

Investing in a connected future

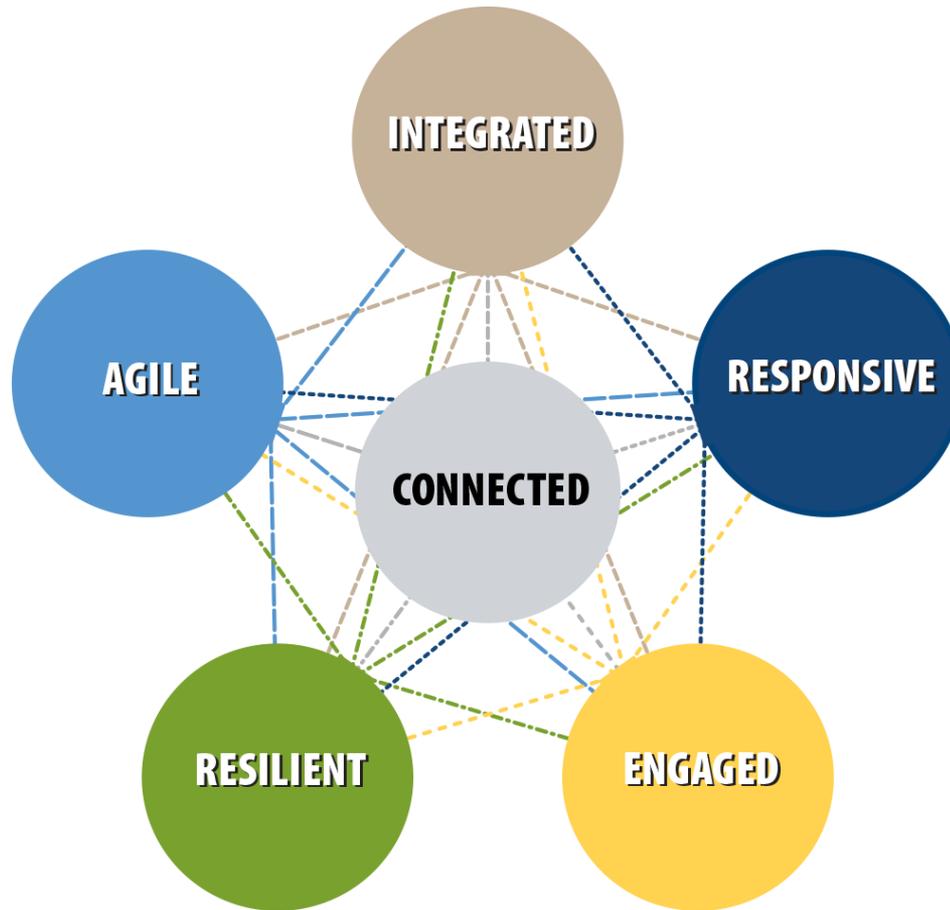
Central Valley Project Annual Customer Meeting

