



# Tactical Action Plan

# Powering the Energy Frontier

AN APPENDIX TO THE STRATEGIC ROADMAP



Published May 2014

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# INTRODUCTION

Western Area Power Administration, a power marketing administration within the Department of Energy, markets and transmits more than 30 billion kilowatt-hours of wholesale federal hydroelectric power through an integrated 17,000-plus circuit mile transmission system across 15 central and western states. We sell this power to more than 680 preference power customers including cooperatives, federal and state agencies, municipalities, Native American tribes, public utility and irrigation districts and other energy service providers. In addition, Western provides for the purchase and exchange of electric resources, operations and maintenance services, transmission system interconnections, shared capacity and use of transmission facilities, and joint construction opportunities.

Western published its latest strategic plan in May 2014, which is comprised of Strategic Roadmap 2024 and this appendix. The Strategic Roadmap outlines four foundational Critical Pathways for the next 10 years. Western will review and refresh the Strategic Roadmap every other year to ensure we remain focused on meeting our customers’ needs, aligned with DOE goals and responsive to industry change.

Figure 1: Strategic Roadmap 2024



## Tactical Action Plan

The Tactical Action Plan identifies and describes the Western-wide tasks and activities, existing and new, needed to fully achieve the goals in Strategic Roadmap 2024. Each activity in the TAP chart is briefly described in this document and also linked to the Critical Pathway it supports. As the TAP is a list of specific strategies and actions susceptible to changing environments and needs, the TAP will be updated more frequently as Western progresses towards its goals.

The TAP is organized into seven Strategic Target Areas that serve as Western’s priorities and areas of focus for the next two to three years. Target Areas are also used to create the agency’s annual performance targets, which measure progress and implementation of the TAP, and the status of which will be reported regularly.

Work scope estimates for each line item in the TAP are for planning purposes only and identify if a given project is “small”, “mid-sized” or “large” when compared to other projects. As each activity is further scoped, work estimates will be adjusted and included in revisions to this appendix.

## **Implementation and Engagement**

The publication of this TAP is the beginning of an ongoing conversation with customers and employees about the tasks and activities Western will undertake to achieve Strategic Roadmap 2024. We are committed to transparent implementation and regular discussion of the TAP with customers. Western’s senior executive team is responsible for ensuring transparent implementation with the Chief Strategy Officer responsible for establishing, facilitating and implementing processes to ensure TAP activities advance Western’s mission.

Where possible and applicable, TAP actions will be distilled to the Regional level so that customers can provide specific feedback. At a high level, responsible Western offices will be identified to facilitate work plan reviews and create linkages between TAP activities and work plans. As the TAP is adjusted and refined, new versions will be published and posted on Western’s website.

## CRITICAL PATHWAYS

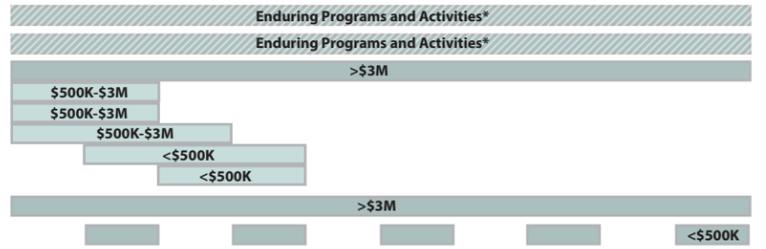
- **POWERING THE ENERGY FRONTIER:** Provide premier power and transmission services to our customers by applying business, technology and organizational excellence; building mutually beneficial partnerships; and enhancing the nation's economic security and stability.
- **EVOLUTION OF SERVICES:** Evolving Western's power and transmission services in response to the needs of a diverse customer base and the demands of a changing industry and technology environment through operational excellence and the application of cost containment and proper cost allocation principles.
- **MUTUALLY BENEFICIAL PARTNERSHIPS:** Building and sustaining productive relationships that enhance trust, operational effectiveness and business opportunities for all parties.
- **BUSINESS, TECHNOLOGY AND ORGANIZATIONAL EXCELLENCE:** Expanding on organizational excellence by applying knowledge, technology, innovation and engaging internal and external partners to optimize operational effectiveness.



## STRATEGIC TARGET AREAS      WORK SCOPE ESTIMATES

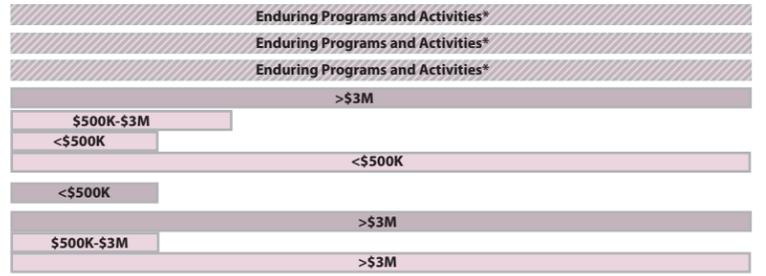
### Power and Transmission Related Services - Protect and enhance the value of Western's power and transmission related services. (Pages 6-7)

- Required Remarketing and Rate Activities
- Transmission and OATT Marketing
- **PTS 1** Transmission and Rates Related Process Improvements
  - 1.1 Define and Implement Regulation and Reserve Levels for Balancing Authorities
  - 1.2 Review Transmission and Ancillary Services for Potential Standardizations and Methodology
  - 1.3 OASIS Consolidation
  - 1.4 Standardize and Document Transmission and Large Generator Interconnection Process
  - 1.5 Non-firm Re-directs Western-wide
- **PTS 2** Evaluate Participating in Energy Imbalance and/or Regional Transmission Organization Opportunities
- **PTS 3** Customer Services Development



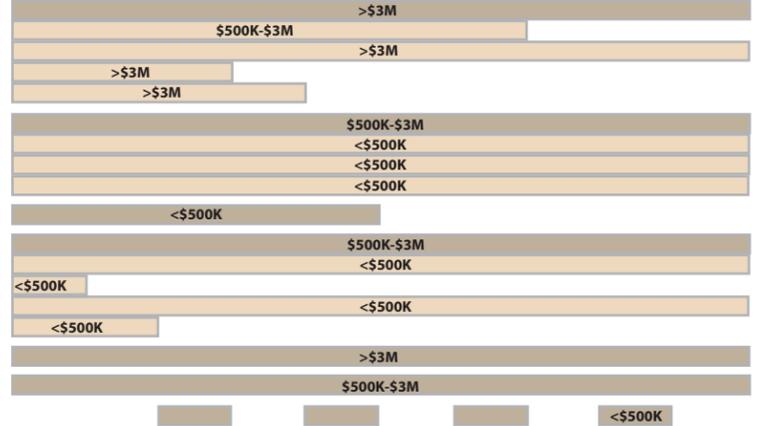
### Energy Infrastructure - Provide reliable power and transmission to the customer. Facilitate a more resilient and flexible energy delivery system. (Pages 8-9)

