



Seattle City Light



# 2019 – 2024 STRATEGIC PLAN QUARTERLY REPORT

First Quarter 2019





## Objectives & Projects

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

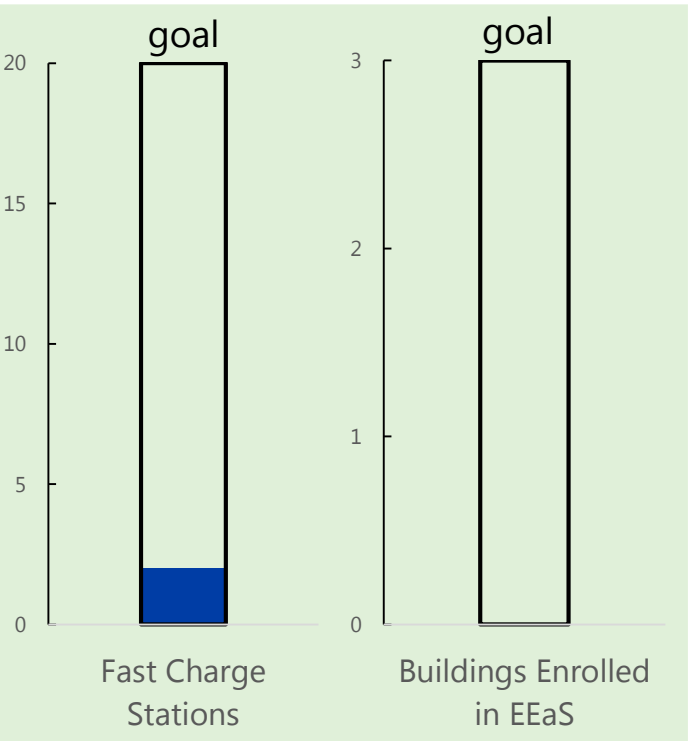
**Projects:**

- 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

- Solar:**
- Briefed Mayor’s Executive Team and Council staff on large solar pricing legislation.
- Transportation Electrification:**
- Gained State House approval for the authority to offer customer incentives for electric transportation; the Senate votes on this in April.
  - Continued to promote the electrification of transportation in meetings with Metro and the Port of Seattle.
  - City Light Electrification strategy was published and a press release was issued.
- Lighting Design Lab:**
- A business plan for the expansion of the LDL was completed.
  - Finalized funding agreement with NEEA to expand reach of LDL services and expertise in the region.

## Measures & Progress



## Next Steps

- Q2**
  - **TE:** Install 6 fast charging stations; Large solar pricing legislation approved; Enter into joint Clean Energy Fund grant with Metro
  - **EEaS:** Select first cohort of projects from initial solicitation (target 3 projects 2019)
- Q3**
  - **TE:** City Light rate for transit electrification
  - **EEaS:** Contract with initial cohort; Contract with consultant for implementation
  - **P4P:** Open enrollment
  - **LDL:** Technology focus area roadmap
- Q3**
  - **TE:** Complete installation of 20 fast charging stations
  - **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 completed including groundwater depth analysis. Output to provide basis for landslide modeling.

### Environmental Equity:

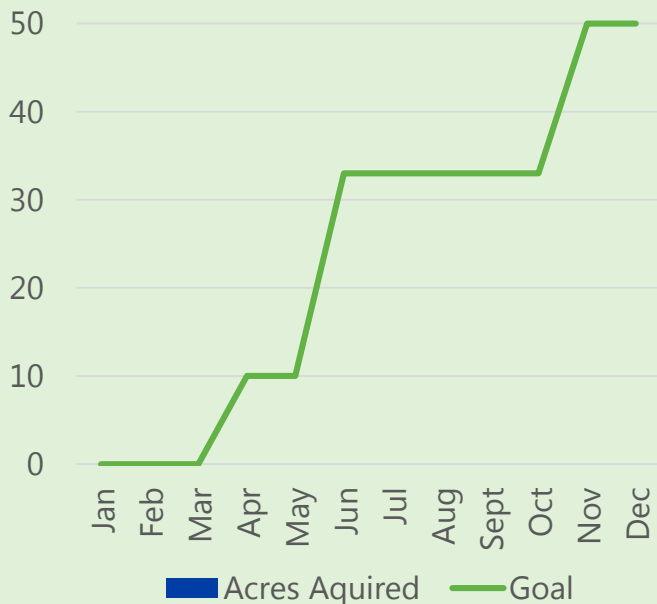
- Began work to enhance external website to highlight program vision, goals and outcomes.
- City Light began partnering with Seattle Office of Sustainability and Environment on the 100% Equitable and Renewable grant program. They are working with Puget Sound Sage to develop a workplan for the 3-year grant.

