



Western
Area Power
Administration

ATEA Annual Meeting

Jack Murray, V.P. Power Marketing, Desert Southwest Region

- January 25, 2018



Desert Southwest Region

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DSW Services

- Power Marketing
 - Power Contracts, Rates, Resources, Settlements
- Energy Management & Marketing
 - Merchant Energy Services
- Transmission Services
 - Transmission Contracts, Transmission Planning/Studies
- Transmission System Asset Management
 - Engineering, Construction, Maintenance
- Power System Operations
 - Transmission Switching, Scheduling, Balancing



DSW Updates

- Organized Market Activities
 - Southwest Markets Alternative Group (SMAG) formed 2016
 - Participants include investor owned utilities, G&T coops and a Federal PMA
 - Voluntary collaborative effort to evaluate:
 - Merits of various structured market options
 - Implications to existing SW bilateral markets
 - Impacts on regional grid operations
 - Monitors MWTG, SPP, CAISO developments to understand market alternatives
 - Objectives to identify/evaluate costs & benefits of participation
 - DSW team active in discussions
 - Additional customer communication in 2018



DSW Updates

- Organizational approach to Markets (OAM)
 - WAPA Strategic Roadmap identified the OAM project to evaluate WAPA's readiness for markets in three areas:
 - Operations
 - EMMO
 - Settlements
 - The purpose was to offer recommendation for improvements and efficiencies in tools, processes and organizational structure



DSW Updates

- OAM Review
- OAM team studying impacted areas began work in early 2017
 - Delivered report with recommendations to the Marketing & Operations leadership (PMMC & PSOC) to develop final recommendations late in CY 2017.
- OAM Next Steps
 - PMMC & PSOC formulating 10 year timeline of actions to incorporate team's recommendations
 - Project manager expected in January 2018



DSW Updates

- Southline Transmission Project
 - Background
 - Approx. **240 miles of new, 345kV double circuit transmission lines**, between Afton substation (NM) and Apache (AZ)
 - A series of upgrades to approx. **120 miles of existing transmission lines** (from single-circuit 115-kV to double-circuit 230-kV between the Apache (AZ) and Saguaro (AZ) Substations)
 - Milestones
 - Completed EIS and ROD in 2016
 - Completed Open Season
 - Completed AZ permitting Feb 2017
 - Executed Pre-Construction Agreement FY17—funds ALL WAPA Southline Activities
 - Finalization of Participation Agreement Q1 FY18
 - EDF identified as wind generation developer
 - Phased in service anticipated starting late 2020



DSW Updates

- Customer Technical Committee (CTC)
 - Customer committee formed early 2017 (kickoff April 2017)
 - All customers invited to participate in discussions
 - Objective is to come to a Work Planning Agreement (“new JPA”) that includes processes for:
 - Workplan (budget formulation)
 - Ten year planning
 - Transmission Planning
 - Procurement/Acquisition
 - Rates
 - CTC website:
<https://www.wapa.gov/regions/DSW/Pages/customer-technical-committee.aspx>



DSW Updates

- Key Staffing Changes
 - Tina Ramsey—Rates Manager
 - Actively recruiting for a Resources & Settlements Manager
 - Bob Easton—Acting Operations Manager
 - Actively recruiting an Operations Manager
 - Various folks filling in as Acting Transmission Services Manager
 - Scott Lund—Project Manager, reporting to Sr. Vice President/Regional Manager
 - Patricia Weeks—Contracts & Energy Services Manager



DSW Key Contacts

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