- Existing Infrastructure Operations and Maintenance
- NERC/FERC Compliance
- Regional 10-year Plans - Added-Capacity Infrastructure Projects
- **EI 1** Regulatory and Compliance Optimization
  - 1.1 Critical Infrastructure Protection Version 5
  - 1.2 Develop Reliability Compliance Policy Statement
  - 1.3 Engage in Standards Development
- **EI 2** Transmission System Performance Measures
- **EI 3** New Construction, Equipment and Technology
  - 3.1 Synchrophasor Program
  - 3.2 Physical Security Enhancements



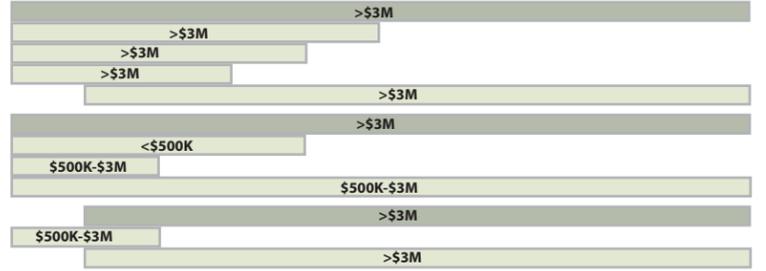
### Partnership and Innovation - Leverage technological advances and industry partnerships to advance the energy infrastructure. (Pages 10-14)

- **P&I 1** Technology Roadmap (IT Strategic Plan)
  - 1.1 Enterprise Data Architecture
  - 1.2 Operational Technology
  - 1.3 System Improvements
  - 1.4 Value Creating Technologies
- **P&I 2** Partnership Structures
  - 2.1 Expand Existing Partnership Funding
  - 2.2 Partnership Structures and Options
  - 2.3 Functional Council Think Tank/Identify and Implement Operational Best Practices
- **P&I 3** Complete Operations Consolidation Implementation
- **P&I 4** Transmission Infrastructure Program Improvements
  - 4.1 Related Operating Funds, Collections and Reporting
  - 4.2 TIP Optimization (Infrastructure and Services to Customers)
  - 4.3 Construction/Program Management for Transmission Infrastructure Program
  - 4.4 Electrical District No. 5 — Palo Verde Hub Project
- **P&I 5** TIP Projects
- **P&I 6** Partnering to Test Emerging Technologies/DOE
- **P&I 7** Roadmap Refresh



### Asset Management - Apply risk-based asset management practices to develop capital investment program needs while improving performance. Utilize Enterprise Risk Management principles to guide risk-based decision making. (Pages 15-17)

- **AM 1** Asset Management for Physical Assets
  - 1.1 AMPIP Data Population/Analysis/Reports
  - 1.2 Implement New Processes and Procedures
  - 1.3 Transmission Line and Substation Inspection Solution Projects
  - 1.4 Expand AM Program Categories
- **AM 2** Integrated Asset Management and Capital Budgeting
  - 2.1 Sustainable Funding Strategy
  - 2.2 Budget Formulation and Execution Process Improvement
  - 2.3 Cost Containment Review/Implementation
- **AM 3** Enterprise Risk Management
  - 3.1 Initial ERM Program Execution Process
  - 3.2 Mature ERM Process Through All Levels of Western



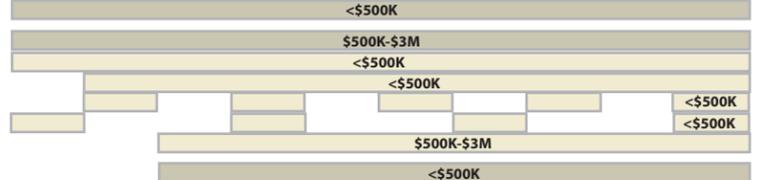
### Safety and Security - Every employee demonstrates, through core values and personal responsibility, a commitment to safely perform their jobs and ensure workplace security. (Pages 18-19)

- **S&S 1** Continuous Improvement in Safety and Occupational Health
- **S&S 2** Zero Incident Program Evaluation
- **S&S 3** Cyber and Physical Security
  - 3.1 Cyber Security Assessment, Evaluation and Best Practice Implementation
  - 3.2 Physical Security Improvements, Transition and Roadmap
- **S&S 4** Emergency Management Program Review/Development



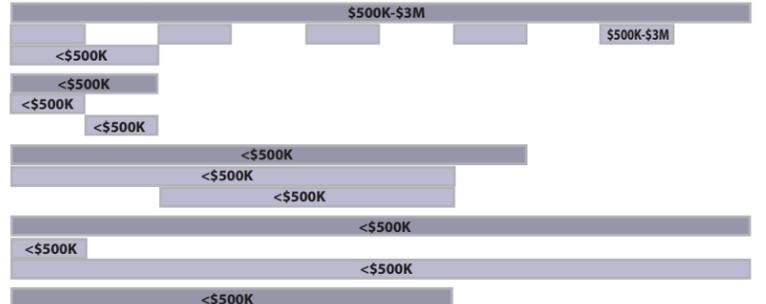
### Communication - Engage internal and external stakeholders through purposeful exchange of ideas. (Pages 20-22)

- **CM 1** Communication Philosophy, Strategy and Framework
- **CM 2** Comprehensive Stakeholder Engagement and Communication Plan
  - 2.1 Contact Database
  - 2.2 Inventory (new & existing) and Prioritize Participation in Key Industry Organizations
  - 2.3 Periodic Market/Customer Research
  - 2.4 Research and Evaluate Enhanced Online Communication Tools
  - 2.5 Evaluate Additional Collaborative Groups
- **CM 3** Evaluate Customer Representative Approach



### Human Capital Management and Organization Structure - Recruit, develop, and retain a diverse high-performing workforce. (Pages 23-25)

- **HCM 1** Organization/Structural Assessment and Enhancement (Includes Workforce Plan)
  - 1.1 Stop Doing Activity
  - 1.2 Western-wide Organizational Assessment and Governance Review/Optimization
- **HCM 2** Attracting Top Talent and Retaining Staff
  - 2.1 Leverage Flexibility/Alternative Incentives for Recruiting and Retention
  - 2.2 Integrate Diversity and Inclusion Plan with HCM
- **HCM 3** Workforce Training, Development and Succession Planning
  - 3.1 Employee Training and Development
  - 3.2 Organizational Development
- **HCM 4** Strategic Workforce Planning
  - 4.1 Workforce Plan
  - 4.2 Leadership Councils
- **HCM 5** Knowledge Management Systems and Tools Upgrade



