

Adjusting, responding, serving

Colorado River Storage Project Management Center
Annual Customer Meeting
June 30, 2020 | Virtual meeting

Mark A. Gabriel
Administrator and CEO

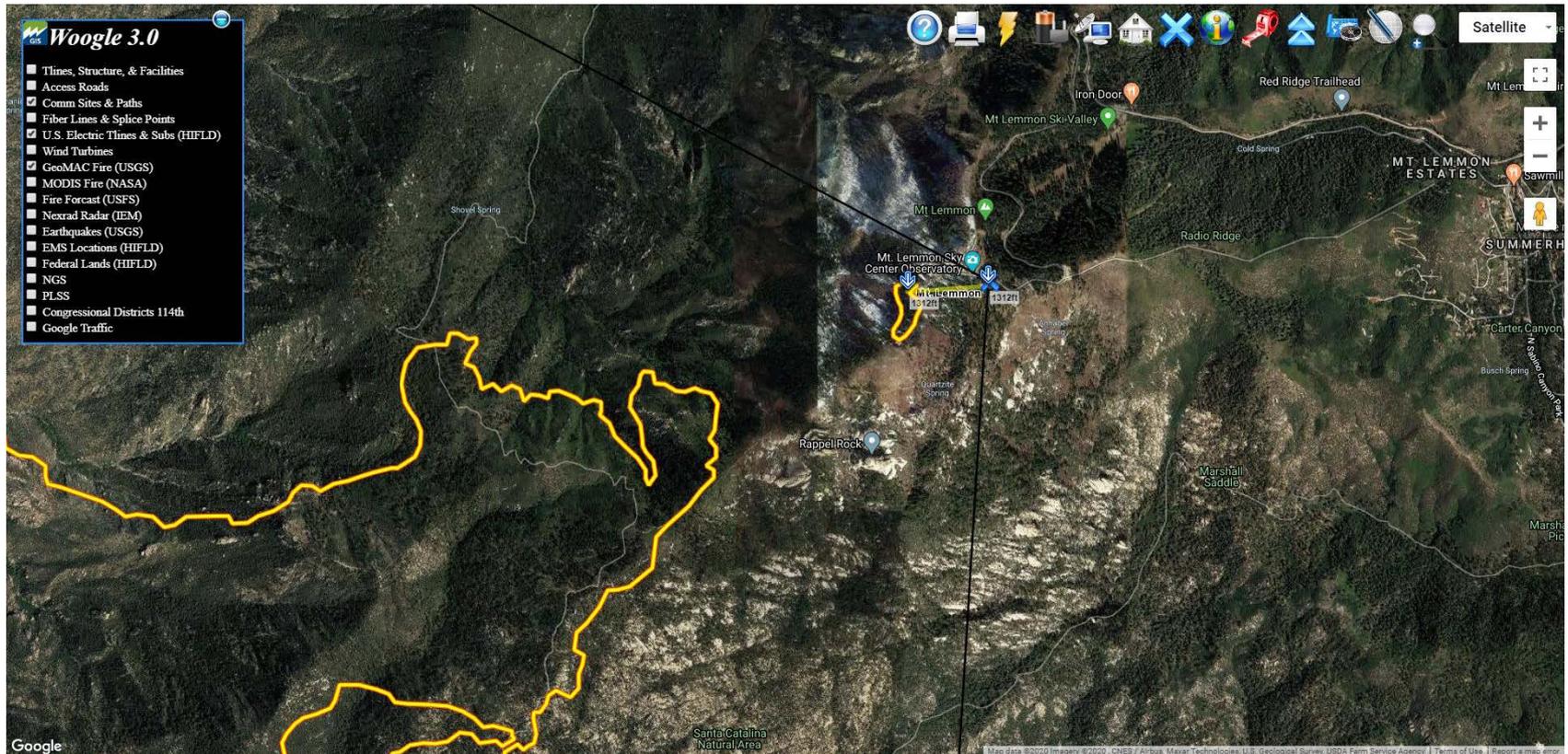
Engaging in a world of change



2020 accomplishments

Common SCADA platform
State fact sheets and stat appendix
Top safety performance
Workplace violence prevention training
Progress on workload planning
Transmission vision moving ahead
Integrated Communications Group
WEIS/EIM on track
Began consolidated CRSP and DSW t-line rates initiative
Planning for Craig plant retirement
Four new Asset Management categories
New Leadership Development Program
Exploring battery storage with BOR
Fiber report finished
T-line and substation projects on track
Received a clean audit
Joined NWPP Reserve Sharing Agreement
Leading DSW markets study

