



# 2021 - 2026 Strategic Plan

City Light Review Panel  
January 21, 2020



Seattle City Light

# DRAFT Mission, Vision, Values (Nov. 2019)

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[These are reflected in all our work and are the underpinnings of our strategic plan.]

## Mission

Seattle City Light is committed to providing our customer-owners with affordable, reliable and environmentally responsible energy services.

## Vision

Our vision is to connect Seattle to our shared energy future, by **partnering** with our customers and ensuring that their energy needs are met, in whatever way **they choose**.

## Values

### We Value:

**Safe & Engaged Employees** — Employee and public safety come first, and we will actively demonstrate that commitment to everyone around us. We treat each other with caring and respect, are personally accountable, and work effectively in teams.

**Customers First** – We value our customer-owners. We are approachable, respectful and responsive in providing the products and services that our customers want and need.

**Good Government** – Everything we do is based on a strong financial foundation and solid, reliable infrastructure; we prioritize our investments and operating choices to that end. We strive for excellence every day, and we are forward-focused, seeking new and innovative solutions to the challenges of today and tomorrow

**Community Connections** – We are a community-owned utility and we will stay visible and actively involved in the communities we serve. We prioritize social justice and the equitable provision of service to all.

**Environmental Stewardship** - We care about the environment and we will enhance, protect and preserve it.

# Terminology Recap:

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## Priority

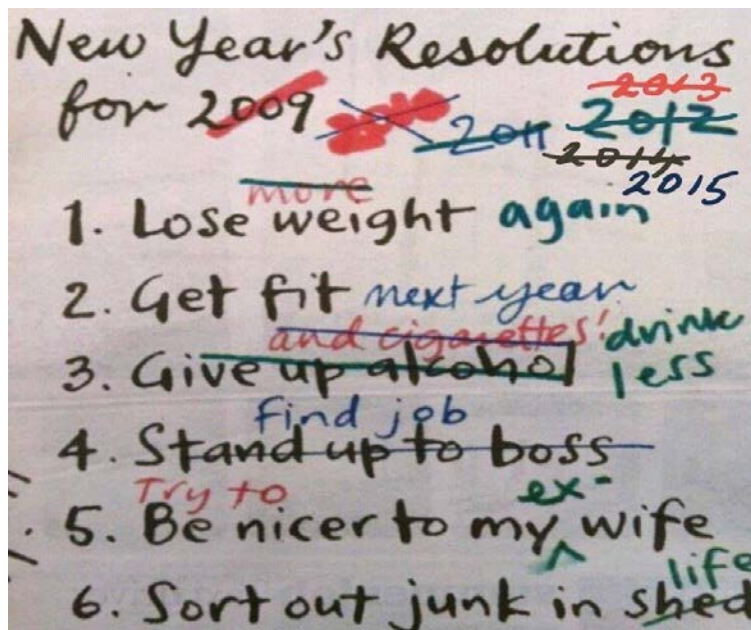
Highest level of focus for SCL from 2021 – 2026.

## Objective

The objective is what we are hoping to attain through focusing on this priority area. It paints a picture of what we are working towards and why this is important. It is high-level and aspirational.

## Goal

The goal statement follows S.M.A.R.T. (Specific, Measurable, Achievable, Relevant, Time-Bound) criteria – it is statement that outlines specifically how progress toward our objective can be measured and when we expect to see this outcome.



## Goal Setting:

A proper goal has to describe both what you will achieve and how you are going to measure its achievement. Without measurement, you do not have a goal, all you have is a desire. Goals are outcome not task based.

Example:

