

Draft Strategic Plan Outline

We Power Seattle

Section I - Introduction

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- Guiding principles (City Light's Mission, Vision, Values)
 - Commitment to equity
 - RSJI
- List of Review Panel members
- Executive Summary
 - Outreach overview

Section II - We Power Reliability

- Fundamental commitment to keep the lights on
- Past investment paid off - Key accomplishments from original initiatives
 - Reliability
 - Streetlights
 - Generator Rewinds
 - Boundary Relicense
 - Safety
 - Denny sub
 - Advanced Metering
 - Climate Research
 - Conservation innovation

Section III - We Power Resiliency

Utility of the future

- New Challenges/Changing Environment that brings new risks and opportunities
- What we see in industry and our operating environment
 - Structural changes in retail and wholesale energy markets
 - Over-the-horizon changes with disruptive potential
 - Changing customer expectations
 - Climate change and the environment

- Organizational challenges such as digitization of business processes and workforce retirements
- City Light's response is centered on building a resilient organization that can rapidly adapt to a changing world. We believe this will be more effective than a rigid prescriptive approach that addresses challenges in a siloed manner. Therefore, we are implementing a portfolio of solutions to build the utility of the future:
 - Affordability and Rate Stability suite of initiatives to respond to retail and wholesale market changes
 - Customer Service Initiative to respond to changing customer expectations
 - Renewed emphasis on continuous operational improvement, including a business process initiative and ongoing workforce development efforts
 - Clean energy and environmental stewardship initiative
 - Develop process to work with key stakeholders, such as the City Light Review Panel, on an ongoing basis to identify, quantify and develop solutions for strategic enterprise risks.

Section IV - We Power Progress

- Strategic Priorities (and connection to Utility of the Future challenges)
 - Customer Service - *Meet evolving customer needs and expectations and make significant improvements to customer service.*
 - Improve customer service
 - Affordability and Rate Stability - *Keep our customers' bills affordable and stable by implementing strategies to control costs, capture new revenues, and restructure rates.*
 - Business process improvement
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 - Cost of growth
 - Evolving energy markets
 - Clean Energy and Environmental Stewardship - *Deliver robust and innovative programs to promote the efficient use of clean energy and protect our shared ecosystem*
 - Environmental stewardship
 - Clean, renewable-powered city
 - Continuing Progress on our Core Business
 - Increase workforce performance and safety practices - *Build a supportive workplace that invests in employee growth and development and emphasizes safety, health, wellness, and emergency preparedness.*
 - Strong safety culture
 - Current culture and employee engagement
 - Secure, resilient work environment

- Attract, train and retain
- Sustain and Protect Hydroelectric Generation and Grid Infrastructure - *Preserve and upgrade power generation and delivery assets to ensure they perform reliably and efficiently for customers now and in the future.*
 - Preserve hydroelectric generation assets
 - Relicensing
 - Enhance grid performance and cyber security

Section V - We Power Success

- Metrics for measuring progress
 - Safety
 - SAIDI/SAIFI
 - Changes in "typical" customer bills
 - Compliance
 - Greenhouse gas neutrality
 - TBD

Section VI - We Power Stability

- Six-year Rate Path
 - Uses input from new load forecast that resulted from study and change in methodology
 - Opportunities for increased revenue or reduced cost (if applicable)
 - Past and ongoing efficiencies

Section VII- Conclusion

Commitment to Equity (throughout document)

- RSJI
- WMBE
- Customer programs
 - UDP program expansion
- Employment
 - Apprenticeship
 - Internships
- Environmental Equity

2019-2024 Strategic Plan-Strategic Initiatives (DRAFT)

A. Customer Service

Objective: Meet evolving customer needs and expectations; make significant improvements to customer service.

1. **Improve customer service.** Implement programs and processes to improve service to all customers. Implement a full-service customer relationship hub to provide multi-channel opportunities for our customers to interact with City Light. Streamline business processes to improve service level improvements at a reduced cost. This initiative consists of three programs:
 - a) Enhanced Digital Customer Experience
A customer portal that is convenient, interactive and personalized
 - b) Commercial Customer Service Center
A specialized relationship hub for our midsize commercial customers
 - c) Customer Relationship Software Implementation
A software solution that will allow customers to engage with us more easily and effectively by tracking all customer touch points and market existing and new services

B. Affordability and Rate Stability

Objective: Keep our customers' bills affordable and stable by implementing strategies to control costs, capture new revenues, and restructure rates.

