

# FEDERAL HYDROPOWER COUNCIL UPDATE

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Team Cumberland Meeting  
April 6, 2021



# FEDERAL HYDROPOWER COUNCIL WORKING GROUPS

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- Acquisition and Delivery Process
- Joint Cost Allocation and Charging Practice
- Water Storage Reallocation and Crediting
- O&M Cost Reduction and Efficiencies
- Federal Hydropower Communications

# ACQUISITION AND DELIVERY PROCESS

Team Leads: Bill Leady (BPA) and John Ferguson (SAD)

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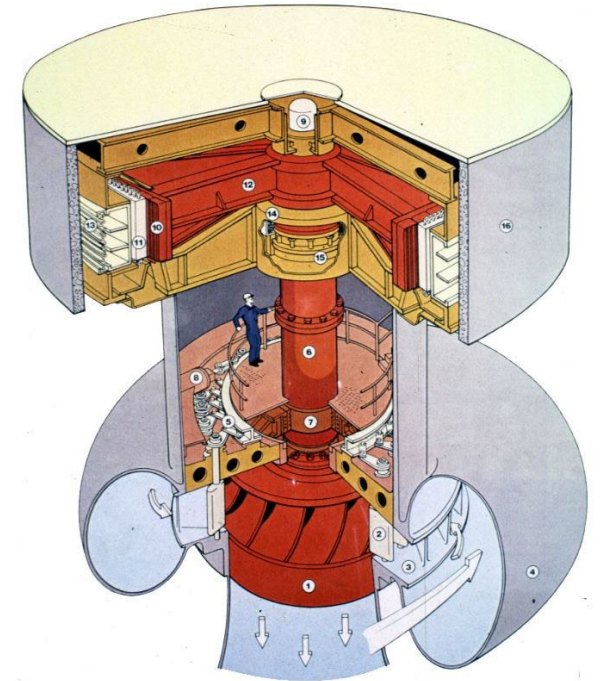
Working Group Focus: Streamline the Acquisition and Delivery Process

## Accomplishments to Date:

- Created the Hydropower Acquisition Strategy Board (HASB)
  - National Acquisition Plan Development
  - Regional Acquisition Tool Development
  - Enterprise Acquisition Metric Development
  - 15 requests for support in 2020
- Created a USACE Hydropower Acquisition Course
  - Four courses completed (June 2018, Feb 2019, Nov 2019, 2020 refresh) (100+ students trained)

## Upcoming Actions:

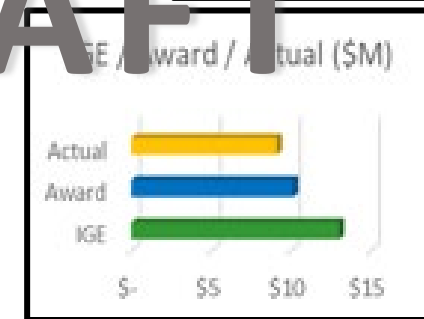
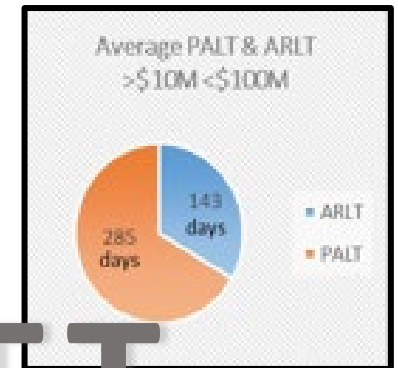
- Metrics Refinement and Analysis
- Host “Industry Day” in July/Oct. 2021



# ACQUISITION METRICS

Developing Enterprise-Wide Metrics for Hydropower Acquisition in order to Measure and in turn Improve the Acquisition and Delivery and Key Hydropower Components

	<u>Metric</u>	<u>What is Measured</u>	<u>What it is / What it identifies</u>
#1	Average Acquisition Requirements LeadTime (ARLT)	Time	Time it takes requirements side (planning, engineering design) to prepare package for Contracting action ----- Identifies strengths/weaknesses in planning/egr phases; Identify workforce shortages, process issues
#2	Average Procurement Administrative LeadTime (PALT)	Time	Time it takes Contracting side from receipt of package to award ----- Identifies strengths/weaknesses Contracting technical skills; Identify workforce/workload issues, best practice
#3	# of days from forced outage date to repair contract/TO award	Time	Sum of ARLT and PALT, but specifically for forced outage repair cases. ----- Indicates ability for fast turnaround of pre-award tasks for critical emergent work.
#4	IGE/Budget Estimate \$\$ vs. Actual contract award \$\$ vs. Total contract cost \$\$  Also lost PMA revenue \$\$ expected vs. actual	\$\$	Independent Gov't Estimate vs award vs total contract cost. Also expected PMA lost revenue \$\$ vs. actual. Focus on a few high profile projects. ----- Large variances suggest acquisition issues of high impact, potentially leading to increased clarity of problem statement.