### Habitat Protection:

- Completed initial cultural resource inventory for the Stossel Creek project necessary prior to planting planned for pilot in Q4.

## Measures & Progress

Acquired Land



## Next Steps

- Q2**
  - **EE:** Planning to grow and expand North Cascades Environmental Learning experience with connection specific to utility work
  - **EE:** Build and grow partnerships
  - **HP:** Purchase on salmon property, restoration ongoing on existing properties
- Q3**
  - **CA:** Incorporate climate and landslide modeling to help predict Skagit flows
  - **EE:** North Cascades Environmental Learning experience event
  - **HP:** Purchase on salmon property, restoration ongoing on existing properties
- Q4**
  - **EE:** Develop annual program plan identifying community partners.
  - **HP:** Purchase on salmon property, restoration ongoing on existing properties

# Affordability



Business Unit: Energy Innov & Res.

Executive Sponsor: Emeka Anyanwu

Director: TBD

## Strategic Initiative: Evolving Energy Markets

Report Date: Q1 2019

### Objectives & Projects

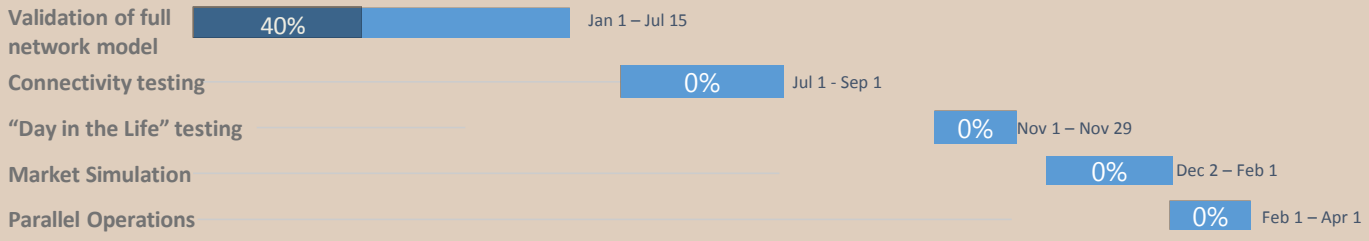
**Objective:**  
Pursue new opportunities for cost savings or incremental revenue in wholesale market operations.

**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:**
- Drafted revised Risk Policies and Procedures to adjust City Light's current risk tolerance and authorize additional products and transactions.
  - Submission and approval of documents to CAISO:
    - Resource Data Template (RDT) to register generator characteristics.
    - Settlement Quality Meter Data (SQMD) plan for 2 of City Light's 34 EIM meters
  - Scheduling Coordinator Certification completed for power marketing and the Systems Operation Center.

