roadmap 2024 has provided a clear vision and guide for us since 2014, but many of the factors and assumptions that went into that plan have been surpassed by reality.
- It is an ideal time to evaluate these changes and define a new vision for WAPA moving forward.
- This development began last year with employee and customer surveys and small group discussions with customers at our annual customer meeting.
- Last week, WAPA’s senior leaders met to begin our own dialogue about what our future could look like.
  - There was easy consensus that our approach will build upon achievements, address emerging issues, and engage a new generation of customers, partners, peers, and employees.
  - Upon the heels of refreshed mission and vision statements, with input by customers and employees, this is the perfect time to honor where we’ve been and chart a path ahead.
  - This process will continue throughout 2022.

Second is improving our organizational resilience and establishing a modern, flexible workplace as we return to our facilities post-pandemic:

- We have started a process to return to the workplace, starting first with our leadership this week.
- We are committed to developing the workforce of the future, growing our future leaders and ensuring the crucial core values and tenets of this organization remain intact during a time of transition and change.
- We will continue to advance our safety-focused organizational culture, embracing inclusion, diversity, human performance improvement and just culture.
  - These are synergistic concepts if we do it right.
  - Like you, many of our employees work in one of the most dangerous professions in the world. It is our obligation at WAPA to protect them and provide a safe space physically and psychologically.

Finally, to address probably the largest emerging issue in our territory at this moment, is the enduring drought in the West.

- It poses significant existential questions for a hydropower and transmission organization.

Delivering renewable, reliable and affordable hydropower to rural America is our core mission, and we face threats by not only by systemic drought but also market volatility and other adverse weather conditions, like polar vortexes, extreme heat events, wildfires and increasingly severe storms.

- The ongoing drought is causing pressure on our power rates, which could disproportionally affect the small and rural communities we serve.
- Drought may also impact reliable balancing authority operations as hydropower is a critical contributor to grid stability.

Our projects are impacted differently based on their location.

- The Colorado River has experienced more than 20 years of drought. The Central Valley Project has had a few consecutive years of poor hydrology.
• On the other side, the Missouri River has had a single poor year but see conditions likely getting worse.
• Much will depend on the outcome of this winter’s precipitation and snowpack. And although we have plenty of winter left in the Colorado River Basin, things are not looking good this year anywhere in our territory.

We are working with generating agencies, our customers and other state and local officials to preserve hydropower’s value, mitigate rising costs and continue generating power during prolonged drought conditions.

We are also working internally to maximize our existing authorities and flexibilities in rates and contracts to alleviate the impact of drought and other adverse conditions on customers.
• We are focused on regional solutions that best meet the specific needs and authorities assigned to each project while also collaborating WAPA-wide on what is being done to ensure proper situational awareness and sharing of new ideas and best practices.

This is not the first time we have encountered severe drought. We experienced it in the Missouri River Basin and Colorado River Basin in the late 1990s and early 2000s.
• What’s different this time is we are not seeing consecutive years of average or above average snowpack just in time to bail out everyone who relies on these watersheds.

We have some difficult questions and challenges ahead of us unless we see dramatic changes in the weather soon.

I remain confident, thanks to the incredible employees at WAPA and the strong partnerships we have with customers, that we will all navigate this new challenge and we hope to engage this year in a dialogue to find innovative and cost-effective ways to deliver on our important mission.

Above all, as we head into a new chapter of WAPA’s story, we commit to continued partnerships and collaboration with our customers, the generating agencies, the Department of Energy, and of course, our own employees – from the managers to the crews to our critical support staff.
• We remain steadfast in delivering on our mission.
• That is the legacy upon which we were built and our key to our continued success.

Thank you for your time and the opportunity to join you all today.