Striving for balance

Upper Great Plains Customer "Roadshow"
March 9-11, 2021 | Virtual meetings

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Western Area
Power Administration

Morgan Stanley takeaways

- The industry is changing forever and not just because of COVID.
- Environmental/Social/Governance is more than a trend; it is how the world now views our space.
- Greening of society will continue at a faster pace than ever before.
- No discussion of transmission or smart grid.
- Big Oil is becoming Big Energy.

2021 theme: Balance

- Need to balance:
  - Employee & WAPA needs
  - Customer needs with each other & needs of the system
  - Reliability & resilience
  - Competing priorities & finite resources
- The energy industry is unbalanced.

Renewed mission and vision

Updated mission

- Safely provide reliable, cost-based hydropower and transmission to our customers and the communities we serve

New vision

- Empowering communities, securing a resilient energy future

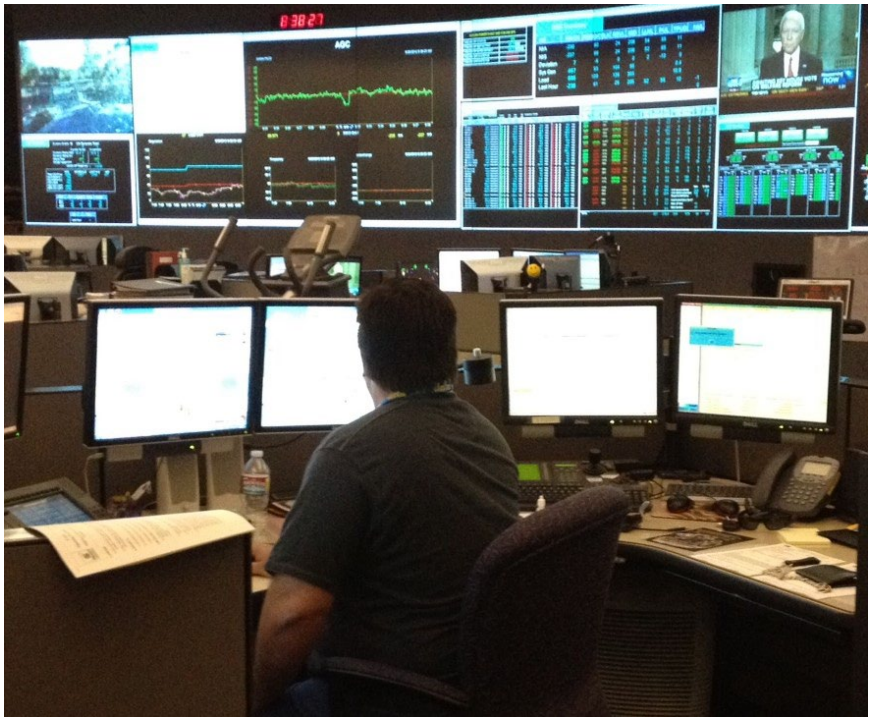
Strategic Roadmap refresh

WAPA'S MISSION

Market and deliver clean, renewable, reliable, cost-based federal hydroelectric power and related services.

Markets update

- WEIS transition completed Feb. 1
- DSW study results expected this spring.
- SN EIM go-live accelerated to March 25.
- Evaluating SPP RTO expansion into the West.
- Reviewing 2nd version of CAISO EIM governance.



Other priorities

- Resilience
- Workload Management
- Responsible Workplace Re-entry
- Data as a Strategy
- Standardized Budgeting and Reporting Initiative
- Hydropower MOU

