



Strategic Roadmap 2024

Powering the Energy Frontier



Published May 2014

Our mission

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

Administrator’s Message

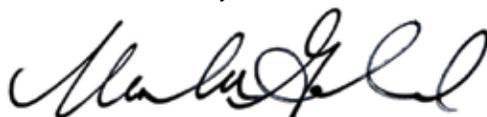
Western’s greatest responsibility is to manage our assets—\$4 billion strong—and ensure they are deployed wisely for our customers and for the nation to keep the power flowing safely and reliably to more than 40 million Americans.

How we effectively manage resources is central to Western’s success. If Western is to continue to provide excellent support for our customers and others, we need to consider the state of our assets and our needs in the future. The energy landscape today is being changed by a number of drivers including increasing intermittent and behind-the-meter generation, stagnating demand and the need to invest in aging infrastructure. To adapt to these changes and help power the energy frontier, we need a clear vision of our role with our customers, in industry and within the federal government.

Since the summer of 2013, we have actively collaborated with customers, the Department of Energy and our employees to develop Strategic Roadmap 2024 to serve as the guide to our mission through 2024 and beyond. Strategic Roadmap 2024 applies our mission to emerging industry challenges and underscores our commitment to customers and the industry while preparing for the future. Although an independent document, Strategic Roadmap 2024, along with efforts in Sustainable Funding, Asset Management and Human Capital Management, will greatly affect how Western does business today, and more importantly, how we will conduct our business in the future in a dynamic and evolving industry.

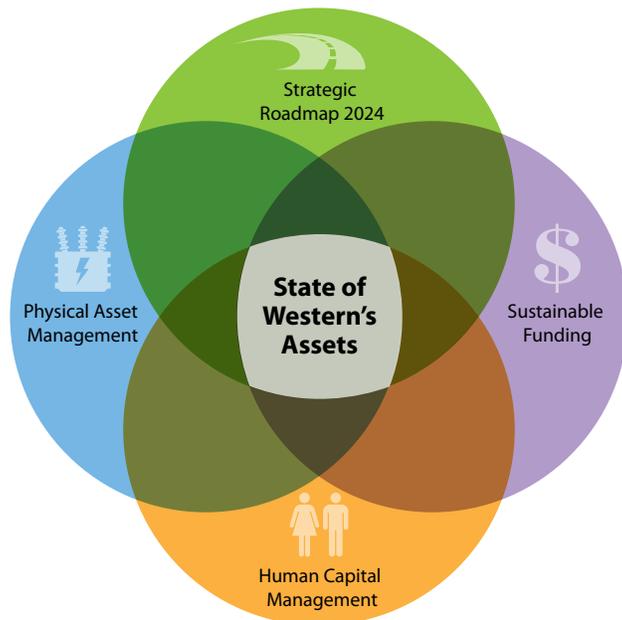
For more than 36 years, Western employees have been dedicated to public service and meeting the needs of our customers and the nation. As we continue this journey, Western and customers will use this Roadmap to chart the course toward achieving our mission in a dynamic and complex energy frontier and pave the way for a secure, affordable and reliable energy future.

Sincerely,



Mark A. Gabriel
Administrator

Figure 1: Initiatives in State of the Assets report



Mission

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

Vision

Continue to provide premier power marketing and transmission services to our customers, as well as contribute to enhancing America's security and sustaining our nation's economic vitality

A 230-kilovolt transmission line leaves Western's Mead substation in Boulder City, Nev., and heads west.

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 hydropower 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 reviews and refreshes its strategic plan every few years to ensure the agency remains focused on meeting customers’ needs, aligned with DOE goals and responsive to industry change. A strategic plan is both a living document, flexible to adapt to continuously evolving conditions, and a source of continuity that provides a long-term vision of our role with customers, in industry and within the federal government.

This strategic plan is comprised of Strategic Roadmap 2024 and an appendix called the Tactical Action Plan. As an appendix, the TAP will be reviewed and updated regularly to ensure Western stays the course to its goals.

Strategic Roadmap 2024 applies our historic mission to the dynamic and evolving industry environment that includes myriad new regulations, the growing presence of interruptible and intermittent generation resources and constraints on our hydro resources. It also ties together Western’s strategy, initiatives, capital budgets and annual targets to move the agency in one direction, continue to meet customer needs and provide the best value as an organization.

Following Strategic Roadmap 2024, and in concert with customers, the industry and DOE, Western will maneuver through the changing industry environment and continue to meet our commitments to customers to deliver on our mission, manage resources effectively and operate safely, securely and reliably through 2024 and beyond.