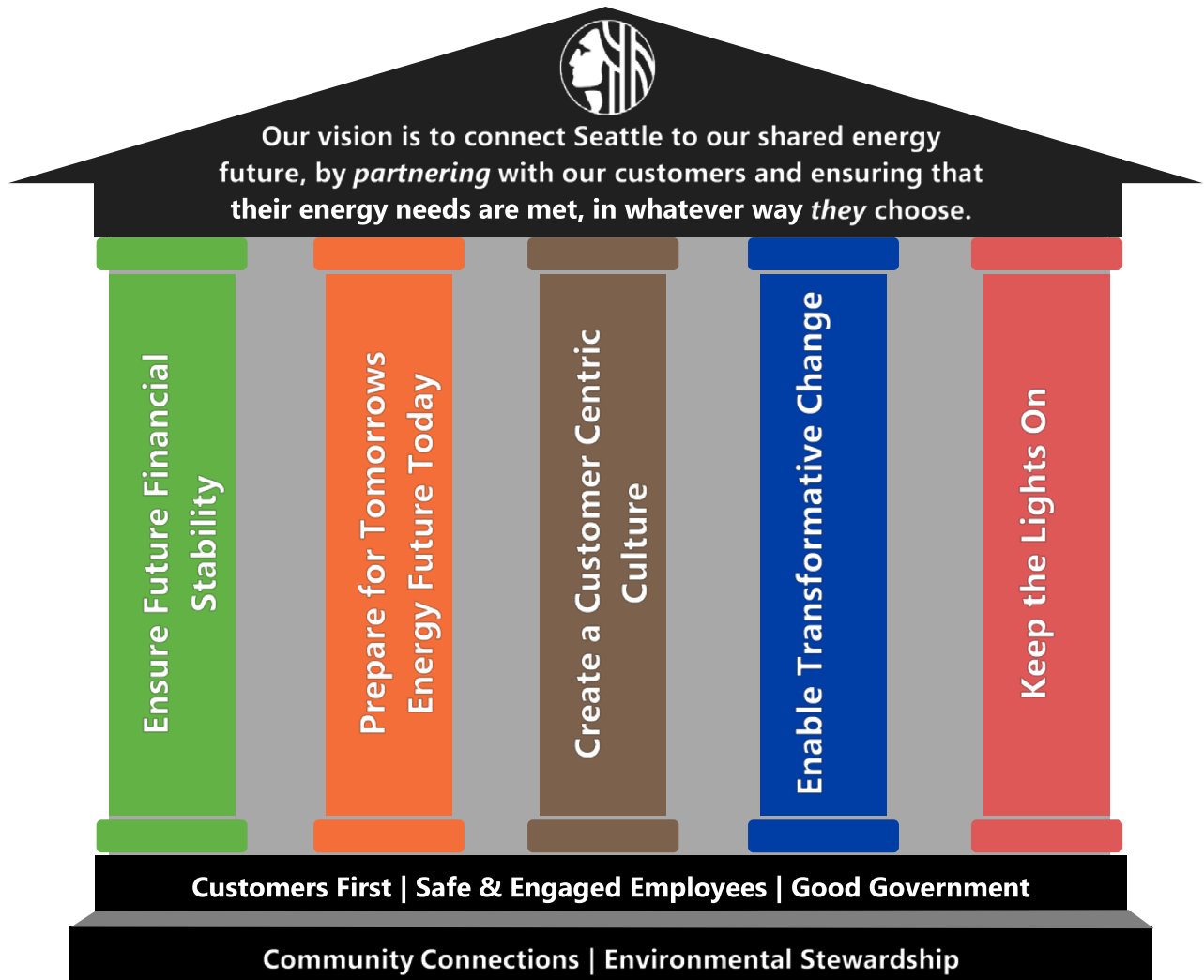
**Objective:** Create a customer centric culture

**Goals:**

- We will increase our customers satisfaction as measured by an increase of 10 points in our Residential JD Power score by YE 2022
- We will increase our customers satisfaction as measured by a decrease in escalation calls by 10% by YE 2023.

## Mission:

Seattle City Light is committed to providing our customer-owners with affordable, reliable and environmentally responsible energy services.



**Ensure Future Financial Stability:** Increase financial flexibility and stabilize rates, positioning the utility to provide long-term value to our customer-owners, including vulnerable populations, through increased innovation.

**Prepare for Tomorrow's Energy Future Today:** Improve and modify our infrastructure assets to meet the evolving needs of transportation electrification, the environment, and security landscape as we move towards an undefined future.

**Create a Customer Centric Culture:** Build strong relationships with our customer-owners and individualize the customer experience in response to changing expectations and disruptions in the energy industry.

**Enable Transformative Change:** Develop a nimble and innovative culture prepared for changing industry needs by empowering employees, refining our processes, and always seeking operational excellence.

**Keep the Lights On:** Improve and align business operations in support of Seattle City Light's core mission and vision.