Mt. Lemmon fire



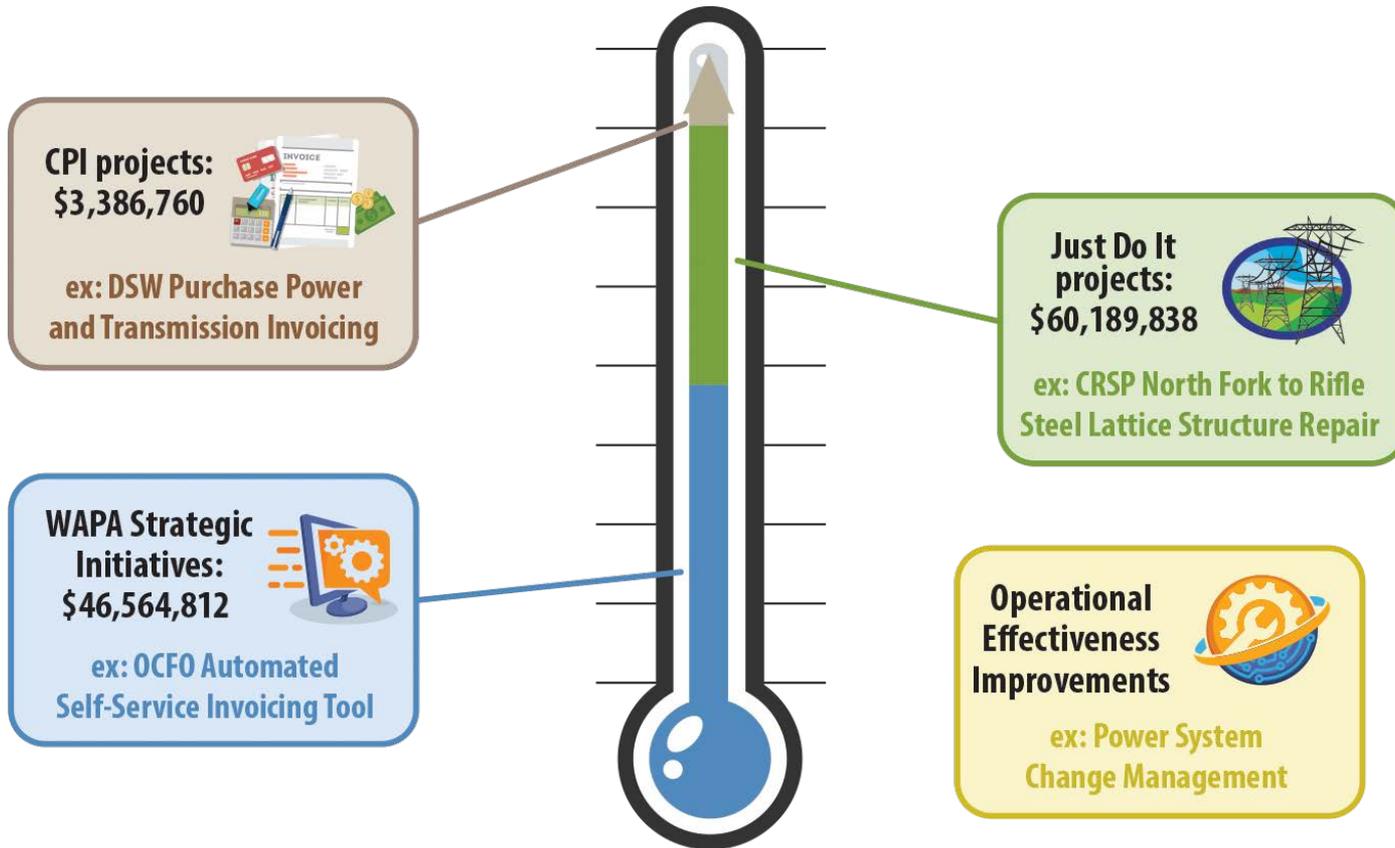
Common SCADA system

- Does not equal one SCADA across WAPA
- OSI vendor selected
- Expected benefits
 - Improve operational flexibility
 - Increase reliability
 - Avoid future support and administrative costs due to cross training and supporting multiple contracts

