Reflect, Recharge, Resolve

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Upper Great Plains Region

East River Annual Customer Meeting
September 7, 2022
Touchstone priorities

- Strengthening partnerships
- Rate stability
- Grid reliability and resilience
- Transparency and collaboration
- Organizational resilience
- Workforce of the future
- Safe and inclusive organizational culture
2030 Strategic Plan Development

Mission & Vision

Assessment & Analysis

Strategy Formulation

Internal Action Oriented Plans
Power Forward 2030
Focus on critical issues

- Enduring drought in the West.
- Constraints on funding.
- Markets evaluation, including SPP RTO-West membership evaluation.

Affordable electricity and power rates.
Markets in the West update – timing and decision process

SPP Western Energy Imbalance Services (WEIS) Market

• New members joining:
  • PSCO, Black Hills, Platte River

SPP RTO-West

• New participants including Colorado Springs Utilities and Platte River
• Performing an updated market benefits study (Brattle Study). Results out shortly.
• If we propose a decision to move forward
  • Administrator will make decision to move forward.
  • Public Process to seek comments.
  • Issue a Federal Register Notice.
2023 Rate Adjustment Schedule

- Informal meetings Feb/March 2022
- FRN Proposals Published ~mid-May 2022
- Formal Information and Comment Forums June 2022
- Final FRNs Approved November 2022
- Final Rates 30-Day Notice NLT December 1, 2022
- New Rates January 2023
Overview of Rate Cost Components

- **Drought Adder**
  - Adjusted Annually
  - Recovers cost associated with drought
    - Purchase power related to drought
    - Historical drought debt
    - Interest on drought debt

- **Base**
  - Adjusted only by Public Process
  - Annual O&M
  - Investments - additions and replacements
  - Annual interest on investment
  - Inflation
  - Normal purchases
  - Transmission costs
# P-SMBP-- ED UGP Proposed Rate Summary

<table>
<thead>
<tr>
<th>Firm Power Service</th>
<th>Current Rates Effective January 1, 2018</th>
<th>Proposed Rates Effective January 1, 2023</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>P-SMBP--ED Revenue Requirement</td>
<td>$230.1 million</td>
<td>$267.7 million</td>
<td>16.3%</td>
</tr>
<tr>
<td>P-SMBP--ED Composite Rate</td>
<td>24.00 mills/kWh</td>
<td>27.91 mills/kWh</td>
<td>16.3%</td>
</tr>
<tr>
<td>Firm Demand</td>
<td>$5.25 kW-month</td>
<td>$6.20 kW-month</td>
<td>18.1%</td>
</tr>
<tr>
<td>Firm Energy</td>
<td>13.27 mills/kWh</td>
<td>15.27 mills/kWh</td>
<td>15.1%</td>
</tr>
<tr>
<td>Firm Peaking Demand</td>
<td>$4.75 kW-month</td>
<td>$5.70 kW-month</td>
<td>20.0%</td>
</tr>
<tr>
<td>Firm Peaking Energy <em>(1)</em></td>
<td>13.27 mills/kWh</td>
<td>15.27 mills/kWh</td>
<td>15.1%</td>
</tr>
</tbody>
</table>

*(1)* Firm peaking energy is normally returned. This will be assessed in the event firm peaking energy is not returned.
Polar Vortex – Price Risk Mitigation Steps

• Worked with Corps of Engineers on process for releasing additional water during reliability events.
• Reviewed internal UGP processes and procedures.
• Work with SPP on options for protecting UGP’s customers in the future.
• Making bilateral power purchase arrangements to protect against exposure to potentially high market prices (e.g., during Winter 21-22).
Polar Vortex – Load Shedding Improvement

• Utilize an email exploder to send the required load shed amount to UMZ load-serving entities.
  • Have gathered emails.
  • Plan to do testing of broadcast during our Spring training in April.

• WAPA will operate customer’s approved, non-critical load breakers, if needed.

• WAPA will split the load sheds between the load-serving entities on a fair and equitable manner (based on load ratio share) as best we can.

• Not a one and done. Will be looking for continued process improvement. New Advanced Apps project may provide more opportunity for improvement.
Development of Load Shedding Plan

WAPA has been coordinating one on one with load-serving entities with >10 MW of load to identify:

• Critical loads (hospitals, gas plants, pipeline, etc).
• Loads available for manual shed (independent of UFLS).
• Breakers available for WAPA TOP to open, if needed.
  • SPP expects WAPA and the load-serving entities to implement our required load shed within 30 minutes or less.
  • May be no time for notification.
• Information will be updated annually.
Energy Emergency Communication Broadcasts

• Will broadcast to email contacts collected from the SPP Energy Emergency Alerts.
  • Email exploders will be a cut and paste of SPP-directed Emergency Actions.
    • Include specific directions added for each action.
    • If an Emergency Actions call for manual load sheds, a spreadsheet will be provided that will show granularity of directed manual load sheds for each UMZ load serving entity.
  • Will be asking for acknowledgement of email of EEA3 from >10 MW load-serving entities.
  • Plan to test the emails during our upcoming Spring training sessions in April.
  • SPP quarterly simulated testing of load shed should allow us to keep emails up to date going forward.
Contact information

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