**Work scope range estimates**

- <\$500K
- \$500K - \$3M
- >\$3M

\* Costs included in annual budget requests



## POWER AND TRANSMISSION RELATED SERVICES TACTICAL PLAN

Protect and enhance the value of Western’s power and transmission related services. Marketing firm electric power and transmission service is central to Western’s mission, and listed first on the Tactical Action Plan are those remarketing and rate activities necessary for power contracts and Western’s Open Access Transmission Tariff (OATT). Western will also continuously evaluate and improve the services it provides to preference power customers. Finally, Western will continue to examine changes in the energy industry and how it should adapt to preserve and increase its value to customers.

### **Enduring Programs and Activities**

#### ● **Required Remarketing and Rate Activities**

Description: Undertake the normal remarketing and rate actions that are required and needed by the projects on a project-by-project basis. Examples include: Boulder Canyon Project remarketing, Sierra Nevada 2024 Power Marketing Plan, Loveland Area Projects 2025 Power Marketing Initiative, Colorado River Storage Project remarketing, Parker Davis/Intertie rate development and Salt Lake City Area/Integrated Projects rate process.

Timeline: Ongoing

#### ● **Transmission and OATT Marketing**

Description: Continue providing transmission services and transmission marketing. Excess transmission should be sold and the revenues used to offset transmission revenue requirements. Administer the OATT to ensure non-discriminatory service to all customers.

Timeline: Ongoing

#### ● **PTS 1. Transmission and Rates Related Process Improvements**

##### **1.1 Define and Implement Regulation and Reserve Levels for Balancing Authorities**

Description: Review regulation and reserve levels for each Balancing Authority (BA); ensure they are appropriate. Any review to optimize regulation and reserve levels will not duplicate existing work.

Timeline: Review to be completed during FY 2014 with implementation of any recommendations in FY 2015.

##### **1.2 Review Transmission and Ancillary Services for Potential Standardizations and Methodology**

Description: Review transmission and ancillary services and determine if the service and rates lend themselves to standardization or if they need to stay customized by project. This review will help Western understand if a more uniform rate methodology makes sense given its differing jurisdictions, legislative authorities and project-based system. It does not contemplate a single rate for all of Western’s projects.

**Timeline:** Review to be completed during FY 2014. Additional efforts during FY 2015 to FY 2016 will consider recommendations, obtain stakeholder input, develop potential implementation plan and comply with any public process requirements.

### 1.3 OASIS Consolidation

**Description:** Consolidate the four Western Interconnection Open Access Same Time Information System (OASIS) sites into a single OASIS site under a single Transmission Service Provider registration.

**Timeline:** Preliminary consolidation work began during Operations Consolidation Implementation and is targeted for completion in FY 2016.

### 1.4 Standardize and Document Transmission and Large Generator Interconnection Process

**Description:** Revise Western’s Large Generator Interconnection Procedures (LGIP) to incorporate appropriate changes recommended by WestConnect’s LGIP Work Group and successfully implemented by several WestConnect participants.

**Timeline:** Review to begin in FY 2015 and will likely continue to FY 2018.

### 1.5 Non-Firm Re-directs Western-wide

**Description:** Modify business practices and Western’s OATT to allow the re-direct of firm point-to-point service within a Western project to any Western project on a non-firm basis.

**Timeline:** FY 2016-2018

## ● ● PTS 2. Evaluate Participating in Energy Imbalance and/or Regional Transmission Organization Opportunities

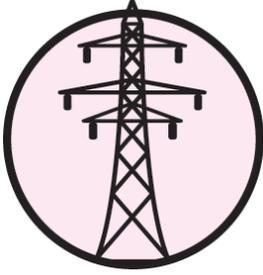
**Description:** On a case-by-case basis, evaluate the costs and benefits for Western participation in new or existing Energy Imbalance Markets (EIM) or Regional Transmission Organizations (RTO).

**Timeline:** Ongoing. Upper Great Plains Region’s evaluation of RTO participation completed in FY 2014. Preliminary analysis for Western participation in the California System Operator EIM, completed by Argonne National Laboratory in FY 2014, concluded that membership would not benefit Western or its customers. However, as various EIMs develop there will be a need for ongoing monitoring and analysis.

## ● ● PTS 3. Customer Services Development

**Description:** Engage in regular discussion with preference power and other customers about service needs and satisfaction. In addition to regular discussions, prepare and conduct a survey to gather information about customer satisfaction with existing services and identify additional services that may be desired by customers. The cost of any additional services, with applicable exceptions noted, would be funded by those customers seeking the services. This survey will be completed the year before each Roadmap Refresh, as described in the Partnership and Innovation tactical item on page 14, to inform that refresh. Before the first survey, Western will inventory existing services and identify types and sizes of customers that tend to use the services. This survey will be coordinated with or combined with the Communications tactical item described on page 21.

**Timeline:** Year before Roadmap Refresh.



## ENERGY INFRASTRUCTURE TACTICAL PLAN

Provide reliable power and transmission to the customer. Facilitate a more resilient and flexible energy delivery system. While the first target area focuses on firm electric power and transmission services, Energy Infrastructure focuses on operating, maintaining and managing Western’s physical facilities, like substations and transmission lines. To do this, Western will develop and carry out Regional 10-year plans (TYP), define how Western will meet the “spirit” of compliance regarding regulations, meet requirements in environmental laws and regulations, create transmission system performance measures and evaluate new technologies and equipment for inclusion in Western’s existing grid and operations.

### **Enduring Programs and Activities**

#### ● **Existing Infrastructure Operations and Maintenance**

Description: Coordinate consistent maintenance policies and procedures across Western and also ensure compliance with applicable environmental laws and regulations. Continuously improve Western’s preventive maintenance program through implementation of Reliability-Centered Maintenance and asset management (AM) practices. Continuously improve outage coordination with all affected parties.

Timeline: Ongoing

#### ● **NERC/FERC Compliance**

Description: Continuously improve Federal Energy Regulatory Commission (FERC) and North American Electric Reliability Corporation (NERC) compliance across Western by developing and implementing common policies and procedures and sharing best practices. Efficiently and effectively respond to new initiatives, standards and Orders (such as NERC’s Facility Ratings Alert, FERC Orders 764 and 1000, Critical Infrastructure Protection (CIP) Version 5, etc.).

