Adjusting, responding, serving

Mid-West Electric Consumers Association Board meeting
June 23, 2020 | Virtual meeting

Mark A. Gabriel
Administrator and CEO
Engaging in a world of change
2020 accomplishments

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

• Does not equal one SCADA across WAPA
• Equals one SCADA vendor
• Expected benefits
  – Improve operational flexibility
  – Increase reliability
  – Avoid future support and administrative costs due to cross training and supporting multiple contracts
Continuous Process Improvement

CPI projects: $3,386,760
- ex: DSW Purchase Power and Transmission Invoicing

WAPA Strategic Initiatives: $46,564,812
- ex: OCFI Automated Self-Service Invoicing Tool

Just Do It projects: $60,189,838
- ex: CRSP North Fork to Rifle Steel Lattice Structure Repair

Operational Effectiveness Improvements
- ex: Power System Change Management

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

- Prohibitions against certain equipment suppliers
- Pre-qualify equipment suppliers
- Evaluate current equipment
- Establish procurement policy taskforce
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
Coronavirus response

- Capital projects may be delayed due to pandemic.

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<th></th>
<th>HQ</th>
<th>CRSP</th>
<th>DSW</th>
<th>RMR</th>
<th>SNR</th>
<th>UGP</th>
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<td>No. of employees tested positive</td>
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<td>No. of employees in quarantine</td>
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<td>3</td>
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</tbody>
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*Employees highlighted in RED font color are active, those in BLACK font color are cleared/recovered.

Data as of June 16, 2020.
Facility testing dashboard

This data is fictional and for illustrative purposes only.
Facility testing dashboard

This data is fictional and for illustrative purposes only.
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
**WARE RESULTS: POSSIBLE FUTURE INVESTMENT NEEDS**

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

- **6 Assets Exceed Threshold**
  - CRSP MC: $14.7M
  - DSW: $8.4M
  - RM: $5.3M
  - SN: $0
  - UGP: $38.6M

**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

- **49 Assets Exceed Threshold**
  - CRSP MC: $11.7M
  - DSW: $5.5M
  - RM: $6.8M
  - SN: $16.4M
  - UGP: $6.4M

**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.
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 expected soon.
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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