

Hydropower Program Strategic Planning Meeting

16-17 December 2003

Allatoona Lake Project Office, Georgia
Cartersville, GA

Participants:

Jim Crum, National Program Manager, CECW-OD

Donna Ayres, Facilitator, CEIWR-PA

Jerry Brown, CELRN-PM-M

Leon Cromartie, CESAM-OP-TH

Roy Harrison, CESAD-CM-OH

Mike Jordan, CESWD-CMO

David Lichy, CEIWR-NDC

Brent Mahan, CENWP-HDC

David Mistakovich, CELRN-OP-H

Kimberley Oldham, CENWD-CM-O

Kamall Sadiki, CENWD-CM-WPX-N

Richard Werner, CENWS-OD-CT

I OBJECTIVES

- 1) Talk strategically about the future
- 2) Design a framework and an approach to develop a strategic workshop in the spring for the hydropower community.
- 3) Identify key components to a strategic vision that aligns with the future direction of the Corps.

II DESIRED OUTPUTS

- 1) Strategic Workshop design.
- 2) Key elements for a hydropower strategic plan.
- 3) Vision for the future (after the workshop).

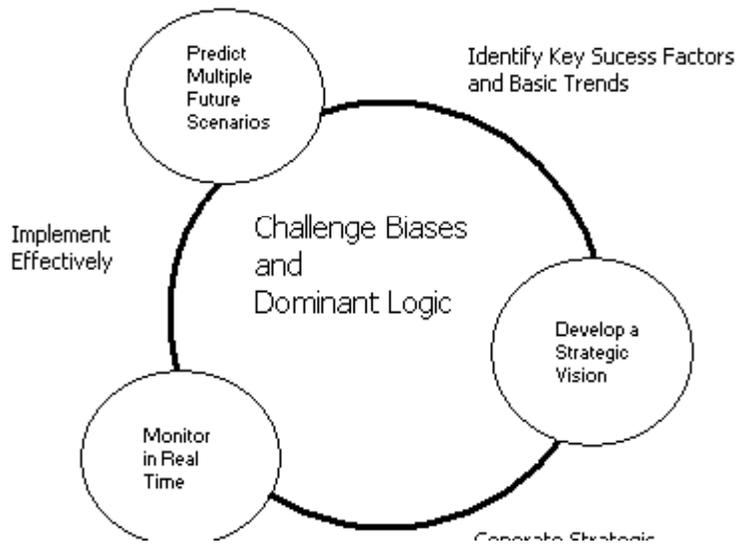
III STRATEGIC ISSUES

- **Funding.** The Strategic Plan must include a discussion of funding. We need a funding strategy that has the ability to incorporate direct funding from the PMAs, Customers, as well as appropriated funding + rehabs.
- Although the Energy bill died this round, the issue of funding support by the PMAs is still important. It is noted that under direct PMA funding, there will be no change to BPA. SWPA and SEPA have supportive positions. WAPA needs our continued support and coordination. Each PMA will have its own paragraph in the bill to allow for the differences in views regarding direct funding.