## Progress



# Affordability



Business Unit: Financial Services

Executive Sponsor: Paula Laschober

Director: Kirsty Grainger

Report Date: Q1 2019

## Strategic Initiative: Cost of Growth

### Objectives & Projects

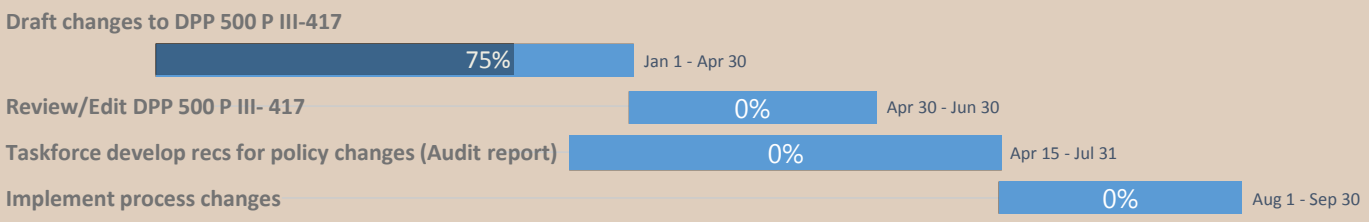
**Objective:**  
Audit current fees and charges for customer-initiated construction services and amend policies and charges.

**Project:**  
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 proposal of new and amended policies that would dictate what components of system work are charged upfront, and what is added to rates.

### Accomplishments

- Began preliminary analysis.
- Identified areas of study and scope.
  - 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).

## Progress



# Affordability



Business Unit: GM/CEO

Executive Sponsor: Debra Smith

Director: Kelly Enright

Report Date: Q1 2019

## Strategic Initiative: Business Process Improvement

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

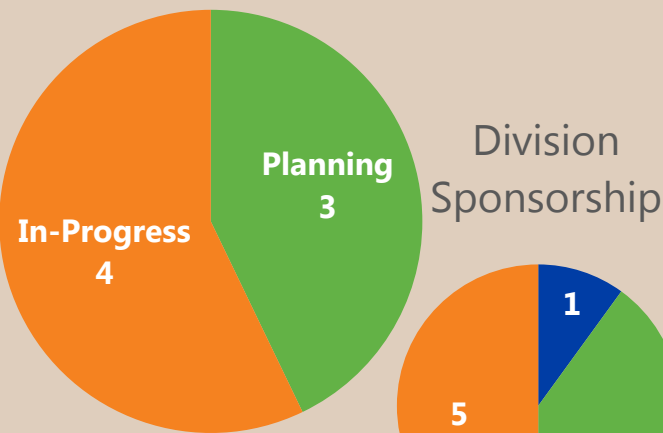
### Accomplishments

- Solicited and received 36 enterprise-wide BPI proposals from City Light leadership.
- Prioritized and selected seven project proposals for Executive Team sponsorship.
- Kicked off all seven executive-sponsored BPI projects with draft Project Charter / Workplan and Metrics.
- Another ten projects were approved for division-level sponsorship: 3 are in Planning, 5 are In-Progress, and 1 have not been started.
- Developed BPI project tracking and reporting prototype.

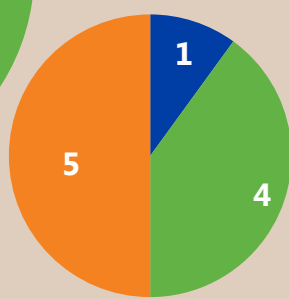
### Measures & Progress

### Project Highlights

#### Executive Sponsorship



#### Division Sponsorship



■ Not Started 
 ■ Planning 
 ■ In-Progress 
 ■ Complete

#### Accounts Payable

In-progress to streamline recurring invoices. Minimize touchpoints and duration from initial order to vendor payment in Q2.

#### Alternative Work Arrangement

Seattle Squeeze Pilot implemented. 435 employee participated. In-progress to perform post-Seattle Squeeze assessment.

#### Capital Improvement Projects Prioritization

Prioritization template was created. Business units completing internal project prioritization for review by the enterprise-level CIP committee.

#### Employee Issue Resolution

Developed internal employee tracking system. In progress to review employee issue tracking forms for pilot and roll out.

