WAPA's position on industry trends and changes

Upper Great Plains customer tour

December 2017

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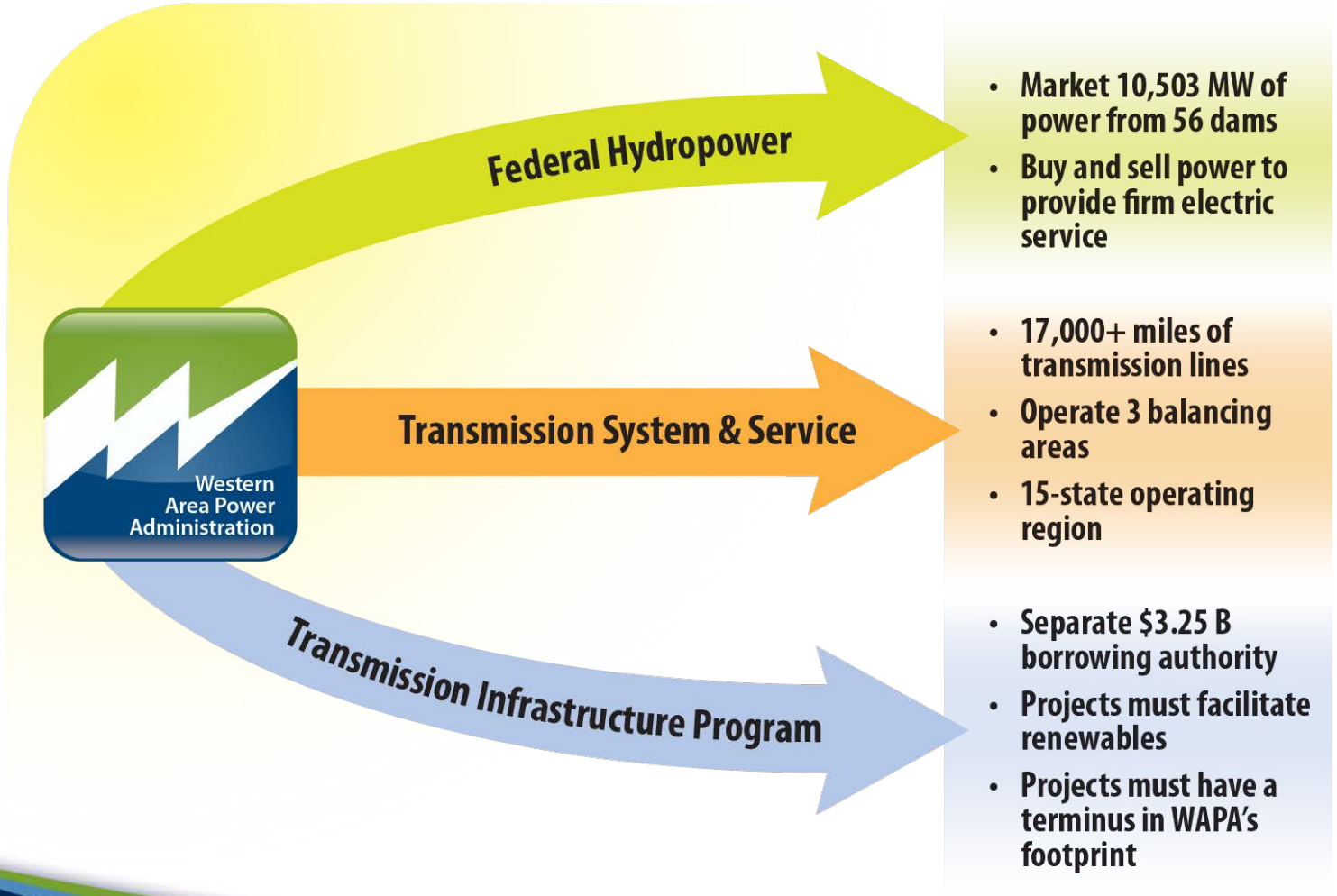
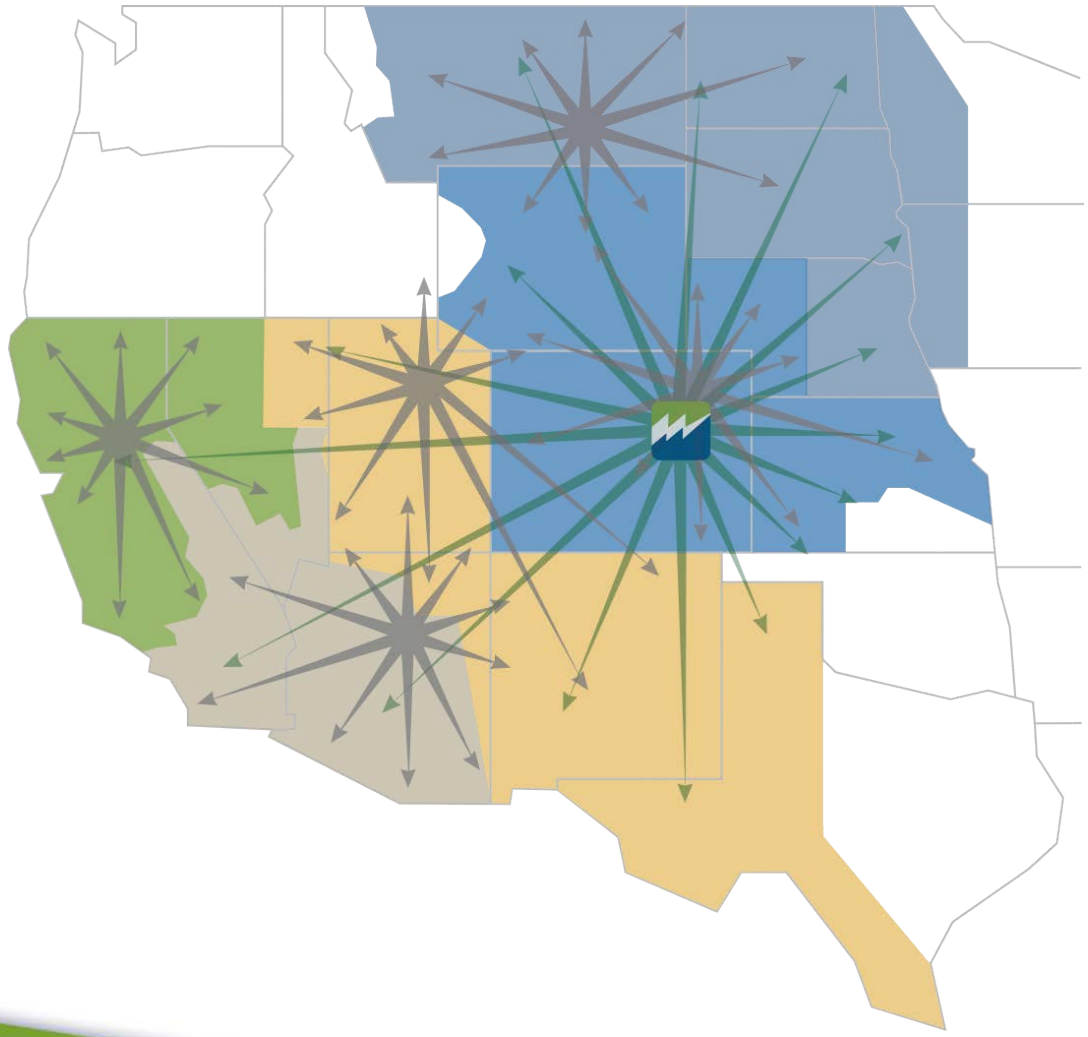
Western Area Power Administration