Timeline: Ongoing

#### ● **Regional 10-year Plans – Added-Capacity Infrastructure Projects**

Description: As each Region develops its TYP, it will identify projects that may have high visibility, significant impact to the Bulk Electric System or are high priority, and incorporate them into the plan. The Western-wide capital plan will be created by rolling up each Regions’ TYP to give an agency-wide perspective. This will be informed by data from the AM Program. TYP projects will continue to be funded and coordinated with preference power customers in that servicing Region. This approach will become the foundation for identifying, evaluating and articulating capital program needs and will provide an accurate record of asset condition, replacement strategies and sustained costs to support investment needs.

Timeline: Ongoing

## ● EI 1. Regulatory and Compliance Optimization

### 1.1 Critical Infrastructure Protection Version 5

Description: FERC approved CIP Version 5 in Order 791. The new standards require facilities and systems to be categorized and protected by risk level. Western must comply with the new standards and develop the risk evaluation criteria, perform the risk assessments and implement required security protections.

Timeline: The standards will be enforceable, and Western must be compliant, by April 1, 2016.

### 1.2 Develop Reliability Compliance Policy Statement

Description: Develop a Western Compliance Policy stating that Western is committed to operating and maintaining a reliable Bulk Power System, strives for leadership in reliable operations and maintains continuous, auditable compliance with all applicable FERC-approved NERC Reliability Standards and Regional Entity Standards and Requirements. The Policy will also address promoting a culture of compliance.

Timeline: FY 2014-2016

### 1.3 Engage in Standards Development

Description: As NERC develops new standards or modifies existing standards, Western will participate on standards drafting teams involved in the development of those standards that have the potential to have a significant impact to Western.

Timeline: Ongoing

## ●● EI 2. Transmission System Performance Measures

Description: Western has decided to use North American Transmission Forum (NATF) metrics to measure transmission system performance. As part of the process, Western needs to set the numeric goal for the NATF metrics. Next steps are to develop consistent Western-wide interpretations of outage causes and review the data to select numeric targets for FY 2015.

Timeline: Numeric targets determined in FY 2014 and applied in FY 2015.

## ● EI 3. New Construction, Equipment and Technology

### 3.1 Synchrophasor Program

Description: Partner with the Western Electricity Coordinating Council and Midcontinent Independent System Operator to install synchrophasors on the Western transmission system to gather data and provide it to appropriate control centers.

Timeline: FY 2014-2015

### 3.2 Physical Security Enhancements

Description: Western and the electric utility industry are dealing with an unprecedented crisis of physical attacks and threats against electric infrastructure. This requires immediate, coordinated and creative action to secure Western facilities and protect employees. Western will invest heavily in physical security systems and capabilities.

Timeline: Ongoing



## PARTNERSHIP AND INNOVATION TACTICAL PLAN

Leverage technological advances and industry partnerships to advance the energy infrastructure, recognizing the convergence of Information Technology (IT) and Operational Technology. Western will explore increased partnership opportunities for construction projects, project funding and identifying and implementing best practices. Additionally, the agency is committed to innovation to ensure Western remains in step with industry advances. The Transmission Infrastructure Program (TIP) improvements also fall under this strategic target area as an avenue for both new partnerships and technology.

### ● ● P&I 1. Technology Roadmap (IT Strategic Plan)

#### 1.1 Enterprise Data Architecture

Description: Data-driven decision making requires solid analysis and reporting based on consistently defined data. To that end, Western will create a standard way of defining data and standardize an effective tool set for analysis and reporting.

Timeline: FY 2014-2021

#### 1.2 Operational Technology

Description: Technology is playing a major role in how the grid operates today. Western has four supervisory control and data acquisition/energy management systems (SCADA/EMS) that require timely upgrades and changes as the industry and markets change. Market initiatives like energy imbalance market and others will have significant impact on these systems. The Arizona-Southern California Outage of September 8, 2011 has changed the advanced applications area with system models being updated with more information about neighboring utilities to identify events and calculate contingencies. Visualization tools provide for quick decision making and situational awareness in the control centers. There is tremendous filtration of next generation technologies into the field devices (e.g., SmartRAS and synchrophasor). The SCADA/EMS systems have to be upgraded to accommodate these newer field devices.

Timeline: Ongoing

#### 1.3 System Improvements

Description:

**Financial Information Management System** – Western's financial information management system is at the end of its life and must be upgraded. Phase one includes requirements definition. Phase two includes the technical upgrade. After the upgrade is successfully completed, Western will focus on quarterly improvements to expand capability, comply with federal requirements and improve the agency's financial management processes.

Timeline: January 2014 – October 2016.

**Maximo 7** – Maximo, Western's maintenance system, is in the process of being upgraded to fulfill additional needs, including the ability to input detailed asset management information.

**Timeline:** Ongoing through FY 2014

**ShaRC** – Shared Repository for Contracts (ShaRC) implementation Phase 1 included constructing a new system for Power Marketing customer, contract and contact data, and defining common business terms for services, customer names and classifications. ShaRC successfully launched in September 2013, is stable and is used by Regional contract staff across Western. The project team is currently working on functionality for Phase 2, which is scheduled for completion around June or July 2014. Phase 2 scope includes software enhancements for additional functionality, continued work towards annual report statistical appendix automation and integrating data between ShaRC and the Western Transmission Power Billing System (WTPBS) to share common customer and contract data.

**Timeline:** Ongoing through FY 2014

**Western Transmission Power Billing System** – The WTPBS is implemented and in production for Upper Great Plains, Rocky Mountain (RM) and Desert Southwest (DSW) Regions. The Sierra Nevada Region is scheduled to go live November 1, 2014. When this is completed, the foundation is in place for pulling data in from WTPBS, ShaRC and the financial system to move toward a more automated annual reporting process and improved speed and accuracy of reporting for data-driven decision making.

**Timeline:** FY 2014-2015

#### 1.4 Value Creating Technologies

**Description:**

**Asset Management Technologies** – To maximize productivity and ensure timely, least cost improvements, Western needs to implement tools to report, assess and analyze maintenance and replacement needs. This will include an integrated tool set of geographic information systems, Maximo, the appropriate transmission assessment tool and others.

**Timeline:** FY 2014-2017

**IT Service Management Technology** – Western manages technology over a 15-state region, requiring network and communications equipment, hardware, operating systems, data management, applications and personal computing devices to work in a synchronized, effective way to enable value-added productivity. In a complex computing environment, effective service management (change and release management, incident and problem management, IT maintenance workflow, help desk services, components database management and business continuity strategies) is critical to ensure maximum up time for technology and strong, secure tool management across Western. In addition, it is critical that technology is focused on internal business partner support.