# Affordability



Business Unit: Financial Services

Executive Sponsor: Paula Laschober

Director: Kirsty Grainger

Report Date: Q1 2019

## Strategic Initiative: Revenue Recovery and Rates

### Objectives & Projects

**Objective:**

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

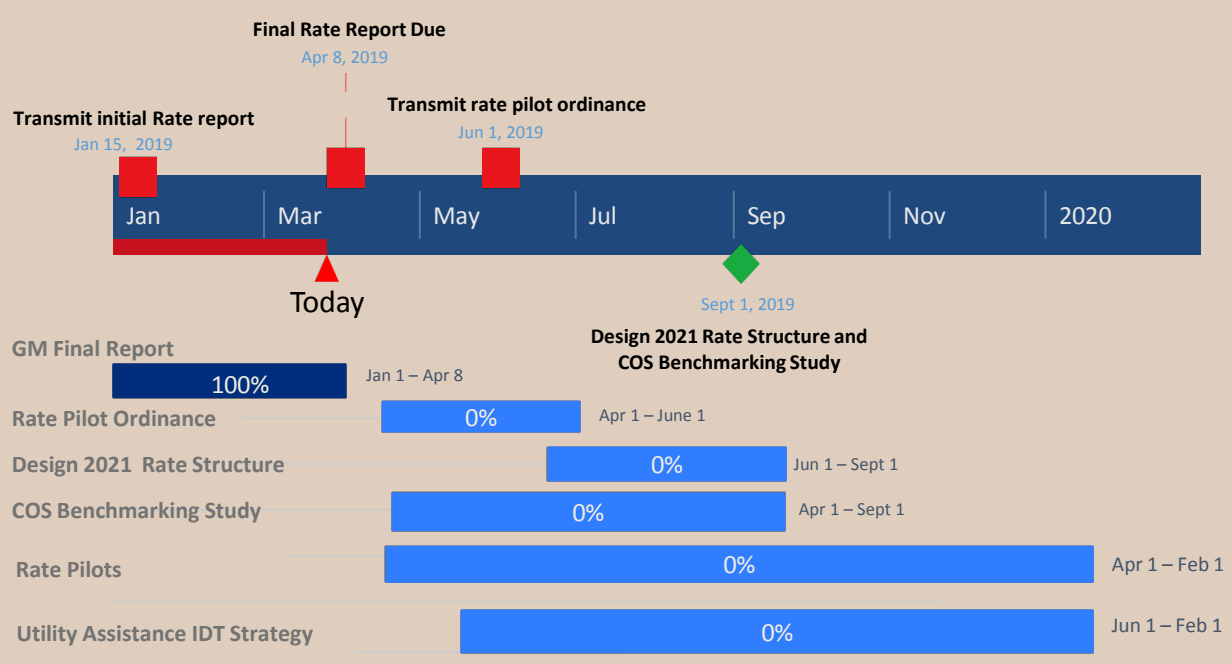
**Project:**

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

- Worked with City Light Review Panel to develop rate design proposal.
- Delivered initial report to Councilmember Mosqueda.
- Conducted stakeholder feedback session in February to review initial report.
- Conducted three residential customer focus groups to gather additional feedback on preferences regarding utility rate structure. One group was conducted in Spanish.
- Reviewed all findings with Mayor’s office staff and submitted final report to Councilmember Mosqueda.

## Progress





# Customer Service



BU: Transformation & Cust Exp .