WAPA: Who we are

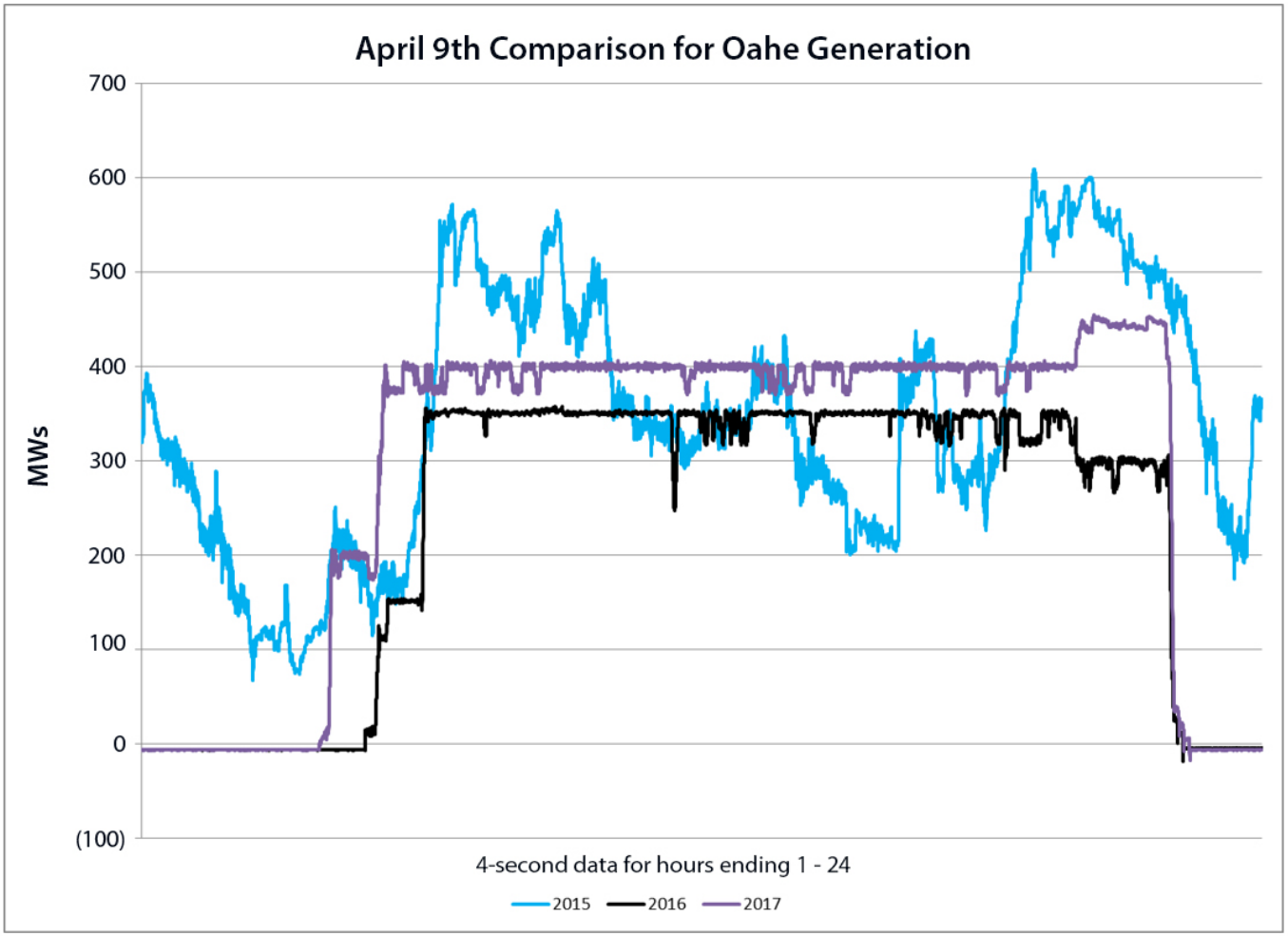


WAPA: Where we are



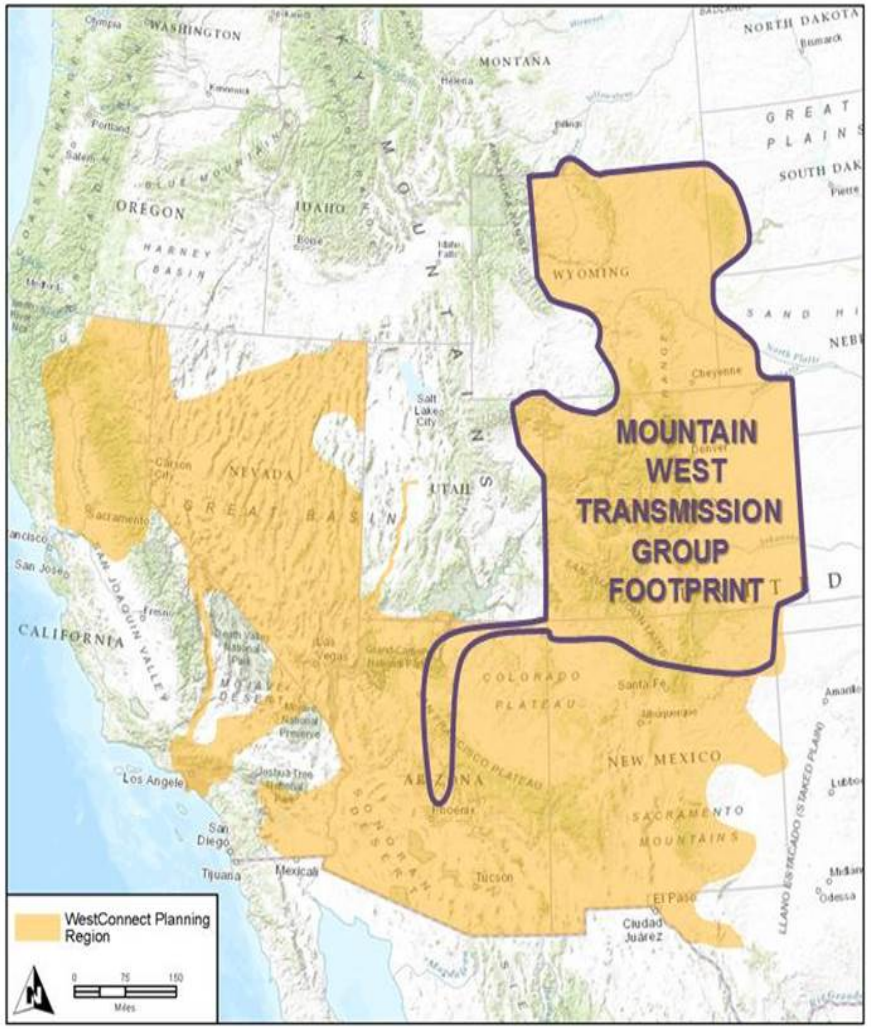
Change is upon us

Change is upon us



Mountain West

- Formed 2013
- Evaluated options
- Announced decision to pursue talks with SPP
- Making decision soon
- If applicable, market implementation 2019



Change brings challenges

- Aging infrastructure
- Increased regulation
- Intermittent resources
- Decreased hydro production
- More customer-side resources
- Changing markets
- Security

Fundamental change

The challenge for the utility of today is not only what is real but what is perceived as real.