Project timeline

FY 2019	FY 2020	FY 2020-2021	FY 2021-2022	FY 2023-2024
Evaluation of products	Selection and procurement of product	Sierra Nevada implementation	Upper Great Plains implementation	Desert Southwest and Rocky Mountain implementation

Continuous Process Improvement

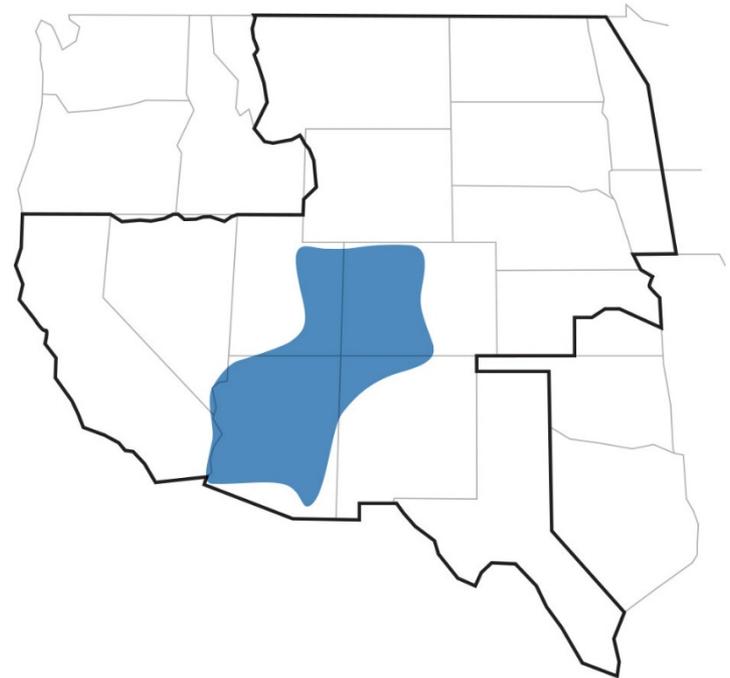


WAPA cost savings and avoidance: \$110,141,410 as of March 31, 2020

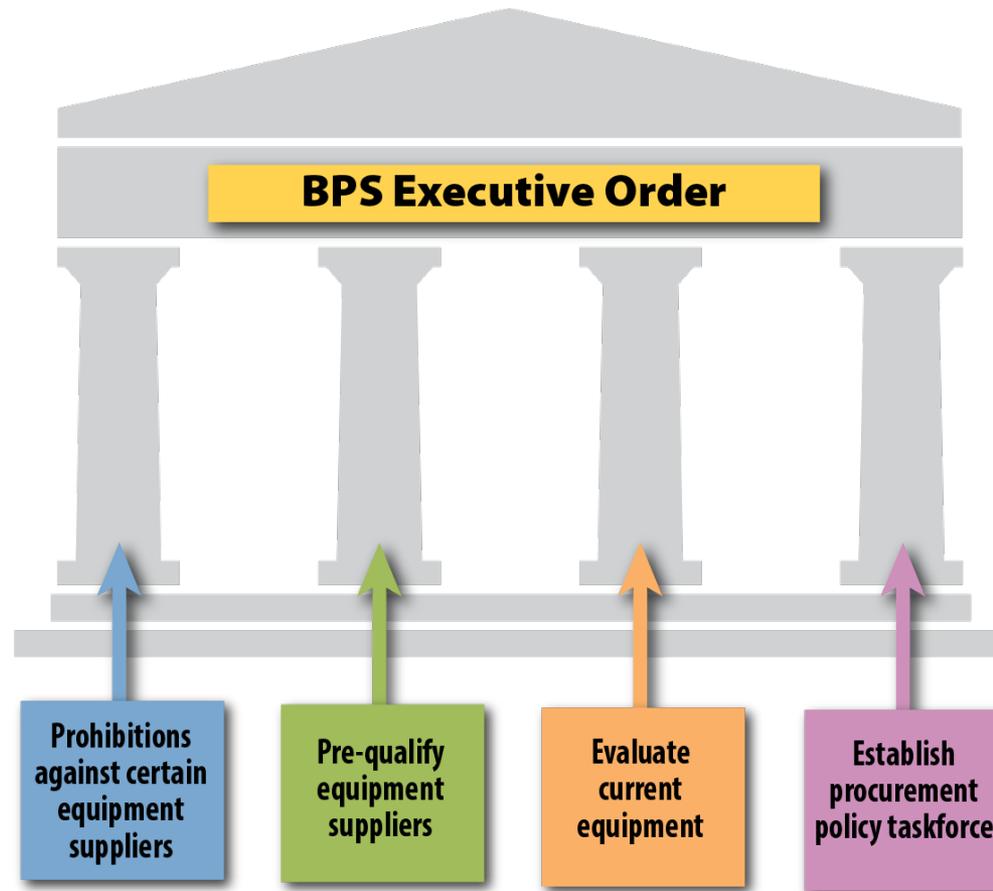
Combined transmission service rate

- Includes CRSP & DSW transmission projects
- Beginning of collaborative process with customers
- Part of continuous improvement and increasing efficiency