**Timeline:** FY 2014-2017

**Collaboration Services** – Enabling person-to-person communication—both within Western and with our customers and vendors—is a key technology goal. Video conferencing for virtualized meetings, unified communications (integrated voice, data and e-mail services) and multi-faceted collaboration tools with the appropriate, secure architecture behind it are some of the needed technologies. Social networking is another collaboration opportunity. The need to communicate

with customers, employees and potential employees in a manner they find effective will continue to drive the need for increased use of social networking avenues.

**Timeline:** FY 2014-2018

**Network improvements** – Increasing need for video (such as security surveillance to detect and deter malfeasant activity and improving communication with customers and employees) will continue to increase network use. Incorporating low-cost, highly responsive cloud services into our portfolio will also increase network use. Ensuring that Western has the network bandwidth to meet growing data needs is crucial. With a mobile community, secure wireless access is also needed for mobile staff members and guests.

**Timeline:** FY 2014-2016

**Mobile Technologies** – Improved asset management capabilities, data-driven decision making and the need to easily access and input information from a widespread territory drive the need for small, agile devices with the capability to access and update information from a variety of sources. Mobile devices, by their very nature, increase security risk and will need to be appropriately mitigated through encryption, remote device wipe and other safeguards. Whether in the field or traveling between Regions, effective mobile solutions can improve productivity, reduce errors, improve decision making and enable rapid response.

**Timeline:** FY 2014-2016

## **P&I 2. Partnership Structures**

### **2.1 Expand Existing Partnership Funding**

Description: Continue working with customers and Regional customer groups to maximize the flexibility of customer funding programs to meet Western’s future capital funding needs.

**Timeline:** Ongoing

### **2.2 Partnership Structures and Options**

Description: Work with customers, Regional customer groups and others to identify methods for creating partnerships that are mutually beneficial. Develop internal processes to use these methods when applicable. Partnerships may include coordinated efforts for infrastructure development, enhanced security at shared facilities and other beneficial opportunities.

**Timeline:** Ongoing

### **2.3 Functional Council Think Tank/Identify and Implement Operational Best Practices**

Description: Participate in the Bonneville Power Administration partnership and innovation council, Electric Power Research Institute and other organizations that are supported by the customers and bring value to Western. Explore and adopt ways to create a culture of innovation at Western.

**Timeline:** Ongoing

## **P&I 3. Complete Operations Consolidation Implementation**

Description: Western made the strategic decision to consolidate the Operations functions of the DSW, RM and Colorado River Storage Project Management Center. The following initiatives will further consolidate and standardize technology tools, practices and procedures across the combined functions.

- Scheduling, AGC, Settlements Consolidation (Open Access Technology International, Inc.)

- Switching/Outage/Logging Consolidation
- Historical Consolidation
- SCADA/EMS Consolidation

**Timeline:** FY 2014-2019

## **P&I 4. Transmission Infrastructure Program Improvements**

### **4.1 Related Operating Funds, Collections and Reporting**

**Description:** TIP is a self-sustaining program that is administratively and financially separate from Western’s preference power program. TIP’s funding stream consists of annual service charges, direct charges assessed to developers (paid in advance) for project-specific development work performed by TIP and applied overhead charges to cover program-related expenses. The TIP Finance staff closely monitors collections, expenditures and budget requirements and shares this information with Western’s Chief Financial Officer, Department of Energy (DOE), and Office of Management and Budget on an as-needed basis.

**Timeline:** Ongoing

### **4.2 TIP Optimization (Infrastructure and Services to Customers)**

**Description:** Western, along with elements of DOE, has been engaged in efforts to optimize TIP. The optimization effort includes the partnership with the DOE Loan Programs Office, which will perform project financing services to include underwriting, negotiation, execution of loan documents, loan servicing and monitoring, and the issuance of *Federal Register* notices that set forth program revisions and extend a solicitation for the submission of new projects that seek to use Western’s borrowing authority.

**Timeline:** FY 2014

### **4.3 Construction/Program Management for Transmission Infrastructure Program**

**Description:** Western’s TIP continues to manage its program needs by developing projects that will support the goal of using borrowing authority to facilitate the delivery of renewable energy.

**Timeline:** Ongoing

### **4.4 Electrical District No. 5 – Palo Verde Hub Project**

**Description:** Developed in coordination with the Southwest Public Power Resource Group, which is made up of public power companies that include Western firm electric service and transmission customers of the Parker-Davis Project, the Electrical District No. 5 – Palo Verde Hub Project (ED5-PVH) project will amount to 410 megawatts (MW) of bi-directional capacity (primarily for renewable energy delivery) to the electric grid, including 254 MW that connect to the vital Palo Verde market hub that serves consumers in Arizona, Nevada and southern California. The work plans continue to support energizing of the entire project by January 1, 2015. \$91 million of borrowing authority was authorized for use in construction of this project.

**Timeline:** Complete in FY 2015

## **P&I 5. TIP Projects**

**Description:** TIP is a self-sustaining program that is administratively and financially separate from Western’s preference power program. Western’s borrowing authority will continue to be used over the Strategic Roadmap 2024 period. It has been used to provide funding to the ED5-PVH and the TransWest Express Project. In addition to the use of borrowing authority, Western’s TIP has

executed Advanced Funding Agreements to facilitate the development of transmission projects such as Southline and Centennial West Clean Line.

**Timeline:** Ongoing

## ● ● **P&I 6. Partnering to Test Emerging Technologies/DOE**

**Description:** Seek opportunities to partner with DOE on technologies that benefit Western and are supported by our customers. Survey Western’s subject matter experts and customers for emerging technologies that warrant exploration and concept development.

**Timeline:** Ongoing

## ● ● **P&I 7. Roadmap Refresh**

**Description:** Conduct a biennial strategic planning process, that includes meaningful customer and employee engagement opportunities, to assess changes in customer or workforce needs and industry trends and ensure that the Roadmap continues to meet the needs of Western and its preference power and other customers. The outcome could be adjustments or course corrections of the Tactical Action Plan, Strategic Roadmap 2024, the Critical Pathways and potentially Western’s mission and vision. The benefits of the Roadmap Refresh include ensuring the original intent of Strategic Roadmap 2024 is achieved. That intent is defining what role Western will play in the energy industry, with our customers, and within the federal government in 2024 and helping Western make the investments and decisions needed to navigate the changes and technological advances of a dynamic industry landscape while continuing to provide reliable and secure power and quality service to customers.