## Priority #1:

# Ensure Future Financial Stability

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### Objective:

Increase financial flexibility and stabilize rates, positioning the utility to provide long-term value to our customer-owners, including vulnerable populations, through increased innovation.

### Preliminary Goals:

1. Stable rates
2. Financial flexibility
3. Innovative programs

### Preliminary Measures:

- A projected rate path that looks like inflation
- Rate increases at or below projections
- A debt service coverage
- Contribution margin  
(*retail revenue – power cost ≥ fixed costs*)
- Leverage ratio
- Percent of eligible population enrolled in UDP
- Average customer energy burden

## Priority #2:

# Prepare for Tomorrow's Energy Future Today

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### Objective:

Improve and modify our infrastructure assets to meet the evolving needs of transportation electrification, the environment, and security landscape as we move towards an undefined future.

**\*Craig & Emeka are working on further refinement**

### Preliminary Goals: *still in development*

1. Ensure the grid is reliable – *to be revised*
2. Ensure the grid is resilient – *to be revised*
3. Ensure the grid is flexible – *to be revised*

### Preliminary Measures: *still in development*

- Distribution Automation Adoption Rate
- *Physical security prevention*
  - *needs to be specified*
- *Cyber security prevention*
  - *needs to be specified*
- DER Penetration Rate
- *Physical security recovery*
  - *needs to be specified*
- *Cyber security recovery*
  - *needs to be specified*
- Customer adoption of new rates promoting electrification
- Strategic customer projects requested vs completed (ferries, metro, etc)
- Electric transportation adoption rates (personal, commercial, public transit...)

## Priority #3:

# Create a Customer Centric Culture

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### Objective:

Build strong relationships with our customer-owners and individualize the customer experience in response to changing expectations and disruptions in the energy industry.

### Preliminary Goals:

1. Create a strong customer culture
2. Build customer relationships
3. Individualize the customer experience

### Preliminary Measures:

- Response time to customer requests (ex: streetlights, new connections)
- % first call resolution or % reduction in issue resolution time
- Customer surveys (Call center/other transaction surveys, JD Power)
- Portal utilization rate
- Customer adoption of new rates
- CEMI3

## Priority #4:

# Enable Transformative Change

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### Objective:

Develop a nimble and innovative culture prepared for changing industry needs by empowering employees, refining our processes, and always seeking operational excellence.

### Preliminary Goals:

1. Increase workforce optimization
2. Position our assets for an undefined future

### Preliminary Measures: *still in development*

- Number of FTE positions strategically and equitably redeployed
- *Climate adaptation plan*
  - *needs to be specified*
- Processes refined
- Employee survey (morale)

## Priority #5:

# Keep the Lights On

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### Objective:

Improve and align business operations in support of Seattle City Light's core mission and vision.

### Preliminary Goals:

1. Attract and retain a core workforce
2. Always be safe
  - Public Safety
  - Employee Safety
  - Environmental Safety

### Preliminary Measures: *still in development*

- Total recordable rate
- Incident response time
- Motor vehicle collisions
- Equipment malfunctions
- Stray voltage
- Tree trimming
- Streetlight green ticket response time
- SAIDI, SAIFI, CAIDI

# Next step for City Light Executive Team – Initiative development

## Sample Strategy Presentation, including initiatives

### 5-YEAR STRATEGIC PLAN

#### North Star point



**Be Safe. Always.**

#### 2018–2022 Outcomes

We need to make every move a safe one for our employees, our customers and our community.

#### 2022 Goal

Zero incidents and injuries.

#### 2018–2022 Focus

- Develop a safety-for-life culture throughout SMUD — safety at work, home and play.
- Reduce ergonomic risk and soft tissue injuries.
- Promote public and contractor safety.
- Improve analyses of injury and incident trends.

#### Examples of 2018 and 2019 initiatives

1. Continue to implement SMUD's Safety for Life program company-wide.
2. Identify public safety risks, track incidents and use data to mitigate risks.
3. Expand near-miss reporting.
4. Develop a comprehensive all-incident and injury tracking analysis system.
5. Expand programs to reduce soft-tissue injuries.
6. Enhance our supervisor-employee interaction program.
7. Implement Human Performance Engineering programs in select work groups.