June 4, 2019 | Folsom, CA

Dennis Sullivan

Senior VP and Chief Financial Officer

A connected WAPA



Mission breakout

RELIABILITY

651
people

and

28
percent

of dollars invested
in maintenance
and related areas



DELIVERY

334
people

and

22
percent

of dollars dedicated
to power operations
and engineering areas



MARKETING

including purchase power
and wheeling

158
people

and

42
percent

of dollars committed
to power marketing areas



COST-BASED

and related services

298
people

and

8
percent

of dollars applied to
support the mission



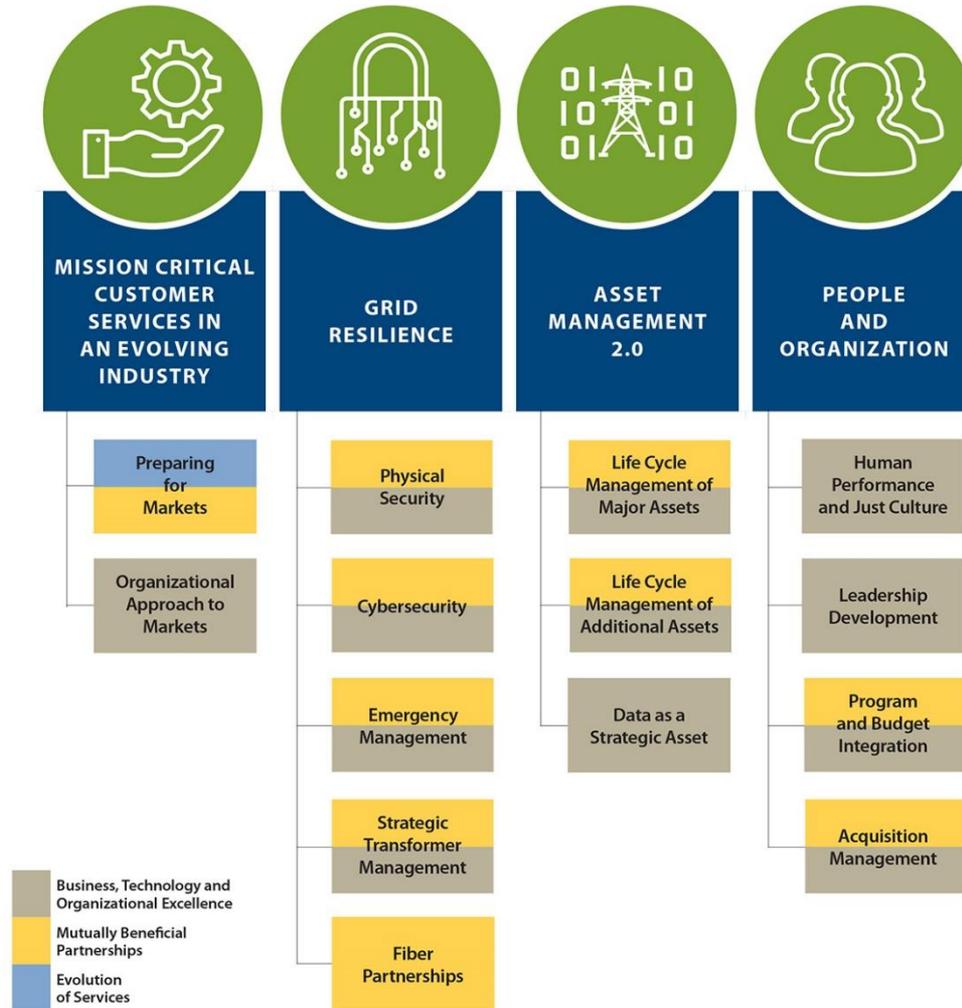
Shared Integrated Grid



Connected world



2019 Tactical Action Plan



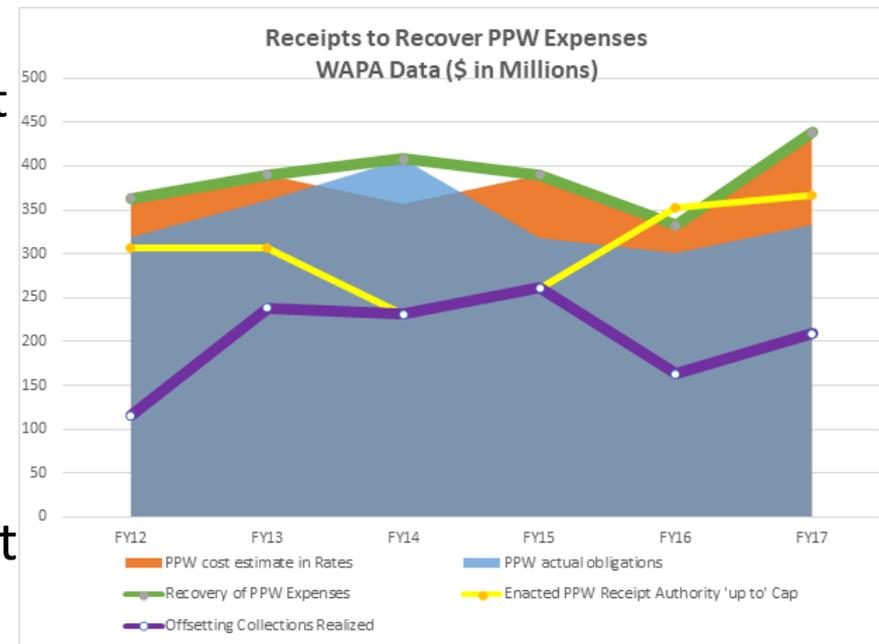
FY19 financial execution

- **Purchase Power & Wheeling:** Forecasting +\$39M reserves
- **Annual O&M:** Forecasting \$1.4M over work plan
- **Appropriations:** Forecasting \$1.6M under work plan
- **Total Capital:** Forecasting \$27.9M under work plan
- **Return to Treasury:** Forecasting \$226M

