

10 YEAR CAPITAL PLAN

WESTERN AREA POWER ADMINISTRATION



Action Items Captured June 7th, 2017

Customer Action Items

1. Southline

- a. Please update customers on how equipment and construction contracts are procured on the SL project to meet the 2020 energization deadline. Identify any limitations (legal).

WAPA is investigating the idea of accepting equipment as a form of funding. The Procurement manager is currently working with General Counsel to determine if there are any legal limitations.

- b. Can WAPA provide the customers the total MW of subscribed off-takers? If not now, when can this be provided to customers?

Discussions and negotiations for the Southline share of the project capacity are ongoing and have significantly advanced with anchor tenants. EDF Renewable Energy has been working with Southline on 500 MW of Southline capacity rights to assist in the marketing of a new generation development. Please refer to the EDF letter; enclosed within, for further information. Further results and updates will be provided to WAPA customers as the project progresses. WAPA's current capacity in and out of Apache Substation is fully committed. Off-takers for WAPA's additional capacity would not be defined until close to construction completion through an OASIS offering.

- c. Can the customers be a part of the E&OC committee?

WAPA is open to considering a form of customer representation in an advisory capacity for WAPA's participation in the Southline E&OC activities. Further discussion is needed with Southline to ensure a mutually agreeable project facilitation arrangement.

- d. Can WAPA provide customers with interconnection timelines and construction sequencing?

WAPA is in the early development stages of the project, construction sequencing was analyzed from a high level. Once the anchor tenants have been finalized and the numerous interconnection systems have been studied by their transmission owner's then more detailed interconnection timelines and construction sequencing can be developed.



- e. Have power flow studies been performed?

Yes. In fact, technical studies have been performed on the Southline Project throughout its evolution. The Project's first technical analysis was initiated during its first stages of development and through the Southeastern Arizona Transmission Study (SATS) sub-regional planning forum. Phases I and II of the defined WECC Path Rating process for the Project have been completed and required numerous technical studies that included load flow, transient and post-transient analysis. Currently, there are key utilities analyzing the impacts of the potential interconnection of the Southline Project to the host transmission system. These utilities include Tucson Electric Power, Arizona Electric Power Cooperative (AEPCO), and El Paso Electric. Their studies will also consist of load flow and transient stability analyses.

2. Gila Sub 161kV

- a. Provide information on the "reconstruction" of the 34.5kV yard as the meeting material states that it was "expanded" in 1999. WAPA is **stating** safety clearance issues are present but how does this correspond to the work that was performed in 1999?

WAPA Maintenance has no records of any work being performed on the 34.5kv equipment in the yard in 1999. Two breakers that were replaced by Maintenance forces in 2011. In 1999 the 161/69 transformers were installed. This equipment is located in the proximity of the GLA 34.5kv yard.

3. Coolidge-Valley Farms 115kV T-Line

- a. Customer request list of contingencies that could potentially result in COL-VAF overloads

WAPA has reached out the inquiring party to have a technical discussion.

- b. I would like to better understand how COL-VAF was evaluated in regards to power flow congestions and how that compares to the analysis of TUC-ORA.

WAPA is reaching out to the inquiring party to have a technical discussion.

4. Dome Tap-Gila 161kV T-Line

- a. Customers would like information on how preferred alternatives were selected. Did WAPA consider "floating dead-ends" or swapping insulators to achieve required clearance distances on phase-to-ground violations? Customers want to be sure the most economical options have been evaluated for NERC mitigations.

Reference handout book section 15.1 and 15.2

Reference handout book Alternative 5, Pages 64 and 65

Yes, a thorough engineering design analysis was performed between DSW and HQ to determine the most cost effective mitigation response while considering all other evaluation criteria.



- b. Potentially add an alternative that would NOT Reconductor, and instead just fix failing wood poles and NERC violations. (This would leave 70+ year old copper conductor in place)

The cost-benefit analysis suggested that the capital investment required to re-conductor provided more value relative to the cost of only fixing wood poles and NERC violations.

5. General

- a. When reporting on executions, include footnotes to explain the “shifting” in budget categories that explain the variance in under/over execution from one budget activity to another (e.g. General Western Allocation to Data Activities Charges)

WAPA Budget and Finance organizations will adjust and report on this in a separate meetings dedicated to Budget/Finance.

- b. Budget Formulation Flow Chart – Financial (Appropriations)

- i. Highlight customer meeting
- ii. Highlight customer Input Points
- iii. Put Flow Charts on power point slides

WAPA-DSW is currently working with the Customer Technical Committee to develop a customer friendly Budget Flow Chart that incorporates a number of improvements. A new version of the Flow Chart will be reviewed and discussed in the next customer meeting in October.