Home tech drives benefits

4.92 billion wireless devices globally / 66% penetration

Source: Hootsuite, January 2017

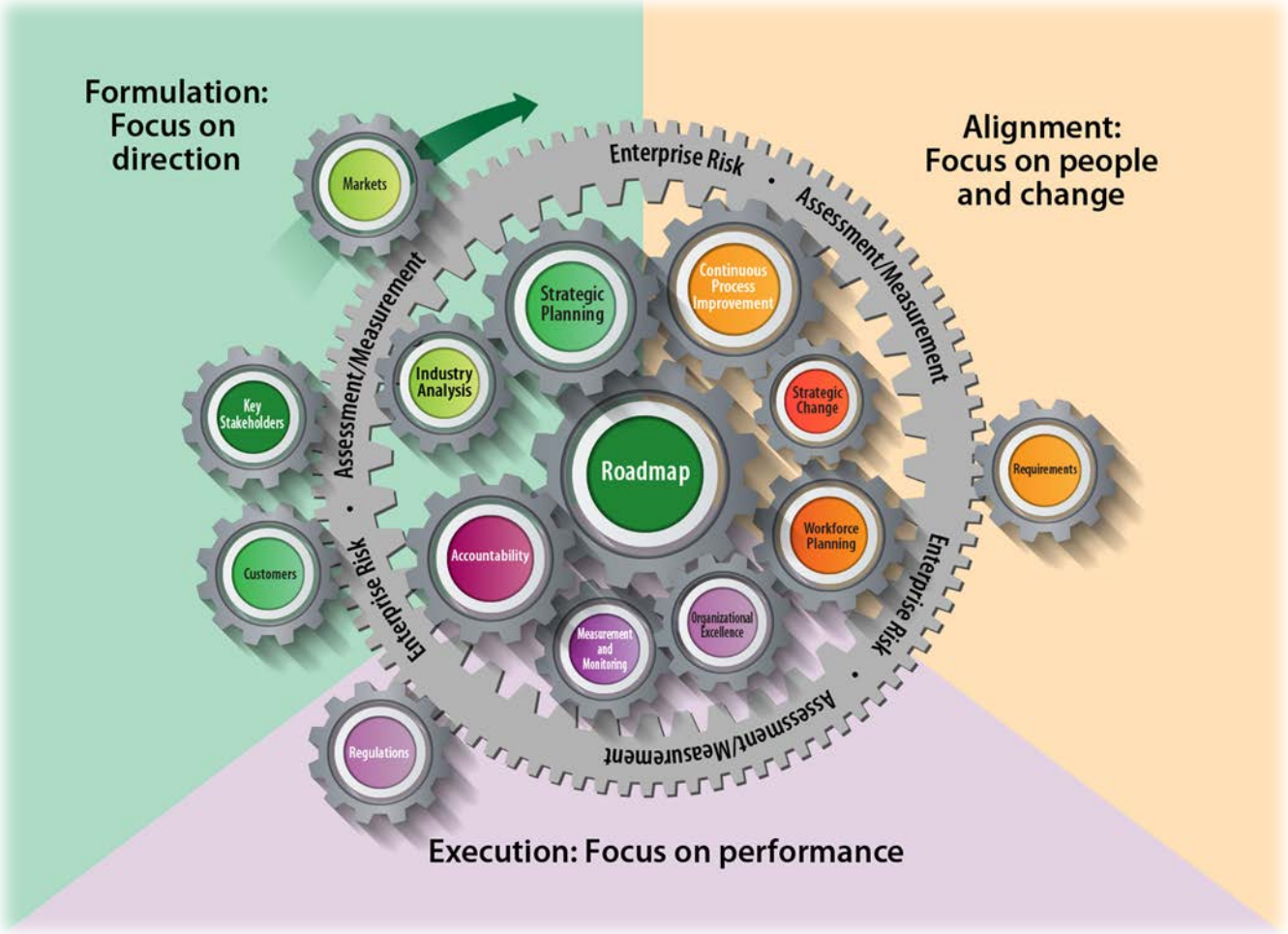
Radical thoughts …

- kWh is dead
- All-you-can-eat electricity
- Time-of-purchase rates NOT time-of-use rates
- Flexing your distribution system with customers
- Utility is the network provider

Economic challenge

How can we manage in a Twitter–centric world?

What are we doing about it?



