

Striving for balance

Arizona Tribal Energy Association annual meeting
February 18, 2021 | Virtual meeting

Mark A. Gabriel
Administrator and CEO

Morgan Stanley takeaways

- The industry is changing forever and not just because of COVID.
- Environmental/Social/Governance (ESG) is more than a trend; it is how the world now views our space.
- Greening of society will continue at a faster pace than ever before.
- No discussion of transmission or smart grid.
- Big Oil is becoming Big Energy.

2021 theme: Balance

- Need to balance:
 - Employee & WAPA needs
 - Customer needs with each other & needs of the system
 - Reliability & resilience
 - Competing priorities & finite resources
- The energy industry is unbalanced.



Renewed mission and vision

Updated mission

- Safely provide reliable, cost-based hydropower and transmission to our customers and the communities we serve

New vision

- Empowering communities, securing a resilient energy future

Strategic Roadmap refresh



Markets update

- UGP, CRSP & RM transitioned to WEIS Feb. 1
- DSW study results expected this spring.
- SN EIM go-live accelerated to March 25.
- Evaluating SPP RTO expansion into the West.
- Slowing CRSP/DSW combined transmission rate.
- Reviewing 2nd version of CAISO EIM governance.



Tribal relations

- Disruption of pandemic
- 5 tribes under Parker-Davis remarketing; consultations & meetings underway
- Solar on tribal land
- Formal Tribal Consultation training at DSW this summer

Other priorities

- Resilience
- Workload Management
- Responsible Workplace Re-entry
- Data as a Strategy
- Standardized Budgeting and Reporting Initiative
- Hydropower MOU