# JOINT COST ALLOCATION AND CHARGING PRACTICES

Team Leads: Virgil Hobbs (SEPA) and Andrea Murdock McDaniel (SWD)

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Working Group Focus: Aligning Purpose Codes and Work Category Codes for Environmental Stewardship and other USACE Business Lines for Recommendations on Policy Guidance.

## Accomplishments to Date:

- USACE issued legal that determination Congressional direction required to update Joint Cost Allocations.
- USACE refined Work Category Codes for FY2022 budget.
- Working with business line managers to get alignment between Purpose Codes and WCCs for Environmental Stewardship & Flood Risk for recommendations on policy guidance.
- Refining data pull for deep dive into 12 designate projects Joint Costs.

## Upcoming Actions:

- Finalize recommendations and present to leadership.
- Potential 2-year timeline for policy implementation.



# WATER STORAGE REALLOCATION AND CREDITING

Team Leads: Fritha Ohlson (SWPA) and Brian Shenk (HDC/HAC)

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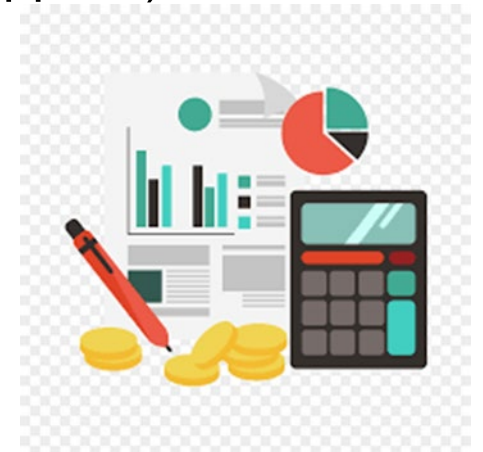
Working Group Focus: Address policy, methodology, and crediting issues associated with storage reallocations that occur under the authority of the Water Supply Act of 1958

## Accomplishments to Date:

- Addressed several methodology issues, some to mutual agreement, some not:
  - Remaining PMA/USACE differences in hydropower revenues and benefits foregone calculations can be significant.
  - Continue to coordinate on evolving power markets and valuing methodologies.
- PMAs account for storage reallocation credits on a regional basis through the combined financial audit process (allows for different interpretations of the credit(s) applied).
- Team leads recommended independent review on water storage reallocation methodology.

## Upcoming Actions:

- Continue to monitor Stockton Case Study.



# WATER STORAGE REALLOCATION AND CREDITING

Team Leads: Fritha Ohlson (SWPA) and Brian Shenk (HDC/HAC)

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Stockton (NWD) Case Study: Water Supply Reallocation in Real-Time at Stockton Lake, MO.

## Accomplishments to Date:

- Early communication, engagement, and information sharing (2018-June 2020).
- Unresolved issues prior to publishing draft in July 2020.
  - Significant differences between USACE and SWPA Hydropower impact evaluation.
  - SWPA concerned with financial and sustainability risk to the Hydropower Program.
- SWPA requested hold pending independent review of process.
- NWD commitment to not take further action pending independent review.

## Upcoming Actions:

- Methodology comparisons - May 2021
- Consideration for changes - June 2021





# O&M COST REDUCITON AND EFFICIENCIES

Team Leads: Chris Lyles (WAPA) and Tony Kirk (NWD)

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Working Group Focus: Optimizing Operations and Maintenance of USACE Hydropower assets through recommended policy and organizational changes.

## Accomplishments to Date:

- Planning for Centralized Control underway in majority of USACE Hydropower Regions.
- Developed and shared draft Position Descriptions of for consideration for “Multi-Craft” positions.
- Published USACE Hydropower Maintenance Standards and began training for implementation.

## Upcoming Actions:

- Finalize “Multi-Craft” Position Descriptions and training curriculum.
- Develop the guidelines and process for a value and importance driven approach for implementation of the Hydropower Maintenance Standards.





# COMMUNICATIONS

Team Leads: Daniel Rabon (USACE-HQ) and Barbara Smith (SEPA/SWPA)

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Working Group Focus: Better Articulate and Advance a Consistent Integrated Value Proposition for Federal Hydropower.

## Accomplishments to Date:

- All About Federal Hydropower Infographic and map (2017).
- Various outreach to Congressional staff, OMB, PMA customers. (2017-2019).

## Upcoming Actions:

- Plan outreach for 2021
- Coordinate with BPA and WAPA communication/graphics departments to finalize the “How Federal Hydropower is Marketed”
- Federal hydropower informational video.
  - Broad message and use.
  - Widely available (USACE, Reclamation, PMA website).
  - May 2021



# FEDERAL HYDROPOWER COUNCIL UPDATE

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- March 25<sup>th</sup> meeting
  - Leadership roundtable format
- Next Meeting anticipated July/August 2021
- Five-year Anniversary of the FHC



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