2018 Carr Fire "firenado" damage

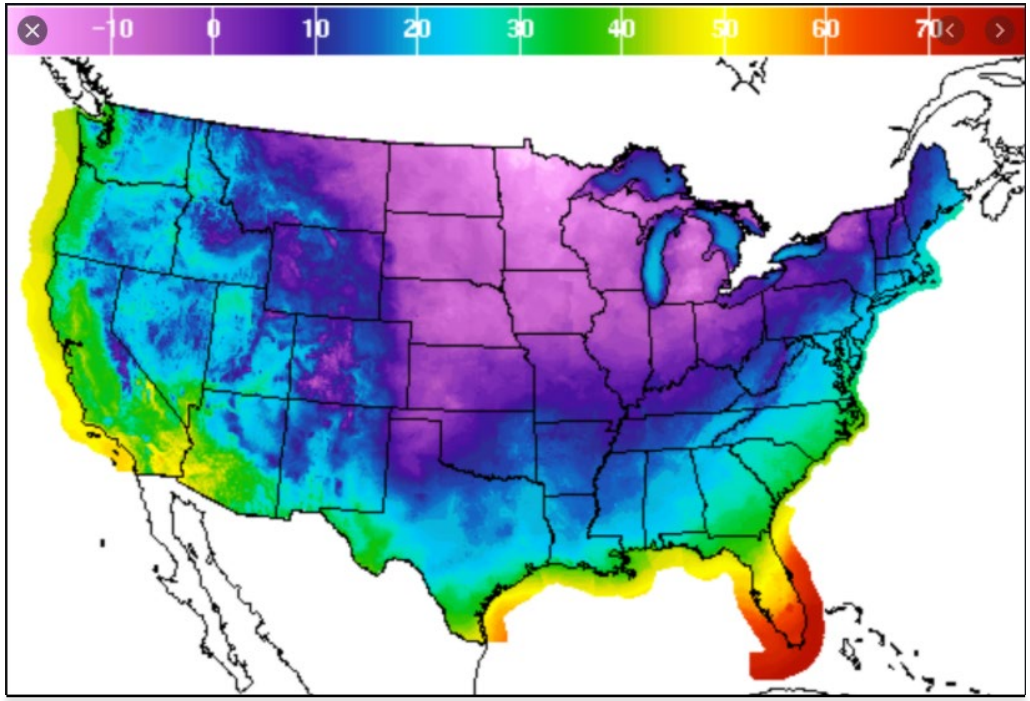
2020 permanent structure install at Carr Fire site

UGP projects & activities

- 2021 contracts in place
- Rates: Removed credits and discounts associated with FES deliveries
- Refining WEIS processes
- Maintenance replacements, upgrades, expansions and interconnections

Winter Storm Uri

- SPP directed load shedding Feb. 16
- Rolling outages for 21 customers, lasting average of 55 minutes & as long as 2 hours
- Corps & WAPA delivered extra 27,150 MWh of hydropower to SPP Feb. 15-18.



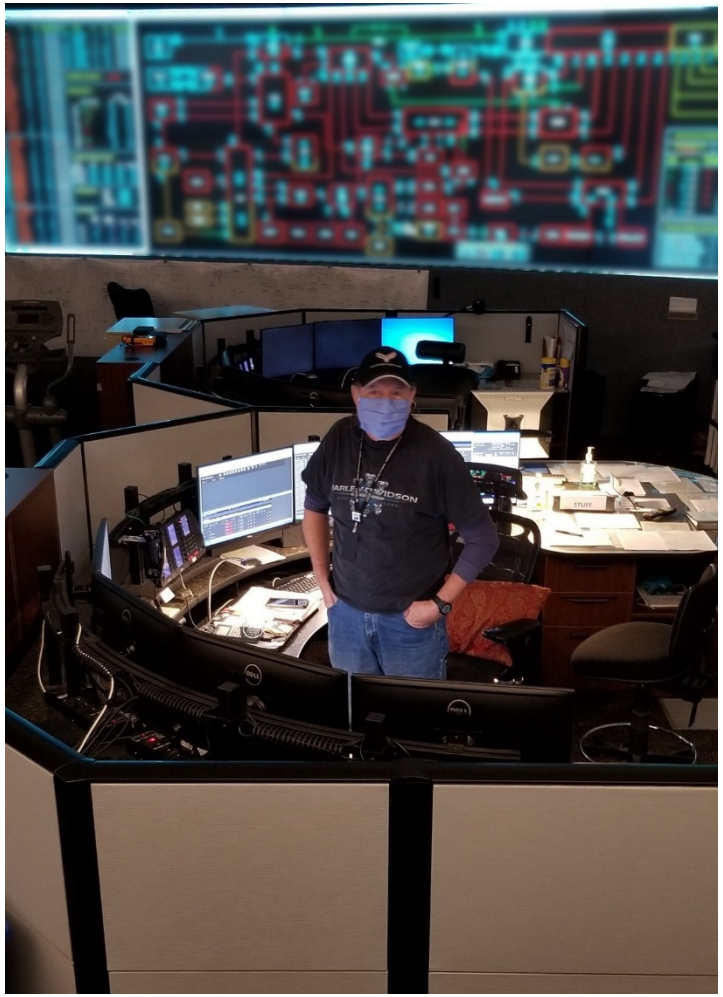
Source: NOAA, Feb. 17

In Texas

- Generation went offline due to cold because not winterized – wind last to fail
- ERCOT prevented catastrophic cascading outages
- Deregulated, independent market didn't possess adequate contingency plans for energy emergencies