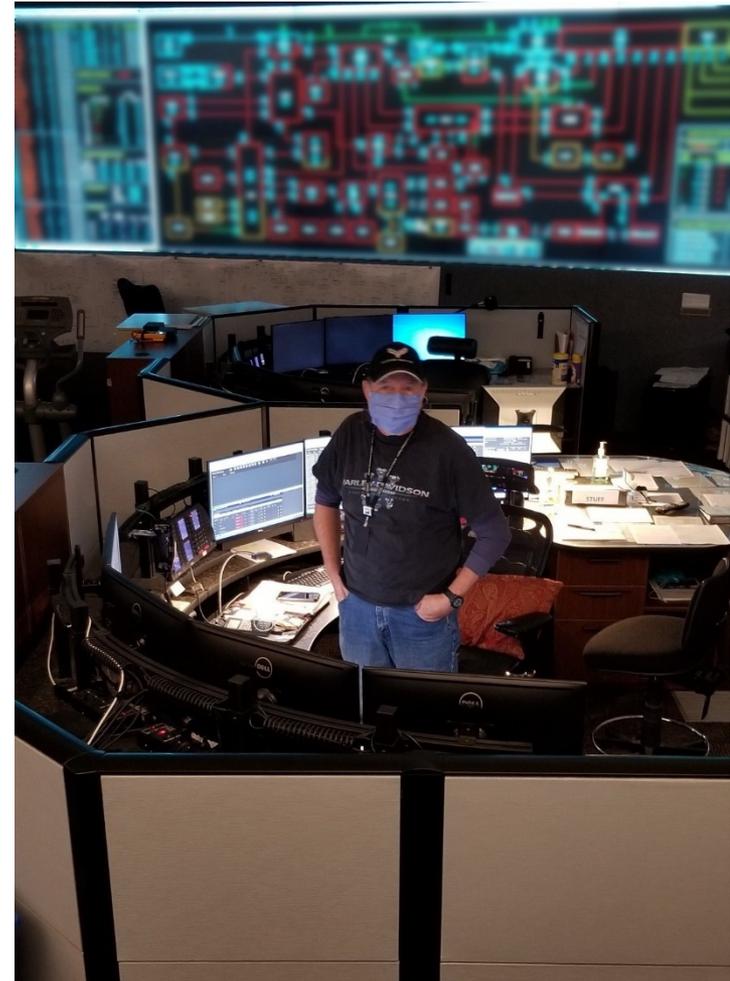
2018 Carr Fire "firenado" damage



2020 permanent structure install at Carr Fire site

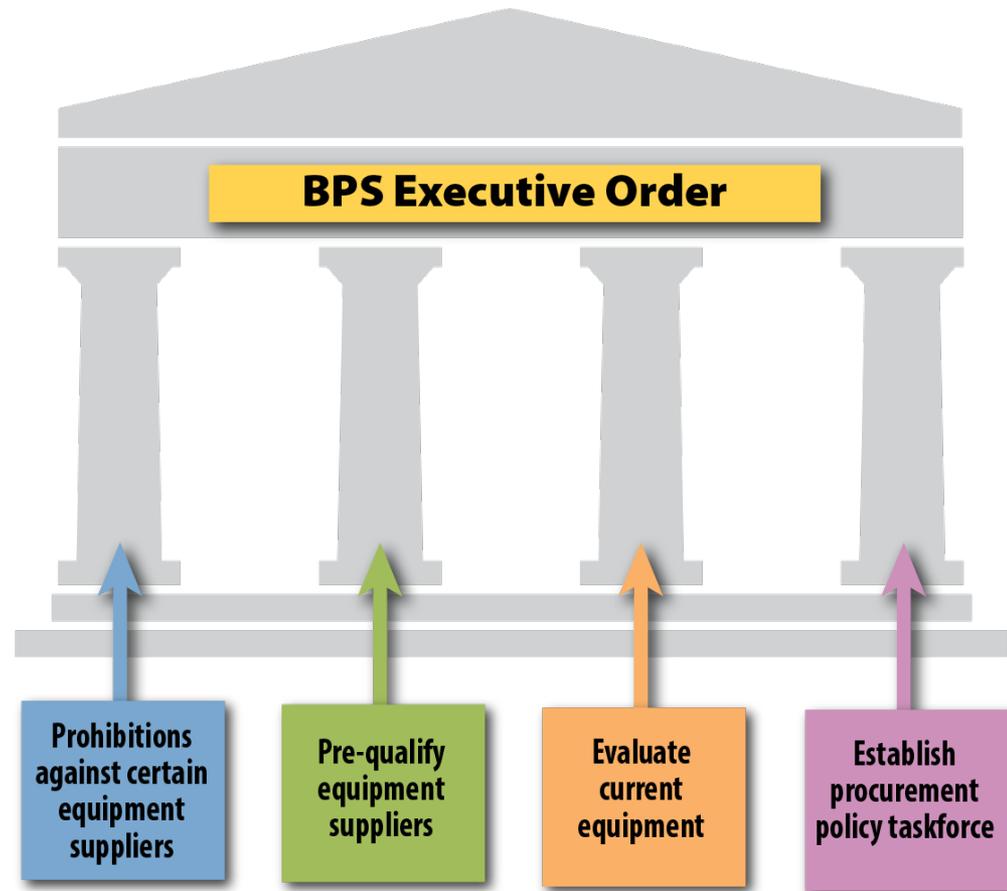
Coronavirus response

- Stabilizing conditions, but still severe outbreak
- New variant
- Mask mandate on federal property
- Vaccine discussions



Changes from D.C.

- Meeting regularly with new teams
- Keystone XL permit rescinded
- Pause on BPS EO
- No movement for PMAs (yet)



Personnel updates

- Posted UGP and RM Senior VP and Regional Manager positions
 - Acting Senior VP and RM Regional Manager Jack Murray
 - Acting Senior VP and UGP Regional Manager Nate Martin
- New SSC Director Cheryl Zimmerman

Key takeaways

Our focus remains on stability and balance amid change.
Proactive engagement protects WAPA's and customer's value.
We are preparing for the next generation energy industry.



Contact/follow me

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Kayenta II groundbreaking