Combined Transmission Rate Footprint

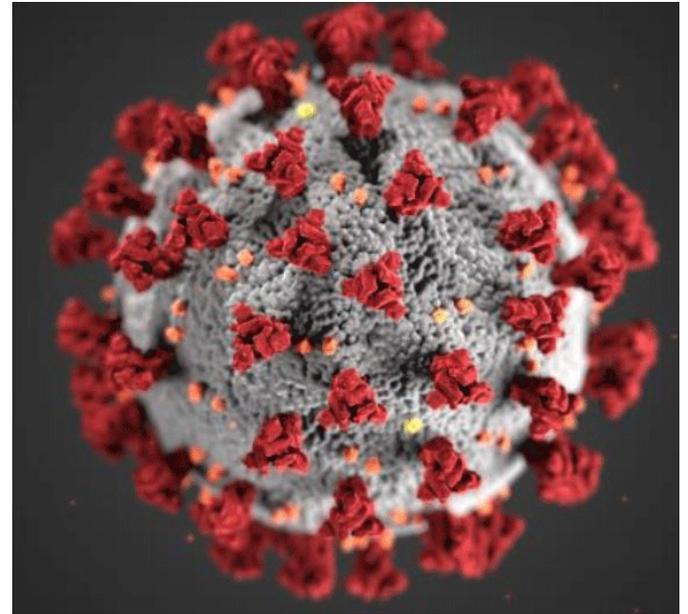


BPS Executive Order



Coronavirus response

- Objective: Ensure continued mission success and protect employees
- Maximized telework
- Social distancing plans in place for Ops & Maintenance
- Collaborating with federal, state & local entities
- No visitors to WAPA facilities
- Starting Responsible Workplace Re-entry
 - Mission-critical travel & training only
 - Potential sequestration of operators in Phoenix



DSW COVID-19 cases

- As of June 26, 2020
 - 2 positive cases
 - 2 active quarantine cases
 - 8 completed quarantine