**Timeline:** FY 2016, FY 2018, FY 2020, FY 2022, FY 2024



# ASSET MANAGEMENT TACTICAL PLAN

Apply risk-based asset management (AM) practices to develop capital investment program needs while improving performance. Utilize Enterprise Risk Management (ERM) principles to guide risk-based decision making. Western continues to review the health of its physical facilities and operations to make risk-based decisions that support Regional reliability, safety and security across the agency. Included in this section are asset management, sustainable funding and enterprise risk management. It complements energy infrastructure by focusing on those programs and strategies that will maximize the value of our physical assets.

## AM 1. Asset Management for Physical Assets

### 1.1 AMPIP Data Population/Analysis/Reports

Description: Asset Management Project Improvement Project team is proceeding to Critical Decision-4 to collect data, build out Maximo 6 fields, run analyses and reports and other detailed tasks. Activities include:

**Maximo Business Rules and Data Cleanup** – Current Maximo data needs to be scrubbed and cleaned in accordance with established business rules for consistent reporting and asset management work.

**Timeline:** July 2014

**System and Data Integration** – Implement a long-term AM solution integrating Maximo, supervisory control and data acquisition, Historian, transmission line tool, Personal Digital Assistant (PDA) tool, etc.

**Timeline:** FY 2014-2019

### 1.2 Implement New Processes and Procedures

Description:

**Improve/Standardize Construction Project Prioritization** – The Maintenance, Design and Construction Council, Engineering Managers, financial staff and others will revise the project ranking criteria for FY 2017 budget development process.

**Timeline:** FY 2014

**Improve Maximo Capability (Long-Term) to Support Robust AM** – Additional improvements are needed within the Maximo database and interface to accommodate AM program needs. The assets' health index and risk impacts have several attributes that are received from other Western systems or are calculated values. Spreadsheets are currently being developed and populated with this detailed information, but to achieve a higher level of efficiency, Maximo should be improved for these requirements.

**Timeline:** FY 2015-2018

### 1.3 Transmission Line and Substation Inspection Solution Projects

Description:

**Transmission Line Maintenance Project** – This is a Western-wide effort to purchase, or have commercially developed, a transmission line inspection application that can be utilized in a consistent manner across the organization and would integrate with Maximo and geographic information systems.

**Timeline:** FY 2014-2017

**Substation Inspection Tool Project/ PDA** – This is a Western-wide effort to purchase, or have commercial developed, a PDA device to allow substation inspections to be completed and uploaded directly into the Maximo database system for reporting and would improve reporting capability and work order generation. This program will be utilized in a consistent manner across the organization.

**Timeline:** FY 2014-2015

### 1.4 Expand AM Program Categories

Description: Complete the balance of data collection for all transformers, breakers and transmission lines and then evaluate additional Western assets for inclusion in AM program. Expansion of AM program also includes AM organizational staffing and structure changes and the adoption of the AM policy and manual.

**Timeline:** Ongoing beginning in FY 2015

## ● ● AM 2. Integrated Asset Management and Capital Budgeting

### 2.1 Sustainable Funding Strategy

Description: Based on Western's 10-year plan, Western will develop a sustainable funding strategy. Sustainable funding means Western maintains timely access to capital funding sufficient to meet our core mission capital needs.

**Timeline:** Ongoing through December 2016

### 2.2 Budget Formulation and Execution Process Improvement

Description: The Office of the Chief Financial Officer is initiating a continuous process improvement program under which an improvement project will streamline the budget formulation and execution processes using Lean Six Sigma methodologies.

**Timeline:** Ongoing through December 2014

### 2.3 Cost Containment Review/Implementation

Description: Critical to business and organizational excellence is a focus on continual process improvement that results in cost containment through streamlining and capitalizing on technology with the outcome of improved timeliness and quality of products and services. This involves identifying, evaluating, modifying and implementing business process changes where appropriate (e.g., administrative or operational functions; integration of key processes and systems, such as asset management and capital budgeting; replacing manual with automated or internet-based systems such as internet payment platform).

**Timeline:** Ongoing

## AM 3. Enterprise Risk Management

### 3.1 Initial ERM Program Execution Process

Description: Initial ERM program execution process includes documenting contexts, identifying risks, establishing an ERM Committee, defining risk tactics, providing guidance to Western leadership councils, providing guidance to Project Management Advisory Group, setting up initial risk register, reporting of risks in agreed upon format and other related tasks.

Timeline: Ongoing through September 2015

### 3.2 Mature ERM Process Through All Levels of Western

Description: ERM is a process that matures with use, understanding, communication and continual Senior Management-level support. Formal ERM should strengthen Western's strategic business disciplines to ensure that sound, well-reasoned actions, decisions and strategies are the foundation for Western's success.

Timeline: Ongoing beginning in FY 2015



# SAFETY AND SECURITY TACTICAL PLAN

Every employee demonstrates, through core values and personal responsibility, a commitment to safely perform their jobs and ensure workplace security. The safety and security of Western employees and the public is our top priority. Ensuring employees return home safely to their families every night requires constant improvements to our safety- and security-related processes and procedures. Western will work to mitigate cyber and physical security threats, instill a zero-incident safety culture and establish an agency-wide emergency management and response program using the National Incident Management System framework.

## ● ● S&S 1. Continuous Improvement in Safety and Occupational Health

Description: Safety is a core value at Western. Continuous improvement of the safety and occupational health program means exceeding minimum regulatory compliance requirements and maintaining the agency’s standing in the top quartile of the industry for lowest injury rates. Western will continue to develop and refine procedures using “lessons learned” reviews to institutionalize safe work habits that strengthen and support a healthy and injury- and incident-free workplace.

Timeline: Ongoing

## ● S&S 2. Zero Incident Program Evaluation

Description: Evaluate consolidating Safety and Occupation Health procedures, manuals and handbooks into a single source for a Zero Incident Program (ZIP). ZIP moves an organization from a “transactional compliance” mindset into a transformational, proactive, core-value-driven and risk-reducing way of working and living safely. After a decision phase ends in FY 2014, Western will implement ZIP over the next four years. ZIP will further reduce the highest risks for Western employees, including electrical contact, fall from heights and motor vehicle incidents.

Timeline: Decision to implement ZIP to be made in FY 2014; implementation will occur from FY 2015-2019.