IV SETTING THE STRATEGIC CONTEXT

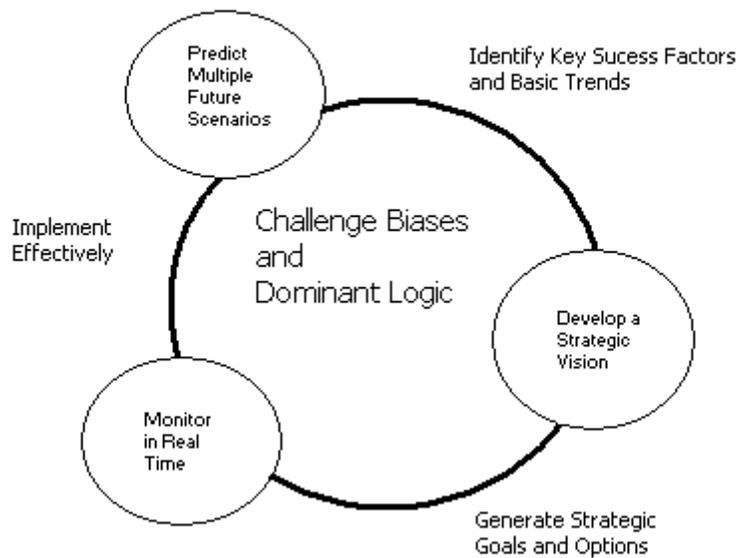
- National Initiatives / Alignment Drivers
 - USACE 2012 briefing
 - Teams will be movers and shakers
 - Expertise, policy, doctrine will come from CoPs
 - Planning will be regional—using a “watershed approach” *
 - Funding will be tied to actual performance results
 - Relationships are keys to success
 - Civil Works Strategic Plan
 - 1) Provide sustainable development and integrated management of the nation’s water resources.
 - 2) Repair past environmental degradation and prevent future environmental losses.
 - 3) Ensure that operating projects perform to meet authorized purposes and evolving conditions.
 - 4) Reduce vulnerabilities and losses to the nation and the Army from natural and man-made disasters including terrorism.
 - 5) Be a world-class public engineering (works) organization.
 - President’s Management Agenda
 - 1) Manage human capital strategically
 - 2) Compete inherently non-governmental work
 - 3) Expand electronic (e-) government to bring government closer to citizens
 - 4) Integrate the budget with performance
 - 5) Improve financial performance

STRATEGIC COMPASS



- o Strategic Compass (see Jim's notes)

STRATEGIC COMPASS



“THE GOAL IS NOT TO DEVELOP A PERFECT STRATEGY BUT ONE THAT WILL TAKE US IN THE RIGHT DIRECTION WITH THE ABILITY TO ADJUST”

Strategic ideas from the field (see Jim's e-mails)

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- CONFERENCE CALL: PMA representatives in Washington (Jon Worthington, Jack Dodd):
 - The dialogue with the Corps is open, strong, will continue. SWPA has agreements in place, so is a bit ahead.
 - Customers are satisfied with the Corps' responsiveness and will want to be involved in planning for direct funding. We must incorporate customer feedback. This speaks to a need for an adaptive management approach.
 - It is critical to build trust; we must keep working at relationships, especially when the players change. We project a major turnover in staff, which may lead to loss of historical knowledge but also opportunities for obtaining new perspectives. We must think about moving beyond traditional roles. Instead of saying, "No," we must look for creative ways to move forward cooperatively.
 - OMB would like to see the PMAs sold off, but this is unlikely.
 - Our customers need to do a better job of informing Congress. Their voice can strengthen or stop the program.
 - Challenges that lie ahead:
 - Get direct funding legislation passed
 - Build strong customer support
 - Deal with OMB / CBO scoring issues
 - Explore the ability of customers to directly fund large-scale capital improvements (PMAs will pick up smaller-scale recapitalization). Perhaps recapitalization has to be a joint endeavor between the PMAs and the customers, focused on benefits.
 - More emphasis by the Bush administration on the P.A.R.T. This emphasis will not go away if the administration changes.
 - We must show performance benefits. This speaks to a need to develop performance measures (see BPA's list).
 - Explore revising hydro rehab standards.
 - Understand the impact of new starts on the program. Direct funding may justify new starts.
 - Explore maximizing the capacity of existing infrastructure. Should we do a study of infrastructure value to the customer?
 - The budget constraint will be the requirement for no rate increases for O&M and small cap improvements.

- R&D (Phil Wagner)
 - See briefing
 - BUREC has a \$1-\$1.5 M budget compared to USACE's \$100k for Hydropower R&D funding managed under the Infrastructure Engineering program, specifically Engineering Technologies. Hydropower R&D accounts for 3% of the R&D budget.
 - We need to get more and direct funding for Hydropower R&D.
 - Establish a steering committee for Hydropower R&D.
 - A Hydropower needs survey suggested priority research areas (see slides).
 - **The Hydropower Leadership Team (CoP) believed that there's a need to not delete linking SCADA to OMBIL – revisit this priority..**
 - Perhaps we need a Hydro R&D sub-CoP headed by Phil to establish an annual R&D program. Link across business programs.