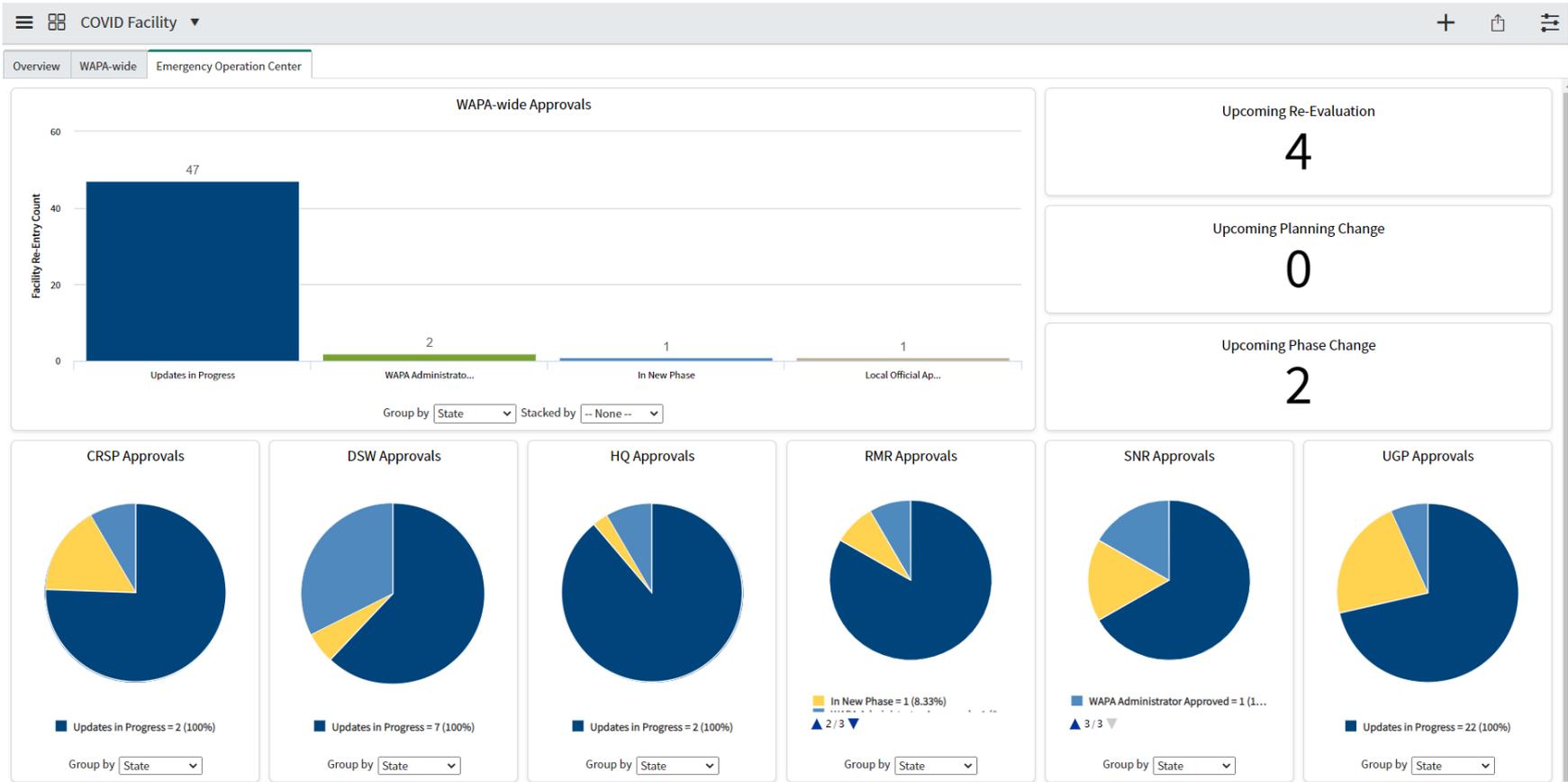
got mask?

face it:

Masks are a must when less than six feet apart. This is a WAPA requirement during the pandemic.



Facility testing dashboard



New cyber challenges

- Increased phishing and spam attempts
- Availability, speed and security of employees' internet
- VPN reliability (10x increase in use)
- Doubled help desk tickets
- Third-party video conferencing software (e.g., Zoom)