2. **Business process improvement.** Capture opportunities for improved operational efficiency and reduction in costs through enterprise-wide programs to standardize methodologies, streamline work-flow and processes, and identify and eliminate outmoded functions.
3. **Revenue recovery.** Restructure rates to reflect true cost of service, improve bill transparency, and combat revenue volatility exacerbated by declining retail demand for electricity. Research and implement new rate options to support targeted conservation, electric vehicle adoption and green power objectives, charge for premium services such as network and underground delivery, and facilitate integration with evolving energy markets.
4. **Cost of growth.** Manage rising infrastructure costs associated with urban growth (e.g., University of Washington and Sound Transit) and minimize rate impacts for existing customers by modifying fees, policies, and collection procedures to improve cost-recovery effectiveness.
5. **Evolving energy markets.** Undertake a well-structured and comprehensive assessment of the current portfolio while exploring/identifying all available opportunities for cost savings or incremental revenue.

C. Clean Energy and Environmental Stewardship

Objective: Deliver robust and innovative programs to promote the efficient use of clean energy and protect our shared ecosystem.

6. **Environmental stewardship.** Continue industry leadership in improving our protection of the ecosystem in which we operate. Projects include:
 - a) Implement the Climate Change Adaptation Plan, emphasizing distribution grid resilience
 - b) Develop a comprehensive environmental management plan to remove all polychlorinated biphenyls (PCBs) from our system
 - c) Continued emphasis on the environmental equity which focuses on the external impacts of City Light's construction, environmental programs, policies and processes that affect communities of color and underserved communities

7. **Clean, renewable-powered city.** Be a valued and trusted energy management partner, leading communities to a clean energy future. Work with customers and community partners to increase the energy productivity of buildings, equipment and transportation, thus preserving and extending the benefits of our low cost, carbon neutral electricity system. The plan includes implementation of the following:
 - a) Create programs and service offerings that target whole building energy savings in commercial buildings and pursue opportunities to work upstream in the product distribution chain [*Pay for Performance, Energy Efficiency as a Service, Midstream Lighting*]
 - b) Support widespread adoption of electric transportation through increasing access to charging [*City Light-owned stations, incentives for private market*]
 - c) Lighting Design Lab, Integrated Design Lab and Clean Energy Center will collaboratively demonstrate how efficient buildings, connected technology and distributed resources can work together [*provide education, technical support and technology validation services to designers, buildings operators and contractors, develop community-scale integrated demonstration project*]
 - d) Bring a more specific equity focus to our portfolio of programs and service [*Affordable housing, workforce development, participation in Office of Sustainability and Environment's 100% Equitable and Renewable Energy outreach*]

D. Continuing Progress on our Core Business (Baseline)

Increase workforce performance and safety practices

Objective: Build a supportive workplace that invests in employee growth and development and emphasizes safety, health, wellness, and emergency preparedness.

Strong safety culture. Continue work on the Safe Work Environment program, which has decreased employee injuries by 23% since its implementation. Implement additional industry best practices to develop a safety, health and wellness roadmap, a robust safety recognition program, and implement systems and tools to achieve safety excellence.

Secure, resilient work environment. Enhance security, emergency preparedness/disaster recovery programs, and improve the resiliency of facilities and services. Implement best practices for:

- Employee security awareness
- Access and identity management
- Employee emergency preparedness
- Workspace standards
- Incident management and analysis

Attract, train and retain. City Light employs a highly specialized workforce recruited specifically for skills and knowledge of hydro-powered electric utility operations. Nearly 36.2% of employees who perform these functions are currently eligible to retire; that number will grow to 49.7% in the next five years. City Light will:

- Continue focus on a comprehensive succession planning program that includes knowledge transfer strategies
- Build our skilled trades and highly specialized employee pipelines through partnerships with diverse community organizations and educational institutions
- Continue to offer leadership development, professional and technical job skills training based on customer needs and comprehensive work force engagement

Sustain and Protect Hydroelectric Generation and Grid Infrastructure

Objective: Preserve and upgrade power generation and delivery assets to ensure they perform reliably and efficiently for customers now and in the future.

Preserve Hydroelectric Generation Assets. Enhance programs with a strategic focus on multiple areas of generation investment and maintenance including:

- Long-term planning for hydro assets to ensure investments and maintenance target life extension, asset management best practices, and improvements in operating procedures
- Master Plans for Skagit and Boundary facilities
- Powerhouse automation investments and cyber-security upgrades
- Continued improvement to outage management processes
- Dam safety enhancements incorporating “lessons learned” from Oroville, CA.

Relicensing. License renewal applications for the Skagit River, Newhalem, and South Fork Tolt hydroelectric projects are scheduled to be filed in 2023, 2025, and 2027, respectively. In addition, the Boundary dam license requires that City Light install operate a new native salmonid hatchery.

Enhanced grid performance and cyber security. Upgrade the operation technology (OT) infrastructure and energy grid, including supervisory control and data acquisition (SCADA), to address cyber security risks and support power grid operations and wholesale power marketing. These efforts will increase crew safety and productivity and optimize the operation and efficiency of the existing power grid assets.