Executive Sponsor: Debra Smith

Director: Kelly Enright

Report Date: Q1 2019

## Strategic Initiative: Improving Customer Service

### Objectives & Projects

**Objective:**

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

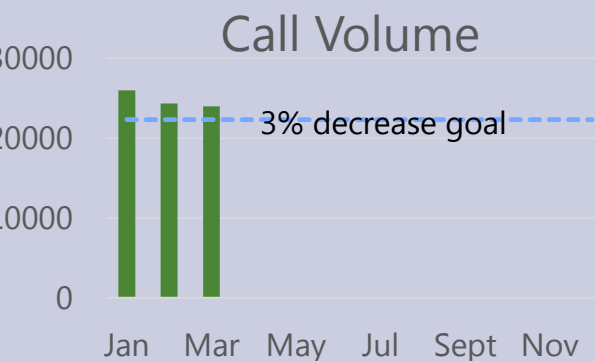
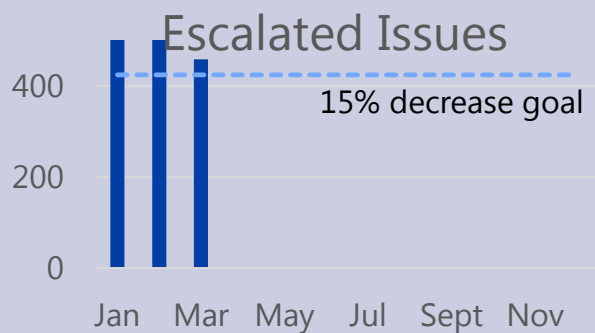
**Projects:**

- 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

- Stand-up mid-sized business customer service center and begin tracking activity levels.
- Begin development of business customer service center metrics.
- Customer Self Service Portal Kick-Off including signed contract with vendor.
- Testing for Kubra (e-bill and e-payment application) upgrade that will provide customers with such things as updated IVR options, increased autopay options and pay by text functionality.

### Measures & Progress



### Next Steps

- Q2**
  - Evaluate Customer Experience roadmap recommendations
  - Implement Kubra upgrade
  - Develop multi-channel, after hours Contact Center Pilot
  - Expand webchat and email channels to other workgroups
- Q3**
  - Expand customer service hours and track activity levels
  - Launch multi-channel, after hours pilot
  - Begin strategy development and planning for Customer Engagement Relationship hub for implementation in 2020
- Q4**
  - Enterprise Content Management Project for rate/bill assistance programs
  - Implementation of Customer Portal --Begin tracking incremental wins

# Core Business



**Accomplishments:  
Quarter 1 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 by decades.
- Complete 90% design phase for the overhaul of Boundary generators 51, 52 and 54.

### Relicense Skagit

- Initiation of the Resource Working Groups for consultation on environmental issues for the Project. Initial meetings were held in February and March with this phase of consultations anticipated to continue through October.
- Drafted the Pre-Application Document (PAD) was formally initiated; writing tasks were assigned April 8<sup>th</sup>, a first draft is expected to City Light contributors on July 19<sup>th</sup>.

## Energy Innovation & Resources “The future is now”

### Respond to a growing city

- Received bids to relocate and underground wires to accommodate the Waterfront Redevelopment project.
- Completed initial round of enterprise-wide prioritization for roughly 75% of the 400+ CIP projects.
- City Light staff is engaging with UW staff on near term development collaboration opportunities.

### Enhance grid performance

- Began the process to implement an updated Outage Management System (OMS) with the development of business requirements and selection of an IT project manager.

## People & Culture “Enhance the employee experience”

### Improve workplace culture

- Delivered Workplace Expectations Training to 84% (1,476) of employees. 100% of employees will be trained by end of Q2.

### Sustain high-performance workforce

- Continued succession planning efforts, including knowledge transfer strategies. Complete the data collection for ASBU pilot succession plan.

### Lead with safety

- Shared the Safety, Health and Wellness roadmap with employees at a safety recognition event in March. The event celebrated employees for using safety practices at home and at work and continued to promote situational awareness and safe work habits.
- Conducted pilot training sessions regarding supervisory duties related to safety procedures and accident prevention.

## Facilities & Oversight “Play good defense”

### Ensure secure, resilient work environment

- Completed Facility Condition Assessments on two of the largest buildings located on the South Service Center (SSC) campus. This information will be used to prioritize future projects that will increase the resiliency of the building infrastructures.
- Completed a \$1.6M/ 38,000 sq ft roof replacement project for SSC Building B.
- Continued security upgrade work at Duwamish, University and Creston-Nelson substations

### Comply with regulations

- Completed the Western Electricity Coordinating Council (WECC) Annual Self-Certification. The process ensures accurate assessment of compliance for select reliability Standards, periodic review of programs, documentation, and internal self-assessment to systematically monitor and report on City Light compliance practices.