## ● ● S&S 3. Cyber and Physical Security

### 3.1 Cyber Security Assessment, Evaluation and Best Practice Implementation

Description: Continue to implement a risk-based cyber security program that protects the confidentiality, integrity and availability of both Western’s systems and data, while remaining compliant with federal and industry regulatory requirements. Western will provide a secure and reliable computing environment for its employees and customers, regardless of location. Western will continue to balance the need for a strong security program with the need for rapid access and responsive networks and applications.

Timeline: Ongoing

### 3.2 Physical Security Improvements, Transition and Roadmap

Description: Ensure program excellence through continued integration of industry best practices; policy revision and awareness; training and employee development; continuous

analysis and improvement plans; and proactive preventative measures. Establish a security roadmap and begin transition to a unified security program within Western to promote consistent, risk-based policies, procedures and practices to protect people and infrastructure, as well as institute a more streamlined North American Electric Reliability Corporation Critical Infrastructure Protection compliance program. Western will provide a corporate strategy to measure implementation using a specific baseline and adjust to facility-specific needs to ensure the appropriate level of protection for Western's facilities. Roadmap implementation will extend five years.

**Timeline:** Roadmap and begin transition in FY 2014. Implement Roadmap FY 2015-2019.

#### **S&S 4. Emergency Management Program Review/Development**

**Description:** Establish, implement and maintain a holistic emergency management program that will comply with Department of Homeland Security and Department of Energy requirements for non-power system operations emergencies. These programs will standardize the existing emergency management program throughout Western using recognized federal standards. This will include National Incident Management System Training Program, Emergency Operations Center and Mass Notification System. The training program and Emergency Mass Notification software will keep employees and management informed before, during and after events, whether emergency or non-emergency. Western will develop contingency and response plans, including Continuity of Operations/Business Plans, Emergency Response Plans, Disaster Recovery Plans and Occupant Emergency Plans to support the emergency management program. These integrated Western-wide emergency response and readiness plans will include policy applicability, project eligibility and program execution for operational readiness and response activities in accordance with public laws, regulations and disaster assistance authorities.

**Timeline:** FY 2014-2019



## COMMUNICATION TACTICAL PLAN

Engage internal and external stakeholders through purposeful exchange of ideas. Western will work to improve communication and transparency by increasing outreach and exploring additional channels for sharing information and achievements. Western will explore establishing collaborative groups, review its current customer representative approach to incorporate best practices and research additional communication tools that will deliver desired information when and where it is needed.

### CM 1. Communication Philosophy, Strategy and Framework

**Description:** Western will develop communication principles, philosophy and framework that will guide Western’s communications with employees, customers, the Department of Energy, members of Congress and their local delegations. Western is committed to honest, accurate and transparent communication with internal and external audiences. Like Western’s mission, vision and core values, communication principles are enduring over time and are the bedrock of all Western’s communication activities. Once developed in 2014, Western’s communication principles will be shared with both internal and external audiences. Staff will be encouraged to consider Western’s emphasis on open communication as they conduct their work with other employees, customers and elected and appointed officials.

**Timeline:** Ongoing

### CM 2. Comprehensive Stakeholder Engagement and Communication Plan

**Description:** While the framework, philosophy and strategy will define the guiding principles Western will follow to communicate with its internal and external audiences, a comprehensive stakeholder engagement and communication plan will define Western’s communication objectives and the plan to reach those objectives over the next 10 years. The communication plan should be created as a byproduct of Strategic Roadmap 2024 and should be refreshed when the Roadmap is to remain relevant for the agency. The plan will focus on Western’s primary audiences and stakeholders: employees, customers, the Department of Energy and elected and appointed officials in Washington D.C. as well as the states.

**Timeline:** Ongoing

#### 2.1 Contact Database

**Description:** In order to know who Western’s primary audiences are, the agency will develop a single automated contact database for both customers and elected and appointed officials in Washington D.C., as well as the states. The customer database will be housed in Western’s Shared Repository for Contracts starting in 2014 and updated at least quarterly by employees who have frequent contact with customers. The government official database is currently housed in Excel, and updated each year after an election.

**Timeline:** Ongoing

## **2.2 Inventory (new and existing) and Prioritize Participation in Key Industry Organizations**

Description: Western employees participate in several industry organizations around the country. Western will track membership and attendance in these organizations semi-annually starting in 2015 and develop a method to ensure information shared at these organizations is disseminated to other employees.

Timeline: Ongoing beginning in FY 2015

## **2.3 Periodic Market/Customer Research**

Description: To evaluate Western's progress in meeting its mission, Western will conduct biennial market and customer research. Customers, employees, the Department of Energy, other utilities and elected and appointed officials will be surveyed and interviewed to determine the quality of Western's customer service and success in meeting the mission. The first evaluation will occur in FY 2015 to see how Western is progressing in customer service, communication and transparency, meeting the mission and improving business and organizational excellence. This survey will be coordinated with or combined with the Customer Services Development tactical item described on page 7.

Timeline: Year before Roadmap Refresh.

## **2.4 Research and Evaluate Enhanced Online Communication Tools**

Description: Technology, particularly communication technology, is evolving at a rapid pace. Every three years beginning in 2016, Western will evaluate new communication tools and mediums to determine if new technology could assist Western in achieving its mission and improving communication and transparency with its employees, customers, the Department of Energy and elected and appointed officials. Only proven, stable technologies will be considered by Western staff. Western evaluated social media tools in 2013 and is implementing a plan to conduct in social listening with the potential of beginning to participate in social media channels, such as Twitter and Facebook, and improving its participation in Flickr and YouTube. Additionally, internal communication tools, such as Sharepoint Team Sites and Lync, are under consideration to improve employee communication and information sharing. Communication approaches and products that Western's customers value, such as the *Customer Bulletin*, are expected to continue.

Timeline: This activity will occur every three years starting in FY 2014.

## **2.5 Evaluate Additional Collaborative Groups**

Description: In 2016, Western will discuss with customers the possibility of creating additional collaborative group(s) by Region, customer type or customer size to improve communication and discuss activities and initiatives both at Western and the customers' organizations on a recurring basis. Customer collaborative groups will create an open forum for the participants to consider market changes, how customers and Western intend to respond or adapt to industry changes and identify joint partnership opportunities.

Timeline: Evaluation will occur in FY 2016; depending on the outcome of the evaluation, this will be an ongoing activity.

## **CM 3. Evaluate Customer Representative Approach**

Description: In FY 2016, Western will evaluate the customer representative program in each Region to determine effectiveness and room for improvement. Western will benchmark the programs within its Regions, in the other power marketing administrations and with other utilities to identify

best practices that could be implemented at Western. Evaluation will then determine what additional resources, if any, are needed to increase effectiveness of the customer representative program in each Region.