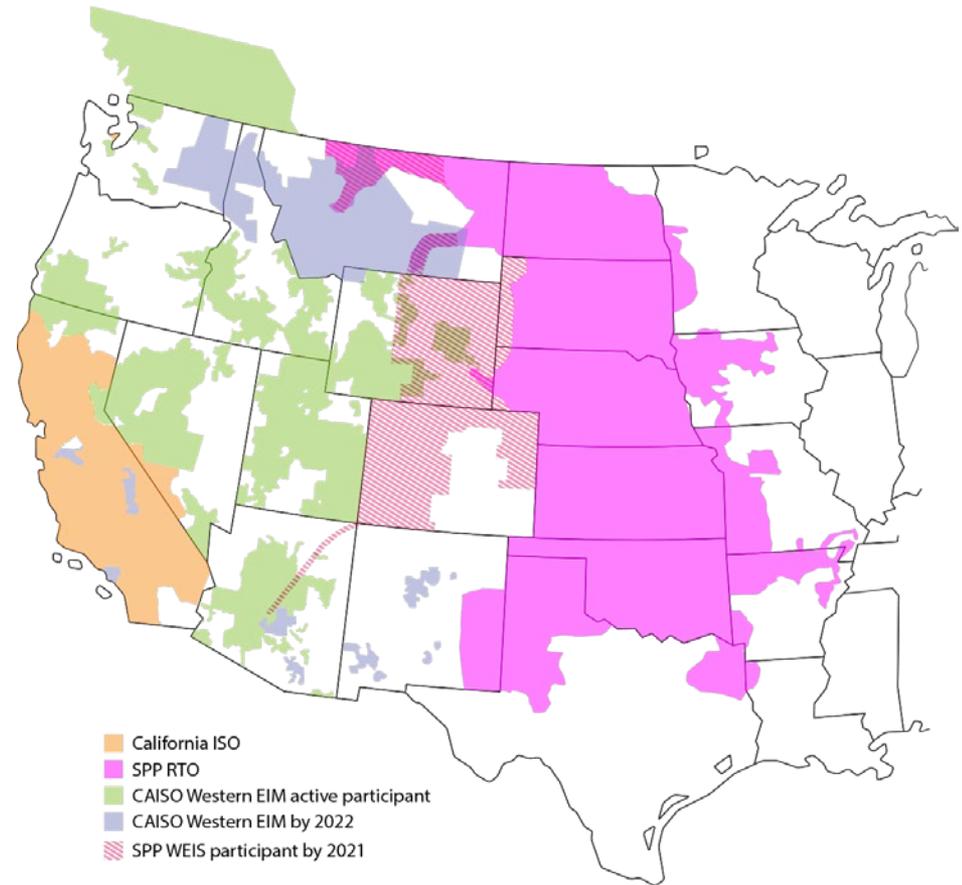


Employee well-being survey

- 792 respondents
- ~83% able to fulfill work responsibilities
- Return to work
 - 46% not ready
 - 26.7% uncertain
 - 27% ready
- Major concerns on return to work
 - Exposure to virus/other people's actions
 - Wearing masks for extended periods of time

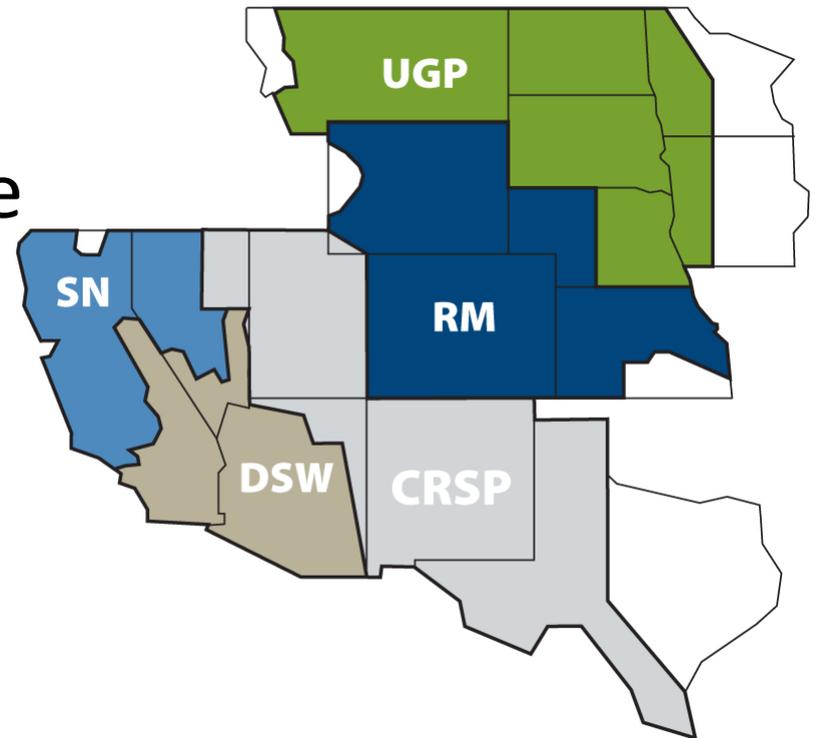
Why are we joining EIS/EIM

- Change in generation mix
- Shortage of electric capacity
- Reduced bilateral trading partners
- Price volatility
- Increasingly dynamic system



