



Seattle City Light



2019 – 2024 STRATEGIC PLAN QUARTERLY REPORT

Second Quarter 2019

Customer Service



BU: Transformation & Cust Exp .

Executive Sponsor: Debra Smith

Director: Kelly Enright

Report Date: Q2 2019

Strategic Initiative: Improving Customer Service

Objectives & Projects

Objective:

Upgrade customer service practices to meet evolving customer needs and expectations.

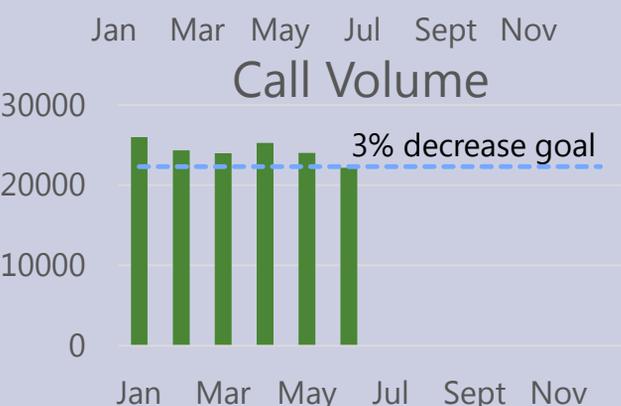
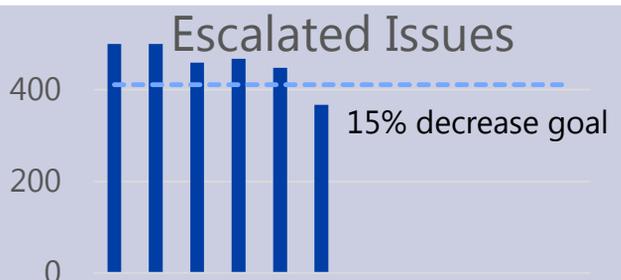
Projects:

- 1) Expansion of customer communication to social media, web chat, and mobile technology.
- 2) A full-service after-hours and weekend customer service team.
- 3) Increasing options for customer self-service with an enhanced digital customer experience platform.
- 4) Setting up a Commercial Customer Service Center to better serve small to mid-size businesses

Accomplishments

- Kubra online payment enhancements have been implemented. This improves the user interface, accessibility and provides new ways for the customer to be notified about their bill.
- Continue mapping customer experience roadmapping and strategic work.
- Customer Self Service Portal is in progress and is on track for implementation in Q3 2020. A rate options calculator will be available to customers in Q4 2019.
 - Expanding webchat and emails channels will be included as part of the Portal project.

Measures & Progress



Next Steps

Q3

- Evaluate Customer Experience roadmap recommendations
- Develop and launch multi-channel, after hours Contact Center Pilot
- Expand customer service hours and track activity levels
- Begin strategy development and planning for Customer Engagement Relationship hub for implementation in 2020

Q4

- Begin Enterprise Content Management Project for rate/bill assistance programs
- Implementation of Customer Portal --Begin tracking incremental wins



Strategic Initiative: Evolving Energy Markets

Objectives & Projects

Objective:
Pursue new opportunities for cost savings or incremental revenue in wholesale market operations.

Project:
Join the Western Energy Imbalance Market (WEIM). This will allow City Light to more efficiently use our generation and transmission assets and monetize their intrinsic flexibility and environmental quality.

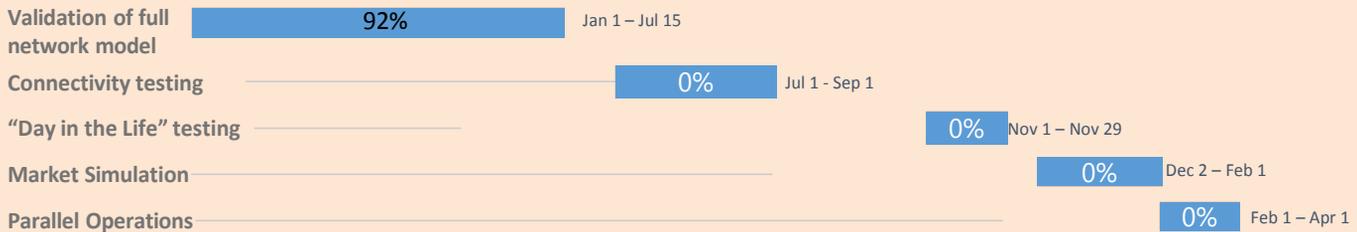
Accomplishments

WEIM:

The EIM project remains on time and on budget. All legal requirements have been executed. Major second quarter milestones include:

- Network model submitted to the California Independent System Operator (CAISO);
- Generation and intertie characteristics submitted to CAISO;
- 32 of 35 metering plans submitted and approved by CAISO;
- User training began in April.