**Timeline:** Evaluation will occur in 2016; depending on the outcome of the evaluation, this will be an ongoing activity.



## HUMAN CAPITAL MANAGEMENT AND ORGANIZATION STRUCTURE TACTICAL PLAN

Recruit, develop and retain a diverse high-performing workforce. Western will continue its human capital management efforts for mission-critical and supporting positions. In addition to focusing on recruiting and retaining staff, Western will work on workforce planning, development and training; improving diversity and inclusion; and using the functional councils to assist in workforce planning and succession planning within Western.

### HCM 1. Organization/Structural Assessment and Enhancement (Includes Workforce Plan)

#### 1.1 Stop Doing Activity

**Description:** Western will use a “stop doing” activity to determine what tasks, projects or other work employees are doing that does not contribute to the success of Western's mission or fit into its strategic direction. Several formats are used to gather feedback, including anonymous surveys, focus groups and queries to functional councils. The activity engages employees in Western’s future, as defined by Strategic Roadmap 2024, by identifying opportunities to improve the organization and stay on track with each Critical Pathway. This “stop doing” activity will be conducted every two years in advance of Western’s biennial strategic Roadmap Refresh to better inform that process.

**Timeline:** FY 2014, FY 2016, FY 2018, FY 2020, FY 2022, FY 2024

#### 1.2 Western-wide Organizational Assessment and Governance Review/Optimization

**Description:** The organizational assessments are a holistic approach to evaluating organizational structures, governance and processes that accomplish outcomes in the Workforce Plan and annual plan. These assessments will be conducted in a prioritized fashion based on the need to ensure business alignment and necessary improvements to achieve Western’s mission. Western will realize efficiencies and effectiveness through a combination of realignments and streamlined processes, if they avoid duplicative or conflicting Western-wide practices. A modified structure would also result in functional improvements by maximizing Western’s resources and expertise. As a component of these assessments, the Western philosophy of team structures, including the functional councils and standing teams, will be re-evaluated to assess the effectiveness of the governance structure as well as their roles and responsibilities. This philosophy will maintain Regional structures that support customer service at the Regional level. The key benefits from these efforts include a clear line for decision making and approval of projects and proposals, as well as a means to identify the support needed to enhance standard work processes and practices. The governance structure review will be completed in February 2014. Preliminary planning for assessment will begin June 2014. The assessment will be completed calendar year 2015.

**Timeline:** FY 2014-2016

## HCM 2. Attracting Top Talent and Retaining Staff

### 2.1 Leverage Flexibility/Alternative Incentives for Recruiting and Retention

Description: Western uses a variety of tools to recruit and retain staff. Western operates within a highly competitive public utilities market for its professional and mission-critical occupations. As such, Western makes use of pay flexibilities, such as superior qualifications appointments and special pay authorities for its Dispatcher and Merchant positions. Western also utilizes recruitment, relocation and retention incentives, and makes frequent use of the Student Loan Repayment Program as well as the Tuition Reimbursement Program. A variety of government-wide work/life programs and other human capital flexibilities are also used as incentives to attract and retain staff. Western will use various Human Resources flexibilities like these to recruit and retain highly skilled physical and cyber security professionals prepared to address Western's dynamic security needs.

A current initiative requests a special salary rate from the U.S. Office of Personnel Management for the recruitment of entry-level engineers within Western. Western is partnering with the other Power Marketing Administrations (PMAs) to gather supporting data and conduct a pay survey to document the need for increased salary rates in order to attract and retain the engineers. As an alternative, Western will also explore utilizing existing Department of Energy (DOE) pay plans in order to facilitate recruitment for entry level engineer positions.

Timeline: The pay survey is expected to be completed in April 2014.

### 2.2 Integrate Diversity and Inclusion Plan with HCM

Description: The business case for diversity and inclusion has long been identified as a strategic and competitive advantage. The concepts are currently acknowledged as a long-term goal in the Human Capital Strategic Plan, expiring in 2016, and are included in existing Human Capital objectives. A comprehensive approach to maximizing the benefits of diversity and inclusion will be developed with all stakeholders in the creation of a new Human Capital Plan.

Timeline: Beginning FY 2015 with an expected completion date no later than June 30, 2015.

## HCM 3. Workforce Training, Development and Succession Planning

### 3.1 Employee Training and Development

Description: Western will use needs assessment data, industry best practices, lessons learned and strategic workforce plans to assess and align Western's training and development programs against technical and leadership competencies to achieve the mission.

Timeline: In FY 2014, align all Western Leadership Development Program opportunities against Western's Leadership Competencies. Between FY 2017 and 2020, identify and assess technical competencies, align training to competencies and develop training plans to mitigate gaps.

### 3.2 Organizational Development

Description: Apply organizational development concepts and tools to effectively drive change, facilitate knowledge transfer and streamline work processes.

Timeline: FY 2016-2019

## ● HCM 4. Strategic Workforce Planning

### 4.1 Workforce Plan

Description: Adjust the Workforce Planning cycle to be completed in January of the year following the issuance of the new Workforce Plan. This would align budget cycles and strategic targets and also allow for consideration of the prior fiscal year's data in compiling the plan. Previously, the plan was issued at the beginning of the fiscal year, but data was as of the third quarter of the previous fiscal year.

Timeline: FY 2014

### 4.2 Leadership Councils

Description: Revise each leadership council charter to include a clause identifying the role of the council or team in reviewing positions and opportunities Western-wide on a semi-annual basis to determine if there is a skills gap. If one is identified, develop a strategy to close those gaps for workforce planning purposes. In this section, leadership councils will be leveraged to forecast trends in the industry to identify needed skills and competencies for the future. Establish workforce plans (recruitment, training and development, knowledge transfer programs, full-time employee utilization and partnerships) to mitigate gaps and develop a ready-now pool of candidates to compete for mission-critical and leadership positions across Western.

Timeline: Ongoing twice a year

## ● HCM 5. Knowledge Management Systems and Tools Upgrade

Description: Participate with the DOE-initiated review of Human Resources and Learning Management Systems (LMS). Focus will be on supporting the selection of a DOE-wide LMS that best meets Western's need for a comprehensive LMS that includes an Human Resources suite of Information Technology (IT) systems that provide tools for the scheduling, tracking and recording of employee training.

Timeline: DOE's evaluation of the current and future Human Resources IT Systems and Architecture requirements will be initiated during the DOE Human Resources delivery implementation planning period (i.e., initial 120-day phase from December 2013 through February 2014). The final requirements will be implemented by FY 2018.