SPRING WORKSHOP

Workshop Planning – “Shaping the Future of the Corps Hydropower Program”

Date: Late April – early May

Locations: 1) Las Vegas, visit Hoover Dam, side trip to Red Rock Canyon
2) Buffalo, visit Niagara with Hydropower Ontario

Attendees:

NWD = 13

LRD = 6

SAD = 11

MVD = 3

SWD = 8

HDC, HAC = 4

Contractors = 5

Congressional staffers?

OMB – No

(total: 60-65 people)

Small group facilitators will be the Hydropower Corporate Team members + selected others.

Travel day – Monday, p.m. meeting of Hydropower Corporate Team and contractors and facilitators in afternoon.

Tues-Wed + ½ day Thurs: Workshop Sessions

Thurs afternoon: Facility Tour

DRAFT PROGRAM

Day 1 (TUES)

0800	Welcome	Host (L.A.District D.E.?)
0815	Introduction	<i>Mike White</i> , CoP Leader, Operations o Why is strategic planning important
0845	Plenary Panel Presentations	BUREC = Debra Linke PMAs = Bob Porter, Jon Worthington Customers = Tom Graves, Ted Combes, Roger Smith, Rick Henley (Jonesboro)
1000	Break	
1030	Overview of the Hydropower Program	<i>Jim Crum</i> <ul style="list-style-type: none">• State of the Hydropower Program• Cover Strategic Plan outline I-III• How the Strategic Plan will be used
1130	Lunch – guest speaker	<i>Craig Holt</i> , “Guidelines to Strategic Success”
1315	Instructions for Small Group Work (look at what’s missing, what’s in conflict, select a reporter)	<i>Donna Ayres; IWR</i>
1330 – 1630	Group Work (Round I)	
1630 - 1700	Day I wrap-up	

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Day 2 - WED

0800 Small Groups Finalize their Work

0900 Break

0930 SMALL GROUP BRIEF-OUTS

1200 Luncheon MG Strock (1), Marla Barnes (2)

1330 Small Group Work Introduction Donna Ayres

1345 Small Group Work (Round II)
Give out products of Round I
Instructions: prioritize top 3 recommendations.

1630 Facilitators and contractors meet to review outputs, focuses on key points

Day 3 – THURSDAY

0800 BRIEF OUTS by Small Group Reporters

1000 Break

1030 Wrap Up/Summary Jim (Roy) – town hall with all
Then ask Plenary Panel why this
workshop was valuable and 3 Points
to keep in mind for future

1200 Close

1330 - 1600 (details TBD) – HOOVER DAM (BOR)

WORKGROUPS DESIGN

Each group to identify issues, make recommendations, identify enhancing and inhibiting factors, and resource requirements.

1) PERFORMANCE / MEASURING PERFORMANCE / GOALS

Kimberley Oldham, Dave Lichy, Mike Jordan:

2) GUIDING PRINCIPLES FOR THE PROGRAM

Jim Crum, Kamal Sadkiki: Jim to provide a strawman, examples.

3) FUNCTIONING AS A COP; INTERDEPENDENT TEAM

Roy Harrison, Hiroshi Eto, Kyle Jones.

4) HUMAN CAPITAL STRATEGY; BEING A WORLD-CLASS HYDROPOWER ORGANIZATION

David Mistakovich, Brian Sapp

5) RESEARCH AND DEVELOPMENT; NEW TECHNOLOGIES

Phil Wagner, Brent Mahan

6) INVESTMENT STRATEGIES FOR THE FUTURE

Jerry Brown, Leon Cromartie

7) COMMUNICATIONS STRATEGY AND KNOWLEDGE MANAGEMENT

Donna Ayres, Dan Murray

OTHER RECOMMENDATIONS: Announce conference via website (check with IM, IWR) + HAC has offered help here...