Progress



Affordability



Business Unit: Financial Services

Executive Sponsor: Kirsty Grainger

Director: TBD

Strategic Initiative: Cost of Growth

Report Date: Q2 2019

Objectives & Projects

Objective:

Audit current fees and charges for customer-initiated construction services and amend policies and charges.

Projects:

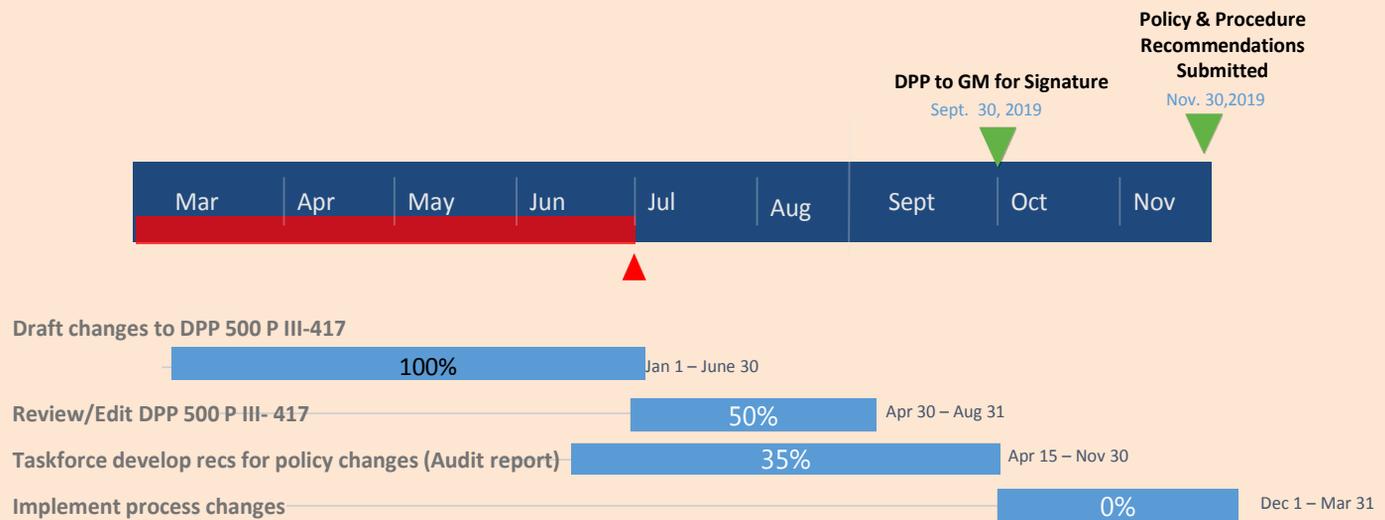
Examine system expansion, customer connections and other capital expenditures driven by regional growth and customer needs for new capacity.

- Audit: Study fees and charges for customer-initiated construction services
- Policy recommendations: A review of new and amended policies that would dictate what components of system work are charged upfront, and what cost should be added to rates.

Accomplishments

- Continued analysis of Cost of Service polices and charges.
 - This includes the review of results and recommendations from 2018 recovering cost of service connection work.
- Drafted changes to the Service Installation departmental policy and procedures (DPP 500 P III-417).

Progress



Affordability



Business Unit: GM/CEO

Executive Sponsor: Debra Smith

Director: Kelly Enright

Strategic Initiative: Business Process Improvement

Report Date: Q2 2019

Objectives & Projects

Objective:

Enhance service delivery and productivity through the implementation of a sustainable, enterprise-wide business process improvement (BPI) program.

Projects:

This initiative will deliver process improvement projects resulting in operational savings, improved customer experience and increased consistency in work processes across the utility. The seven Executive-sponsored BPI projects for 2019 are:

1. Service to Bill: ↑ turnaround time for service connections and accuracy for electricity billings
2. Accounts Payable: ↑ efficiency in vendor payment
3. Alternative Work Arrangement: ↑ work productivity & engagement
4. Real Estate: ↑ revenue recovery & collection
5. Capital Project (CIP) Prioritization: ↑ collaboration
6. Space & Supply-Chain Optimization: ↑ space utilization & efficiency in supply-chain
7. Employee Issue Resolution: ↑ transparency & tracking