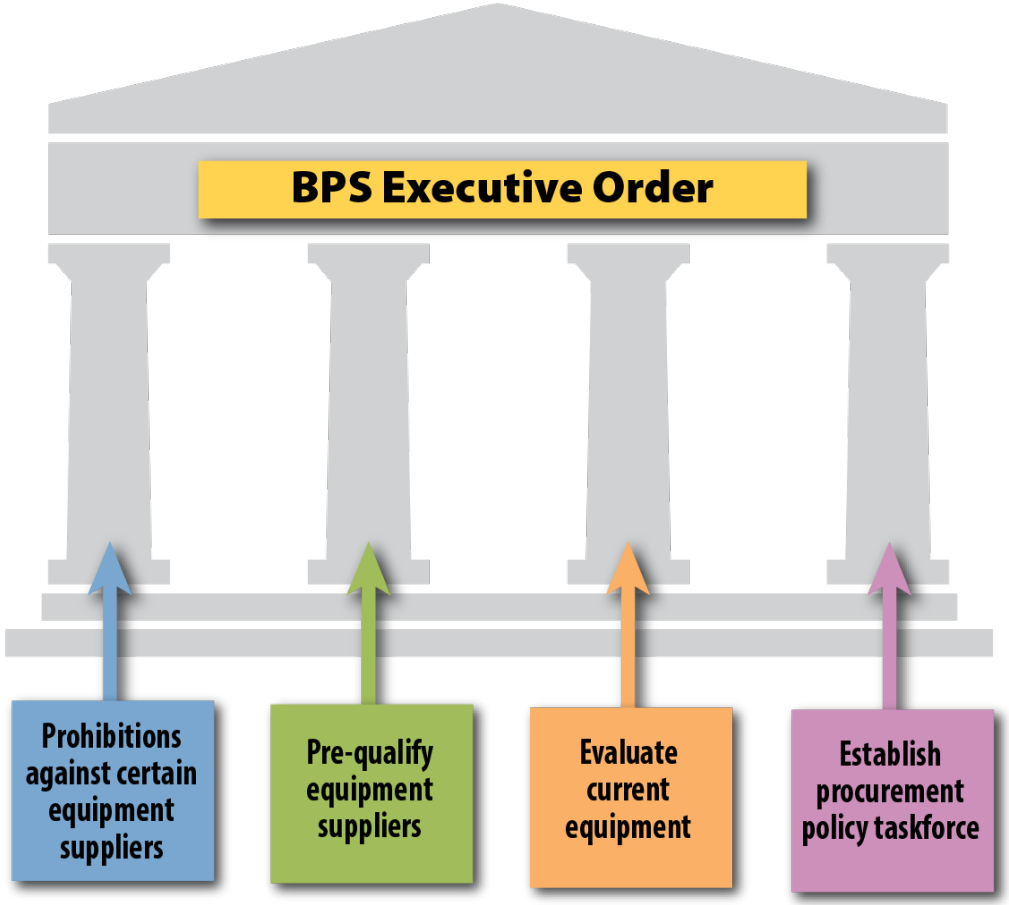
Coronavirus response

- Stabilizing conditions, but not out of woods yet
- New variants
- Mask mandate on federal property
- Vaccine discussions



Changes from D.C.

- Meeting regularly with new teams
- Keystone XL permit rescinded
- Pause on BPS EO
- No movement for PMAs (yet)



New DOE Secretary

Jennifer M. Granholm

Personnel updates

- Departing March 12 for United Power
  - Acting Administrator Tracey LeBeau
- Posted vacancies for UGP and RM Regional Managers
  - Acting Senior VP and UGP Regional Manager Dave Neumayer
  - Acting Senior VP and RM Regional Manager Tim Vigil
  - Acting Senior VP and DSW Regional Manager Jack Murray
  - Acting Senior VP and CRSP Manager Rodney Bailey

Key takeaways

Our focus remains on stability and balance amid change.
Proactive engagement protects WAPA's and customer's value.
We are preparing for the next generation energy industry.

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