Shift in strategic thinking

- Broader perspective
- Data-driven decisions
- Industry impacts to customers

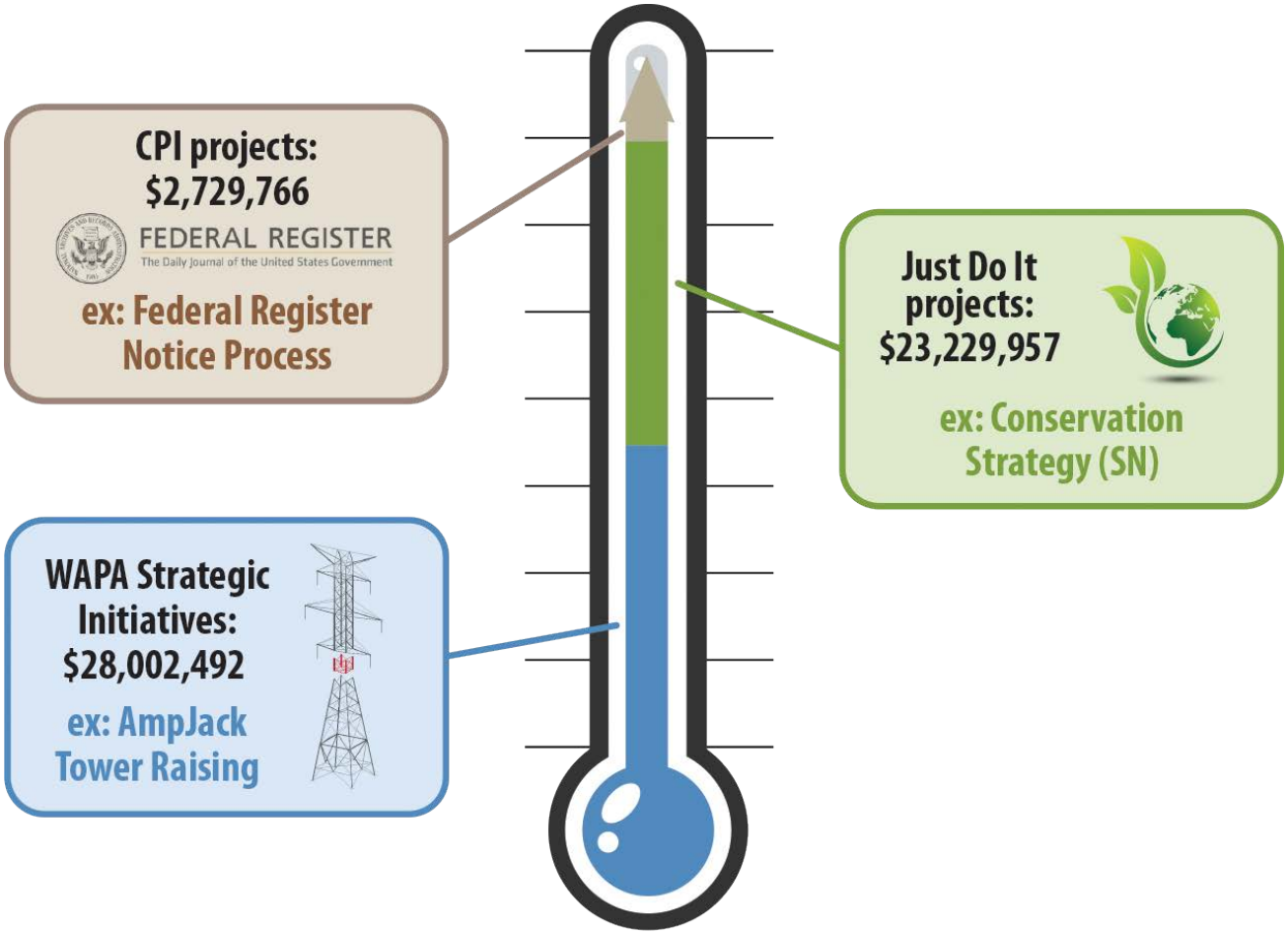
Lifecycle considerations

Increasing requirements

- Investments in Security
- NERC requirements
  - CIP version 5
  - Audits, mock audits
  - Alerts
  - Standards
  - FAC-003 & FAC-008
  - NATF peer reviews
- FITARA
- FISMA modernization
- OMB Circular A130

- New endangered species
- DHS binding operational directives
- OSHA requirements
  - Fall Protection 100% attachment
  - Transient over-voltage compliance
- Formalized grounding cable procedures
- GPR monitor for t-lines

Cost containment



WAPA cost savings and avoidance: $50,000,000+ as of Sept. 30, 2017

Key takeaways

Focus on value and business excellence.
Be aware of industry trends and changes.
Continue delivering on mission.

Contact/follow me

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