

SCL Review Panel Proposed Work Plan – September 2016 – May 2018

Revised 12.7.16

Role of Panel per Ordinance 124740: Review and address strategic plan and revisions | Advise on issues to be included in strategic plan framework | Review rate changes proposed & provide opinion | In collaboration with staff designated by Mayor/Council, propose a biennial work program to Mayor/ Council; items *may include but are not limited to: financial policies, cost allocation, rate design, operational efficiency* | Mayor/Council requested issues | Other issues Panel believes Mayor/Council should consider.¹

5 core components of the proposed work plan:

<p>Monitoring <i>Progress on Current Strategic Plan and Initiatives, other general informational briefings</i></p>	<p>Baseline / Cost Centers / Revenues <i>Examining the cost of doing business, level of service, generally organized around: Generation / Power Supply Transmission Distribution Other infrastructure/program costs</i></p>	<p>Load, Energy Efficiency and Retail Revenue <i>What is the demand for power, now and forecast? Address implications of slowing load growth, identifying policy options, pros & cons</i></p>	<p>Efficiencies <i>How is the Utility integrating efficiencies into operations and capital planning to reduce the cost of service over time?</i></p>	<p>Strategic Plan Development and Delivery <i>Policy priorities, new initiatives, rate path, baseline -- and Panel comment letter</i></p>
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¹[A]fter the adoption of each update to the strategic plan, [the Panel will] work closely with staff designated by the Mayor and the council to propose, in writing, a biennial work program to the Mayor and Council. Work program items may include, but are not limited to, financial policies, cost allocation, rate design, operational efficiency, issues requested by the Mayor or the Council, and issues the Panel believes the Mayor and the Council should consider. (Ord. 124740, Section 1).

#	Topic	Panel Role Learning / Edit / Action / offering policy advice <i>Connection to Strategic Plan</i>	2016				2017								2018								
			S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M
1	Draft work plan approved	Action																					
2	Work Plan review/update																						
Monitoring																							
3	Quarterly strategic plan updates <ul style="list-style-type: none"> • Initiatives report card • Efficiencies results • Baseline changes • Retail sales & NWR updates • water conditions • Overall financial picture 	Learning/ Offering advice <i>Monitoring</i>	Q2		Q3																		
4	Initiative Updates – (<i>Minor</i>) (at least 2 each time) <ul style="list-style-type: none"> • Climate Adaptation Plan • UDP • Denny Substation • Workforce/Employee Safety • RSJI <ul style="list-style-type: none"> ○ October 2016: promotions data, employee survey results • Other 	Monitoring <i>SP initiatives</i>																					
5	Initiative Updates – (<i>Major</i>) (1 each time) <ul style="list-style-type: none"> • AMI • WAMS/Asset Management • (see #16)Other 	Monitoring <i>SP Initiatives</i>																					

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			S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M
6	Other information items:																						
6.A	Regional electrical system issues updates (as needed)	Learning.			■						■							■					
6.B	IRP portfolio components, policies, adjustments	Learning <i>Impacts cost of power</i>							■											■			
6.C	State Legislative Updates, Federal Regulatory Updates	Learning				■				■									■				■
6.D	Other emerging issues -- TBD	Learning																					
	Baseline / Cost Centers/ Revenues																						
7	Review of baseline contents, purpose, revenue building blocks	Learning / Offering Policy advice <i>Baseline is 95%+ of costs in SP</i>			■															■	■		
8	Programmatic Review of Cost Centers <ul style="list-style-type: none"> • Power generation • Transmission • Distribution • Other [combine initial session with on-boarding for new Panel members; schedule for specific topics TBD]	Learning / Offering Policy advice <i>Baseline is 95%+ of costs in SP</i>		■	■	■	■	■	■	■	■	■	■	■					■	■			
9	Seattle IT Dept. update <ul style="list-style-type: none"> • MOA review • Work ahead • Cost implications 	Learning / Policy advice <i>Technology impacts operational efficiency, service to customers</i>			■						■											■	

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			S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M		
10	Major Capital Projects—integrating lessons learned <ul style="list-style-type: none"> Project Management process/ approach Connection to WAMS 	Learning / Policy advice <i>Impacts ability to deliver projects in SP on schedule/cost</i>																							
11	Energy Supply / Wholesale Markets <ul style="list-style-type: none"> Energy Imbalance Markets 	Learning /Offering policy advice; <i>Impacts revenue to deliver plan</i>																							
12	Revenue Recovery <ul style="list-style-type: none"> Panel letter on Revenue recovery issues/options: June 2017 Panel letter on recommended revenue recovery strategies: December 2017 	Offering policy advice <i>Impacts revenue, social equity</i>																							
	Load, Energy Efficiency and Retail Revenue																								
13	Load forecast <ul style="list-style-type: none"> Current methodology Plan for updating Consumer end use study Periodic progress updates 	Learning / Offering Policy advice <i>Load impacts revenue collection and ability to deliver on initiatives</i>																							
14	Energy efficiency and conservation – current policies, programs and costs	Learning / Identifying areas for further inquiry																							
15	RSA Policy options	Policy Advice; <i>Impacts rates, revenue to fund service</i>																							
16	Utility of the Future work plan																								