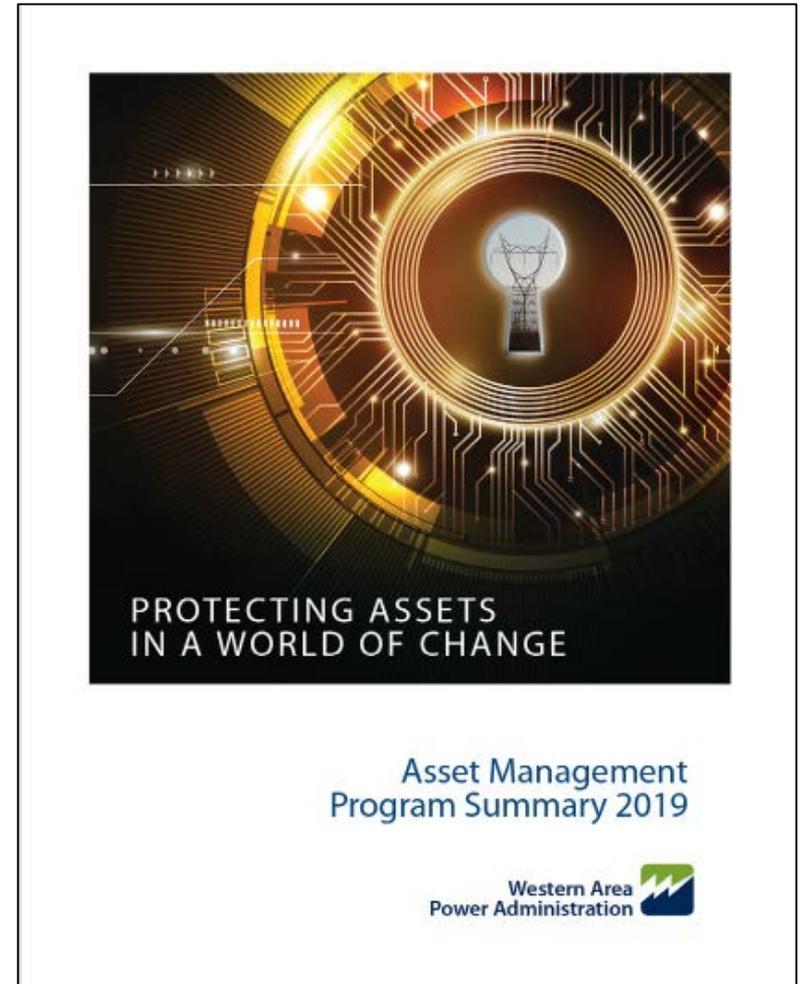
WAPA's position on markets

- No “one-size-fits-all” solution
- Stay strategic, proactive and aligned with our mission
- Create best possible outcome for our customers and WAPA



AM Almanac

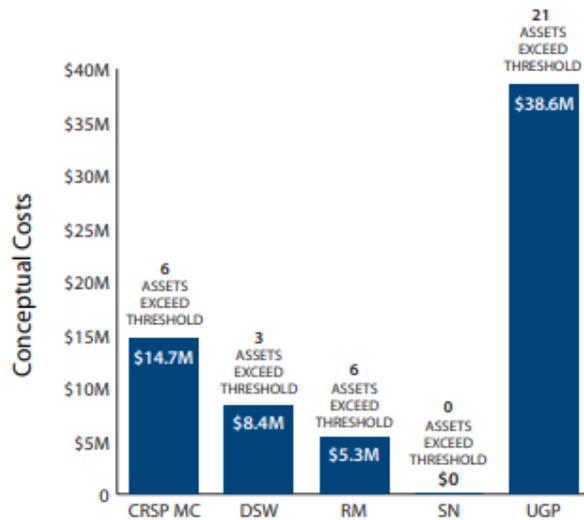
- Protecting Assets in World of Change
- Support informed and strategic decision making
- Provides info on WAPA's assets, performance data and trends



