



CITY LIGHT REVIEW PANEL MEETING

Tuesday, March 31, 2020

11:00 AM – 12:00 PM

Skype Meeting

Proposed Agenda

- | <u>Item</u> | <u>Lead</u> |
|--|----------------------------|
| 1. Welcome, Introductions (<i>5 min.</i>) | Gail Labanara, Panel Chair |
| 2. Public Comment | |
| 3. Standing Items: (<i>15 min.</i>) | |
| a. Review of agenda (Karen) | |
| b. Action: Review and approval of meeting minutes of March 24 th | |
| c. Chair's Report (Gail) | |
| d. Communications to Panel (Leigh Barreca) | |
| 4. 2021 – 2026 Strategic Plan (<i>45 min.</i>) | Leigh/Karen Reed |
| a. Strategic Initiatives – Review of Panel input and advice to SCL with respect to inclusion in strategic plan | |
| 5. Adjourn | |



**City Light Review Panel Meeting
Meeting Minutes**

Date of Meeting: March 24, 2020 | 11:30AM – 1:00PM | Meeting held via Skype “Draft”

MEETING ATTENDANCE					
Panel Members:					
Names		Name		Name	
Gail Labanara	√	John Putz	√	Mikel Hansen	√
Sara Patton	√	Patrick Jablonski	√	Leon Garnett	√
Thomas Buchanan	√	Chris Mefford	√		
Staff and Others:					
Debra Smith	√	Jen Chan	√	Karen Reed (Consultant /RP Facilitator)	√
Kirsty Grainger	√	Mike Haynes		Emeka Anyanwu	
Jim Baggs		DaVonna Johnson		Tom DeBoer	
Julie Moore	√	Chris Ruffini		Maura Brueger	√
Saroja Reddy		Carsten Croff	√	Leigh Barreca	√
Eric McConaghy	√	Alex Pedersen		Kathryn Aisenberg	
Craig Smith		Toby Thaler	√	Angela Bertrand	√
Kathleen Wingers	√	Vanessa Lund	√		

Welcome\Introductions. Karen Reed, Panel Facilitator, called the meeting to order at 11:38 AM.

Public Comment. There was no public comment.

Review of Agenda Karen Reed, Panel Facilitator, reviewed the agenda.

Approval of Meeting Minutes. Gail suggested a correction to the meeting notes that read “keeping its critical IT systems in the past” should be edited to “keeping its critical IT systems in house”. The meeting minutes were approved as amended.

Chairs Report. Gail asked if there was any response to CM Alex Pederson’s email that was discussed at the last meeting. ***Leigh mentioned that she should provide the panel with the email exchange between Debra Smith and CM Pederson.***

Communications to Panel. There were no communications to the Panel.

SCL in the News/Updates. There were no news updates.

Updates to the Roadmap. There were no roadmap updates.

General Managers/CEO’s Report.

Debra Smith shared a high-level summary of the City’s response to COVID-19. She mentioned that City Light is working real-time, with the Governor’s guidance, to develop a staffing plan to implement on Thursday. We are largely doing business as usual in generation and operations,



City Light Review Panel Meeting Meeting Minutes

while we finalize our planning of the Continuity of Operations Plan and capital projects planning. We have approximately 60 employees at SMT, who are mostly power marketers; most other staff are working from home.

Maintaining social distancing out in the field is becoming increasingly problematic. SCL is utilizing the City's 30-day personal vehicle exception so staff may drive their personal vehicles to work sites. We have also staged rigs more strategically to meet the COVID-19 guidelines.

Currently, we are maintaining our capital projects plan in rebuilding a turbine, as a part of our generation upgrades at Boundary. A General Electric contracted employee that was working on this project was taken away by ambulance. They area is very remote and we're waiting to hear if their health issue is COVID-19 related.

Debra also mentioned that she is working jointly with SDOT, SPU, and the City Parks District to develop a 50/50 staffing plan for field employees. Half working, half 'hold' with 14 days on/14 days off, in adherence to the 14-day quarantine period. The target to launch 'citywide continuous operations plan' or 50/50 plan is Thursday.

Gail Labanara asked if SCL is paying those staff on 'hold'. Debra referenced the City's policy that directors can pay staff using "COVID-19 Pay". This pay can be used by 'risk populations' that self-identify and cannot be reassigned tele-work.

Debra mentioned that the City Budget Office (CBO) is already discussing the financial impacts of COVID-19. All city departments are working on budget cuts. Triggers that could impact SCL's revenue include reduced load, bad timing for refinancing bonds and more customer-owners may be utilizing UDP. City Light is finalizing a budget cut memo to eliminate non-essential spending.

We are also focusing on our capital spending rate and reviewing what is essential capital work. In addition, guidance right now is to complete the strategic plan. SPU is moving forward with their plan although they aren't as far along. Both SCL and SPU are coordinating on how best to include COVID-19 impacts into their plans. The rate trajectory may also change based on new forecasts and guidance from CBO.

Sara Patton asked if we should incorporate COVID-19 into the plan or if was too late to add this as one of the futures we look at. Leigh mentioned that futures informed our priorities and we will have this event represented in the plan.