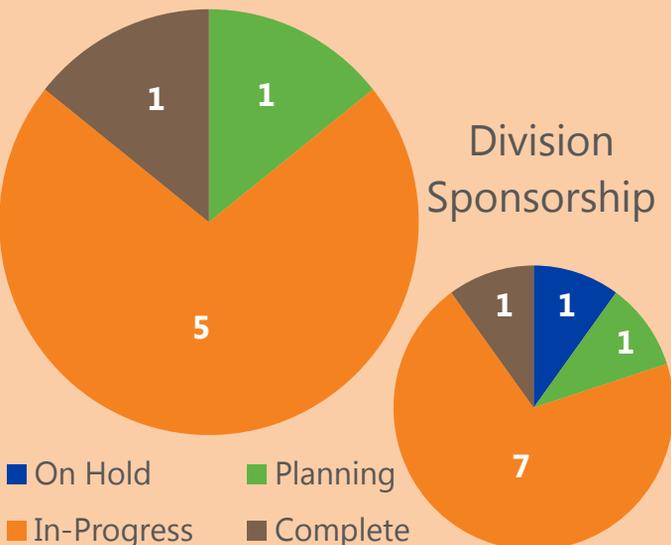
Accomplishments

- The Capital Project Prioritization is complete. The list includes over 350 capital projects that will be used as part of the 2020-2025 Capital Budget. Subsequent progress will be reported under the *Core Business* initiative in Q3.
- Five of the seven executive-sponsored BPI projects are In-Progress. The Service to Bill project is in Planning.
- One of the ten director-sponsored projects, the Issue Tracker log for customer billing, is complete. Two others are close to completion, with several others making significant headway.
- The BPI program charter is approved. This formalizes the BPI Program's overall governance, reporting structure, and activities. BPI Project tracking and reporting was launched allowing project managers to update project milestones and progress online.

Measures & Progress

Project Highlights

Executive Sponsorship



Service to Bill

Conducted vendor selection process and established a steering committee. Currently hiring a project manager and forming a team.

Accounts Payable

Identified 10 areas to streamline recurring invoices. Documenting purchase to pay processed. Kaizen event scheduled for July.

Space & Supply-Chain Optimization

Mapped SSC space requirements, ownership, and project scope. Completed Engineering and Internal Audit reviews. Developing a transformer review workplan.

Real Estate

Validated Real Estate billing and payment processes. Developed and started "quick wins" improvement workplan. Development of billing and payment reporting in process.



Objectives & Projects

Objective:
Create new rate policies and structures that progressively respond to industry changes and challenges.

Project:
Updated rate policies could improve revenue stability, create new service options, and better target cost recovery, which would reduce the rate burden for some or all customers. City Light will study customer classification, special rates for premium services and metering options, and identify policy improvement opportunities.

Accomplishments

- Launched development of four rate pilot programs:
 - Low income energy burden
 - Residential time-of-day
 - Industrial demand response
 - Commercial electrification
- Began development of rate pilot ordinance in partnership with the City Law department. The ordinance will be acted on by the City Council in September.
- Reviewed report recommendations with Councilmember Mosqueda.

Progress





Objectives & Projects

Objective:
Deliver innovative and forward-thinking programs that promote clean energy solutions.

- Projects:**
- 1) Expansion of whole building energy efficiency programs such as Pay for Performance (P4P) and Energy Efficiency as a Service (EEaS) to increase energy savings in commercial buildings.
 - 2) Transportation Electrification (TE) - Install and operate electric vehicle charging stations and build partnerships to provide customers with electric vehicles increased access to carbon- neutral electricity.
 - 3) City Light's Lighting Design Lab (LDL) will evolve to provide a broader offering of education, technical support and technology validation services to designers, buildings operators and contractors.

Accomplishments

- Energy Efficiency:**
- Released expression of interest website for EEaS program. Received 23 responses.
 - Partnered with the Housing Development Consortium to support a range of approaches for building exemplary affordable housing.
- Transportation Electrification:**
- Partnered with the Rocky Mountain Institute to release an Electric Transportation Strategy document and hosted a public workshop
 - Joined a technical team lead by Kenworth/Paccar Truck Company to pursue a DOE grant to develop, deploy and operate an all-electric Kenworth regional haul tractor trailer.
- Lighting Design Lab:**
- Executed a funding agreement with NEEA to expand reach of LDL services and expertise in the region.
 - Received financial support from nine NW utilities and efficiency organizations.

Measures & Progress



Next Steps

- Q3**
- **TE:** Install electric vehicle chargers at the South Service Center; Continue work on TE time-of-use rate pilot.
 - **EEaS:** Release solicitation for projects
 - **P4P:** Open enrollment
 - **LDL:** Complete business plan and roadmap
- Q4**
- **TE:** Offer billing rate for public fast charging; Complete or begin installation of 18 fast charging stations.
 - **EEaS:** Approve three buildings for participation in program
 - **Equity:** Support the Duwamish Valley Clean Heat Pilot program, in partnership with Office of Sustainability and Environment and Office of Housing.



Objectives & Projects

Objective:
Continue our industry leadership in improving the protection of the ecosystems in which we operate.