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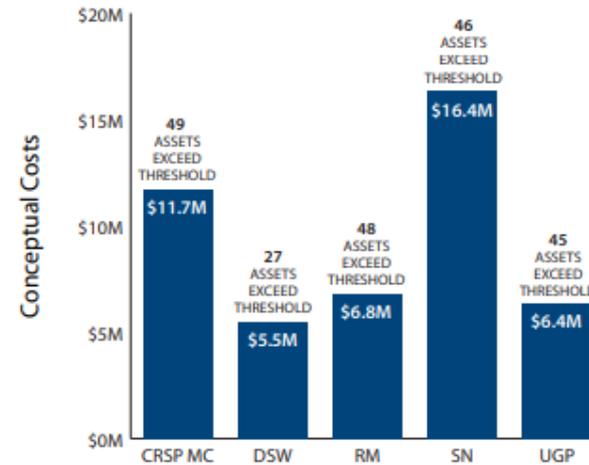
WARE RESULTS: POSSIBLE FUTURE INVESTMENT NEEDS

Possible Transformer Investment:
10-Year Outlook: 2019 – 2028



Commentary: The WARE tool projects asset replacement using current health and risk data for the current year, but only uses age data to extrapolate to future years. Mitigation options for assets that fall outside thresholds may include asset investment, replacement, additional maintenance or accepting the risk.

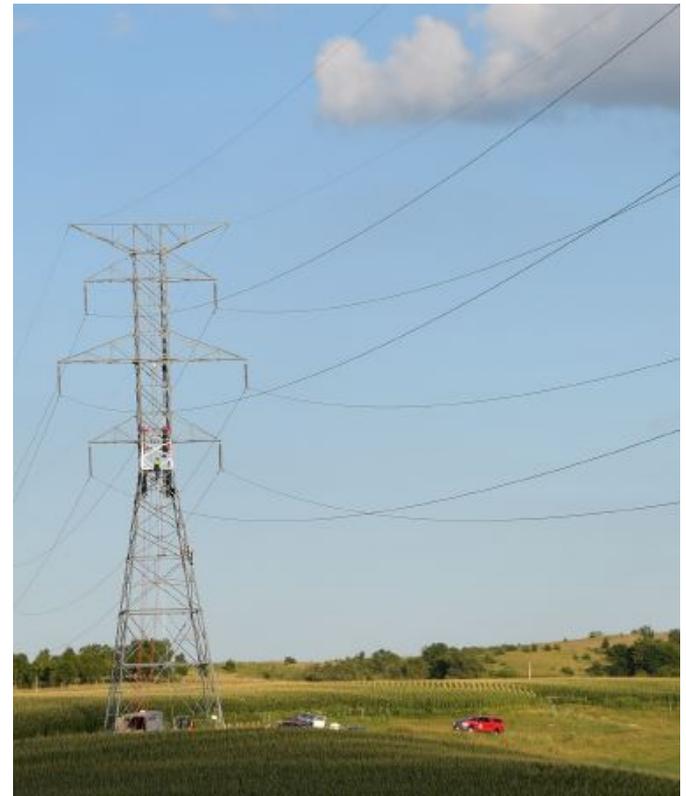
Possible Circuit Breaker Investment:
10-Year Outlook: 2019 – 2028



Commentary: The WARE tool projects asset replacement using current health and risk data for the current year, but only uses age data to extrapolate to future years. Mitigation options for assets that fall outside thresholds may include asset investment, replacement, additional maintenance or accepting the risk.

Fiber update

- Awaiting final DOE approval
- Pilot project with three customers
- 60 days to complete pilot project plan



WIRED participation

- Western Interstate and Regional Electricity Dialogue
- Focused on electricity markets in the West
 - Consider state's clean energy standards & GHG accounting
 - Develop transmission and resource planning
 - Understand reliability and resilience issues

Personnel updates

- Senior VP & acting CFO is Jody Sundsted.
 - CFO selection announcement expected soon.
- Acting Senior VP & UGP Regional Manager Lloyd Linke began in June.
- Senior VP & DSW Regional Manager is Tracey LeBeau.
- CAO job vacancy announcement posted.

Key takeaways

We are committed to delivering on our mission. Industry is changing at a rapid pace, and we must keep up. Focus on optimizing existing technologies & assets.



Contact/follow me

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