2017 Family Safety Day



## POLICY MAKING AND MANAGEMENT

# FOUR STEPS TO SUCCESSFULLY IMPLEMENT YOUR STRATEGIC PLAN

By Julie Ryan

Following approval of the proposed strategic plan, there is an audible sigh of relief in the board room. The months of planning and engagement have resulted in clearly defined strategic priorities, and your leadership group is aligned to deliver on a great set of strategies. Now you can take that vacation you put off and bask in the glow of successfully completing this big initiative. But wait! Now the implementation is in front of you. It does not matter that you have a stellar strategic plan if you don't deliver on it. Implementation is the next job ahead.

Rest easy, you can still take that vacation. While many companies struggle with strategy implementation, yours will not because you have a plan to avoid the typical pitfalls. A smooth implementation comes down to four steps: alternative scenarios, project planning, workforce engagement, and reporting.

### 1. Alternative scenarios

Some organizations fail to consider alternative scenarios, which can expose them when reality is different from the assumptions. When utilities slip into defensive or reactive mode, that can trigger an over-response where the strategy is left by the side of the road. You already know the adage: forecasts are never correct. And your team understands that there will always be some surprises that differ from the base assumptions. But because you did a risk analysis as part of your original strategic plan, your team has considered alternative scenarios and you have discussed how you could adapt the strategy. This is not just an exercise. Even if a different event occurs that you hadn't identified as an alternative scenario, your team is prepared to adapt to a different reality. Proactive analysis of potential risks and associated mitigation has helped prepare your organization to respond to surprises.

### 2. Project planning

Weak project planning could result in uncoordinated actions or lack of action. However, this will not be an issue for your organization because your team sees the strategic plan as one massive project that requires deft project management techniques. You believe that your implementation will be as carefully planned as the strategy was. The implementation plan will unfold as a multiple-year plan, where activities are staged over time. And the first 12 to 24 months of activities will be the most carefully mapped out, with more detail and more specific action items than in the later years. This will be a large project plan with different tasks and interdependencies that are updated as work unfolds over the coming months. The implementation plan notes sequential activities, parallel activities, and outcomes. In addition to start and complete dates, the implementation plan has mid-project milestones and associated deliverables.

### 3. Workforce engagement

If leadership fails to embrace the strategic plan, no one else will implement it. Fortunately, your leadership team has demonstrated the will to make this plan come to life. Your leaders are ready to walk the walk and talk the talk. Further, they know to create a line of sight between individual employees' responsibilities and the strategic plan.

You have given a lot of thought to impacts inside the organization. While the strategic priorities should be of no surprise to employees, the strategies may require a different way of working together. For decades, change occurred at a glacial pace inside the utility and work was easily compartmentalized into different areas. But with increasing regulations and swiftly changing technologies, this is less so. For example, your planned future investment in new grid technology could impact field operations, engineering, IT and operational technology, human resources, and more areas. Realize that people may not be used to a rapidly changing environment. Changes to traditional roles or responsibilities can be uncomfortable for some employees, so acknowledge that change management may be needed to help employees acclimate to changes inside the utility.

Looking holistically at what needs to be completed, you realize that limiting decision-making to the executive level will stymie efforts to implement the strategies. Decisions must be pushed further down into the organization, delegating to those with the necessary technical skills and experience. Yet this can be challenging in a traditional, top-down work culture. It will require clear communication about where and how decisions are made in order to push decision-making deeper into the organization.

Having people in the right roles is critical for a strong implementation plan. Your team has already discussed how the work must be distributed across time and across people; everyone acknowledges that there has been a tendency to keep assigning the same good people to important initiatives. You and the leadership team have already begun discussing how strategy projects could be structured to engage more employees and support additional professional growth.

### 4. Reporting

Your mind now shifts to the board. Their questions throughout the strategic planning process and their interest in the strategic plan's success foreshadow their likely desire to hear about the strategies' progress. Targets must be calibrated appropriately to be consistent with the success measures in the strategic plan and to create the right outcomes. The board reporting package will need to be restructured to provide updates on the strategies' implementation. You want the reporting package to be a helpful management tool as well as a status report for the board. The objective will be to provide valuable and timely information.

And lastly, you have already noted in your work calendar that the strategic plan should be refreshed in the next two to three years. While many of the strategic priorities will continue to be relevant in the future, the strategies will evolve based upon what gets executed in the next few years and what changes in the industry. **NWPPA**

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