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Identify work groups

Post read-ahead materials:

- VTN brochure
- NWD materials
- Corporate Human Capital Strategy
- President's Management Agenda
- President's Energy Policy
- USACE 2012 overview brief
- Civil Works Strategic Plan

HYDROPOWER PROGRAM STRATEGIC PLAN OUTLINE

Concerns: We need a way to make the strategic plan real and plan to review progress on a regular basis.

Targeted Audiences of Workshop and Plan:

- Corps internal Hydro COP
- OMB ?
- PMAs
- Preference Customers
- General Public
- Congress
- Other Fed Agencies
- NGOs (Enviro groups ?)
- ASA-CW
- Corps Leadership
- R&D Monday Morning Gang

Hydropower Strategic Plan Outline

A. Executive Summary

I. Introduction

A. Federal Role

- a. Provide economic price stabilizer
- b. Provide grid stability
- c. Provide reliable/efficient power + peaking power
- d. Environmental contributor to clean air
- e. Honest Broker
- f. Environmental standard

B. COE Hydro Mission

- a. (Use Mission Statement)

C. Value to the Nation

- b. (Use VTN brochure materials and info)
- c. Hydro linkage to Pres Energy Policy
- d. Hydro Linkage to National Security issues

D. Alignment with USACE Strategic Initiatives and Documents

- e. 2012, President's PMA, CW Strategic Plan, VTN,.....

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II. History

- A. Where we've been
- B. Where we are

III. Planning Assumptions

- A. Critical / Emerging Issues
 - a. Pressures on water use – reallocation
 - b. Increasing role for compatibility and environmental mitigation
 - c. Outsourcing / Privatization
 - d. Aging Infrastructure
 - e. Terrorism Threat

IV. Where we want to go --WHAT

- a. Goals & Objectives: examples
 - i. Increase capacity
 - ii. Maximize reliability
 - iii. Ensure stability of transmission
 - iv. Be a world-class hydropower organization
- b. Performance Measures – NATIONAL./REGIONAL (success criteria)
- c. Performance Targets: FY2005-FY2010
- d. Guiding Principles
 - i. Apply Adaptive Mgmt Approach
 - ii. Maximize benefits
 - iii. Build Relationships
 - iv. Maintain Critical Hydro Infrastructure
 - v. Invest Strategic – performance needs
- e. Link budget to performance

V. Strategic Initiatives / Activities

1. Developing a Hydro COP Team Structure
2. Developing a Human Capital Strategy

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- a. Recruitment
 - b. Hydropower Training Program
 - c. Leadership Development
 - d. Retention
 - e. More.....draw on existing human capital strategies
3. Funding
 - a. Appropriations
 - b. Pref Customer Direct Funding
 - c. PMA Direct Funding
 - d. Other investment strategies
 4. R&D (vision and plan of approach) – DEFINE WHAT AND HOW (KEY ISSUES AND RECOMMENDATIONS)
 5. Technology
 - a. E-Govt
 - b. Knowledge Mgmt
 - c. E.g. see SAD Tech Network database
 - d. Hydro Community Gateway ?
 6. Partnerships
 - a. Public / Private Partnerships
 - b. Federal partnerships – Launch Federal Coordination Council
 7. Strategic Communication

VI. Factors affecting implementation (Enabling factors and Inhibiting factors)

1. Within our control – Achieving Balance
2. Outside our control
 - a. (Chap 7 – Energy Policy)
 - b. Future doesn't allow for New Development of Energy Infrastructure
 - a. FERC / NERC policies

VII. Resourcing Implementation of Strategic Plan

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VIII. Evaluation

1. (Performance Results) So what have we achieved ??
2. Assessing the Health of Program

IX. Challenges for the Future

1. Water Supply
2. Environmental

B. Appendices

- a. Revised CIDAG
- b. Physical summary of program
- c. Linkage and alignment with Sub-Program Management Plans