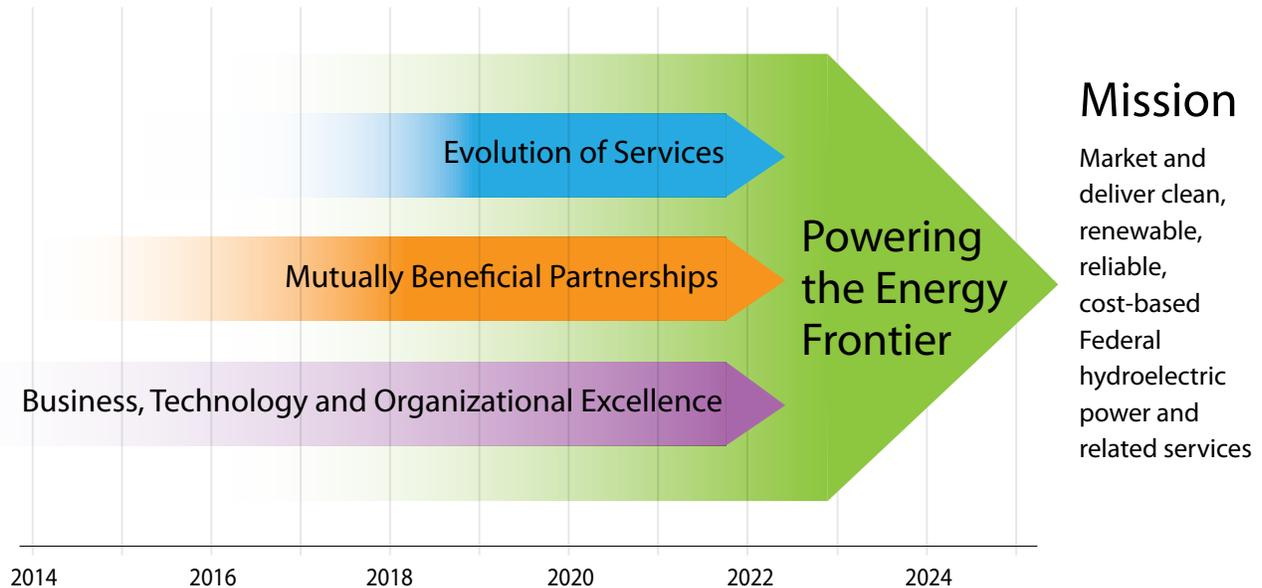
Figure 2: Our commitments



Strategic Roadmap 2024

The Roadmap consists of four overarching goals, called Critical Pathways, all aimed toward Western’s mission.

Figure 3: Strategic Roadmap 2024



The Critical Pathways are:

- ➔ **Business, Technology and Organizational Excellence:** Expanding on organizational excellence by applying knowledge, technology, innovation and engaging internal and external partners to optimize operational effectiveness.
- ➔ **Mutually Beneficial Partnerships:** Building and sustaining productive relationships that enhance trust, operational effectiveness and business opportunities for all parties.
- ➔ **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.
- ➔ **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.

The Pathways serve as foundational building blocks to best accomplish Western’s mission. Rather than beginning and concluding at specific points, they are enduring pursuits along a continuum toward excellence. Using the Pathways, Western employees will continue to effectively navigate and accommodate the changes and technological advances of a dynamic industry landscape and provide reliable and secure power and quality service to customers.

Tactical Action Plan

The Tactical Action Plan, an appendix to the Roadmap located at Western’s website, inventories those tasks and activities, existing and new, needed to fully achieve Strategic Roadmap 2024. It connects the mission and Roadmap to day-to-day activities and helps Western staff focus time and resources on those things that bring the most value to the agency and our customers. The TAP is not an exhaustive list of Western’s activities and will be updated regularly to ensure the activities represent changing customer and industry needs.

The Tactical Action Plan includes a brief overview of each activity, time frame for execution and initial work scope estimate. The work scope estimates are for planning purposes only and identify if a project is “small,” “mid-sized” or “large” when compared to the other projects. As tasks or activities are further defined, the activity scope, objectives and cost estimates will be adjusted and included in revisions to the appendix.

Figure 4: Illustration of Tactical Action Plan



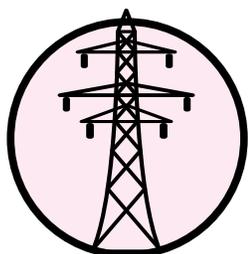
Strategic Target Areas

The TAP is organized into seven Strategic Target Areas, which serve as Western’s priorities and areas of focus for the next two to three years. Target Areas are also used to create the annual performance targets, which measure progress and implementation of the Tactical Action Plan.



POWER AND TRANSMISSION RELATED SERVICES— Protect and enhance the value of Western’s power and transmission related services.

Marketing firm electric power and transmission 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. Western will also continuously evaluate and improve the services it provides to preference power and transmission 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.



ENERGY INFRASTRUCTURE—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, 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.



PARTNERSHIP AND INNOVATION—Leverage technological advances and industry partnerships to advance the energy infrastructure, recognizing the convergence of Information Technology 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 improvements also fall under this strategic target area as an avenue for both new partnerships and technology.



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.

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 and financial assets.



SAFETY AND SECURITY—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.



COMMUNICATION—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.



HUMAN CAPITAL MANAGEMENT AND ORGANIZATION STRUCTURE—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.

Terms and definitions

Mission: Defines why Western exists and its purpose.

Vision: Identifies Western's desired future state.

State of Western's Assets: Overview of the condition of the agency and its Regions. The annual document provides updates on four interconnected and complementary areas of work that serve as the pillars of Western's business. They are Strategic Roadmap 2024, Asset Management, Sustainable Funding and Human Capital Management.

Strategic Roadmap 2024: A 10-year strategic direction built upon Western's mission and vision that defines what Western will look like and what role it will play in the energy industry, with our customers and within the federal government from now until 2024. The Roadmap consists of four Critical Pathways and their definitions to describe how Western will achieve its mission.

Critical Pathways: Western's goals for the next 10 years.

Tactical Action Plan: Appendix to Strategic Roadmap 2024. The TAP is an inventory of major programs and projects, new and existing, needed to fully achieve the Roadmap. It connects the mission and Strategic Roadmap to day-to-day activities and will be updated regularly to ensure the activities represent changing industry and customer needs.

Strategic Target Areas: Western's priorities and areas of focus in the Tactical Action Plan. Target areas support the Critical Pathways and provide the basis for decisions about the nature, scope and relative priorities of all tactical projects and activities.

Our vision

Continue to provide premier power marketing
and transmission services to our customers,
as well as contribute to enhancing America's energy
security and sustaining our nation's economic vitality



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