- Projects:**
- 1) Climate Adaptation (CA) - Enhance climate resilience within City Light
 - 2) Habitat Protection (HP) – Protect fish and wildlife habitats through acquisition and restoration of important salmon and wildlife habitat.
 - 3) Remove PCBs - (Tracking for this program will begin when the tracking software program is implemented by Seattle IT. Expected Q2 2020)
 - 4) Environmental Equity (EE) - Continue to develop our environmental equity program to help ensure that we are engaging environmental justice communities

Accomplishments

- Climate Adaptation:**
- Hydrologic modeling of the Skagit River watershed was condensed into an online visualization tool that can be used as the basis for landslide modeling.
- Environmental Equity:**
- The Environmental Equity trip to the North Cascades Environmental Learning Center (NCELC) has solidified additional funding to double the number of participants to 40 this year, thanks to the National Parks Conservation Association. Other partners include The Greater Seattle YMCA Camping and Outdoor Leadership Program, and the North Cascades Institute.
- Habitat Protection:**
- The Stossel Creek project grant was extended to Spring 2020, and nursery stock was secured for planting.
 - Acquired 23 acres of land along the Skagit River to protect spawning Chinook salmon and rearing habitats for generations to come.

Measures & Progress



Next Steps

- Q3**
- **CA:** Communicate hydrologic modeling results and demonstrate tool for Skagit River streamflow changes; Incorporate new hydrologic modeling into landslide model to identify changing landslide risk in the Skagit watershed.
 - **EE:** Explore partnerships with Outdoor Afro, Asian Outdoors, InterIM Program Wild, and the Duwamish Valley Youth Corps; Pursuing a street vacation for a section of Diagonal Ave S with public benefits component working with the Parks Department to be used as an open public space for the community.
 - **HP:** Purchase of salmon property, restoration ongoing on existing properties
- Q4**
- **EE:** Develop annual program plan identifying community partners.
 - **HP:** Purchase of salmon property, restoration ongoing on existing properties

Core Business



Accomplishments:
Quarter 2 2019

Invest in our infrastructure and workforce to provide a consistent level of service, reliability, and response.

Utility Operations & Engineering "Keep the lights on"

Preserve Hydroelectric Generation Assets

- Completed overhauls of Diablo Powerhouse generators 31 and 32, a multi-year project that improves operation and extends the life of each asset for up to 40 years.
- The overhaul of Boundary generators 51, 52 and 54 is on track in terms of scope, schedule and budget with construction set to start in August.
- Celebrated the opening of Forebay Recreation Area at Boundary Dam in June.

Relicense Skagit

- Conducted multiple licensing participant meetings and calls, as well as two steering committee meetings.
- Began internal preparation for formal FERC relicensing process initiation in early 2020.
- Progress continued drafting the Pre-Application Document (PAD). A first draft is expected by July 19th.

Energy Innovation & Resources "The future is now"

Respond to a growing city

- The Denny Substation and Denny Network projects are physically complete and in active service. CL is actively working with WSDOT and other City departments to complete the Battery Street Tunnel.
- Completed initial round of enterprise-wide prioritization for 100% of the 400+ CIP projects.
- City Light staff continues to engage with UW staff on near term development collaboration opportunities.

Enhance grid performance

- Advanced analytics is operational using AMI data for reliability planning, asset loading and revenue protection.
- Regional coordination work continues with grid-stability projects in partnership with PSE and BPA.

People & Culture "Enhance the employee experience"

Improve workplace culture

- Hiring processes in progress: Employee Experience Director and Employee Experience Advisor
- Finalized questions for the 2019 Current Culture Employee Engagement survey. Survey is scheduled to launch in late September.

Sustain high-performance workforce

- Continued succession planning efforts, including knowledge transfer strategies. Began the data collection process with the Generation and Engineering division.

Lead with safety

- Distributed Accident Prevention Program quick guides to employees.
- Launched utility-wide Safety Supervisor Training.
- Developed program to ensure consistency in quarterly safety meetings.
- Implemented Custom Molded Earplugs program.

Facilities & Oversight "Play good defense"

Ensure secure, resilient work environment

- Security infrastructure improvements are in process as follows: Duwamish substation (90% complete); Creston Nelson substation (98%); University substation (90%) and Boundary guard shack (Completed)
- Physical security vulnerability assessment completed at Boundary dam.

Comply with regulations

- Verified compliance with numerous FERC Standards prior to the enforcement date of July 1, 2019.
- Completed implementation of enhanced cyber security practices for equipment at the Boundary Switchyard.
- Coordinated CL's intervention and comments to FERC in support of the California Independent System Operator's (CAISO) request for acceptance of the Energy Imbalance Market (EIM) entity agreement between CL and CAISO.