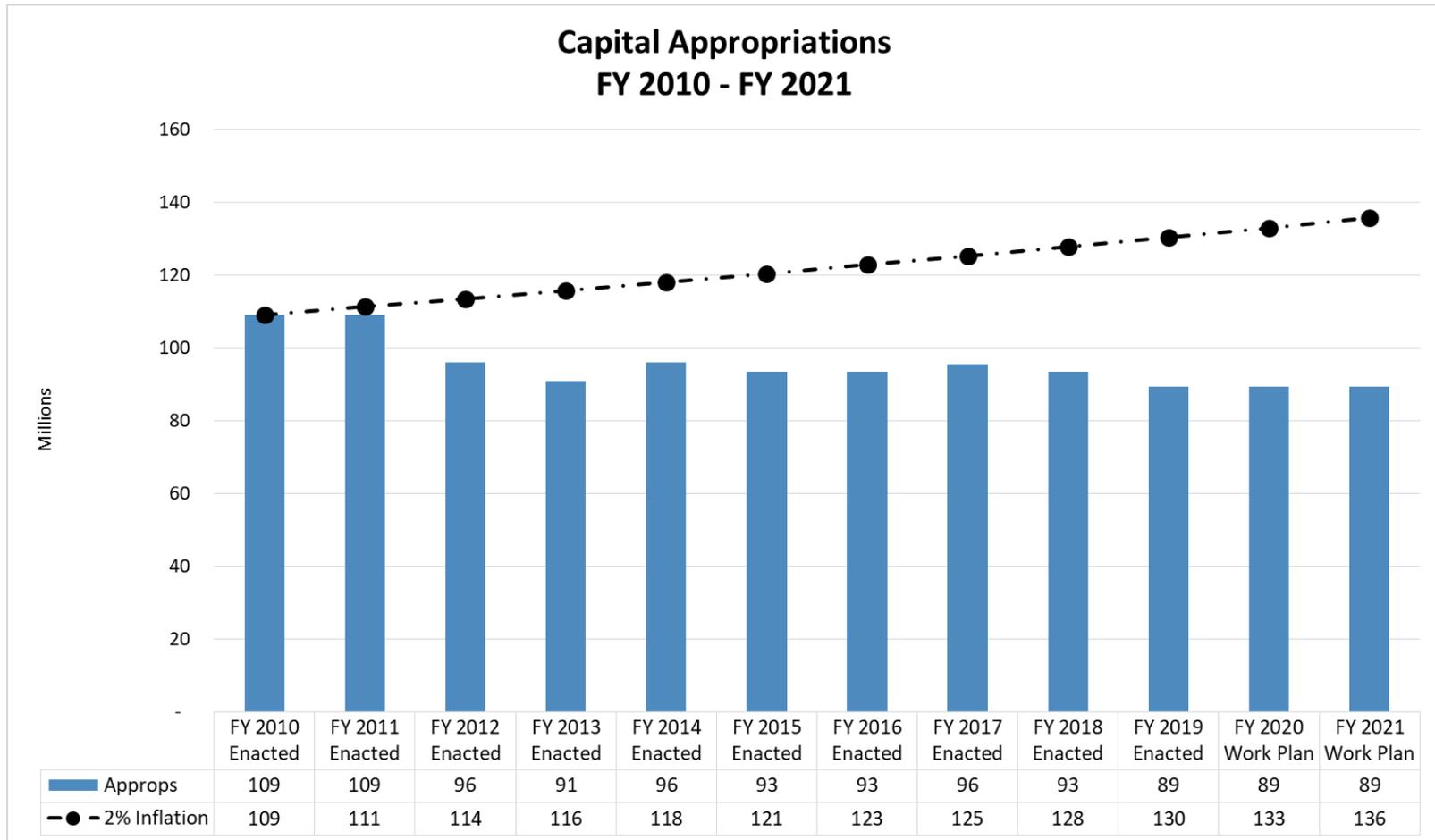


Purchase Power & Wheeling

- FY18 Congressional report status
- The greater of:
 - Actual PPW obligations in current year, or ...
 - PPW estimate in PRS
- Reserve strategy progress
 - FY18 reserve: \$291m
 - FY19 projection : +\$39M
 - FY20 budget markup: -\$90M
- FY20 Congressional report request
 - Options for new PPW account structure

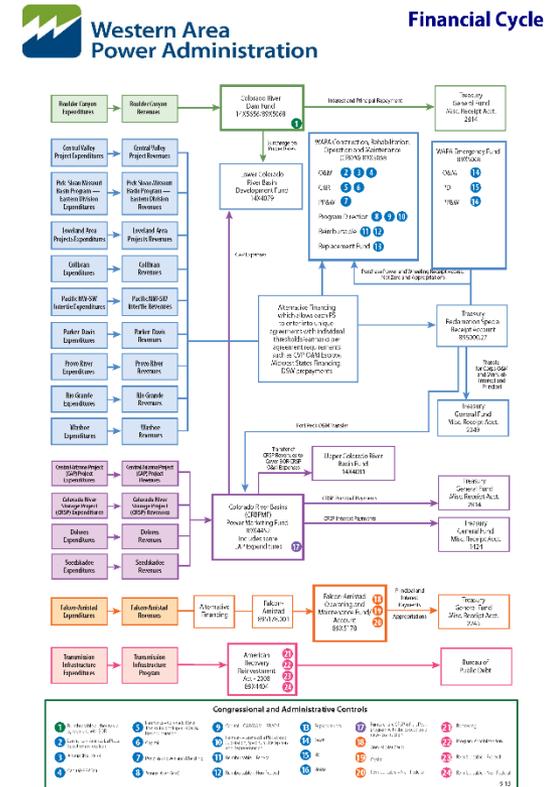


Capital Appropriations status



Symptoms of a broader problem

- “Cobbled together” legislative authorities
 - Not well understood
 - Reinterpretation risk
- 100% reliant on cash
 - All receipts not discretionary
 - Alternative financing approach
- No borrowing mechanism
- Sub-optimal decisions
- Complexity implications



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Shasta Dam