Chris mentioned that adding an initiative or whatever as an overlay topic "everything is done pre-COVID-19. We know that that will impact every aspect of the economy and SCL planning efforts will be done with that knowledge". It was suggested that we review all priorities based on that



City Light Review Panel Meeting Meeting Minutes

lens. Karen suggested the wording include “anticipated impacts of COVID-19 on initiative”. Chris said we should think of the economy on the trajectory end of virus plus three months to get back to ‘normal’ (not even recovery, just operations normalcy/new normal); then we can engage in rebuilding and recovery. Debra agreed and asked him to share a whitepaper Chris referenced that he recently completed for the Chamber of Commerce.

Sara referenced the state constitutional ban on gift of public funds and asked how it is being interpreted in terms of guiding public response to COVID-19. Debra mentioned that the state attorney general Bob Ferguson has released guidance to public entities about gift of public funds in our current situation. One has to demonstrate public good in the use of public funds and our response is about serving the public good.

Debra stated that we are not doing energy efficiency work as we usually do because we are not sending staff into people’s homes. Our contractors may not be able to keep their staff. Our Customer Energy Solutions employees are reaching out to our small business staff to help support customer needs.

Tom Buchanan stated that 14 days of self-quarantine is an excellent idea. Someone at Boeing in Everett died due to overwork; but this sounds like SCL is doing the right thing. Debra said we'll get official approval today and hopefully launch the staffing plan on Thursday.

Strategic Plan

Leigh stated that SCL is working with SPU on consistent language re: COVID-19 response for inclusion in their respective strategic plans. She introduced Vanessa Lund with the consulting firm of Cocker Fennessy; Vanessa is drafting the Plan. Karen asked Vanessa to walk through the draft for the group.

Vanessa said that the document in the meeting packets is not presented in final fancy layout; the focus is on content at this point. She is simultaneously working with a graphic designer to make it attractive. Vanessa walked through the plan section by section. Discussion points included:

Introductory Text

- Gail: There should be an introduction to scenario planning. This section seemed abrupt.
- Leigh: Leon is vice-chair (edit request)
- Sara: Energy: add the words ‘energy efficiency’ needs in the high-level description of priorities.,

Goal 1

- Sara: Financial stability IS glamorous.



City Light Review Panel Meeting Meeting Minutes

- Multiple: I agree. But also, it might not be glamorous but it's essential. Suggestion to replace this word.
- Gail: Will rate path be here?
 - Vanessa: No, it will be later in the document.
- Leigh: sidebar about Green New Deal will be included
 - Sara: I see the words 'energy efficiency' in build and maintain infrastructure. Make it clearly a part of this priority. Maybe that's in the sidebar. It's important as we balance electrification and energy efficiency.
- Leon: It would be good to mention assistance programs such as UDP and ELIA. There is good work happening it would be a shame to not include it in some way. Mention as part of Goal 3?
 - Leigh: These programs aren't new initiatives but should be included in the plan,
 - Vanessa: Good comment because it's such a fundamental part of SCL's work. Maybe it's another sidebar. They are very important programs now and especially moving forward
 - Sara: I agree we need to include UDP and I'm glad the words energy efficiency are there.
 - Gail: "Why lasting customer relationships" - you're a monopoly. Maybe adjust wording.

Goal 4:

- Gail: This would be a good place for COVID-14 adaptations to be mentioned.
- Sara: In the optimization of staffing, acknowledge/highlight that the workforce should match the community re: race/gender

Goal 5:

- Leigh: Keep the lights on. There are no initiatives under this Goal; it is about the utility's core business. The 11 initiatives in the plan are under Goals 1-4.
- Gail: I read this and thought about streetlight/pole accident. Call out the pole replacement program here especially since it got so much press.
- Sara: "Filling positions in a tight labor market" importance of workforce reflecting the community. Include that there as well. Make this a goal.

Addressing Ongoing revenue challenges

- Sara: Call out specifically new construction codes and standards and policies as part of energy efficiency success.
 - Gail: In the last plan didn't we talk about a four-plex in one house. Maybe talk about that here again?



City Light Review Panel Meeting Meeting Minutes

- Kirsty: We're working on this. We have a forecast. We're looking at the changes we're seeing in March and how to wrap that story in. The impact of the economy on our consumption is something we'll want to address here.
 - Karen: Are you seeing declines in usage in the past couple weeks?
 - Kirsty: Yes. In the beginning the cold weather masked it a bit. But we're seeing declines. 2% for sure, and now larger employers like Boeing are shutting down so that will affect it more.
- Mike Hansen: Back on metrics page early in the document. Why wouldn't we have targets going forward instead of actuals going backwards? It would be nice to have our targets going forward
 - Leigh: We set targets annually. We might be able to add 2020 targets. I will investigate adding the 2020 target as that might be more valuable.
 - Mike: Why can't we carry that forward? It's not a firm goal, but why not?
 - Kirsty: We have standard 'business as usual' metrics. We're not trying to trend/change them. We're trying to keep them steady. We're coming up with additional metrics for the initiatives that are focused on the changes you should be seeing.
 - Another part of the plan that is in progress is a link to the metrics associated with the initiatives.
 - Karen: If you set the metrics targets annually, note that to give context on why there isn't a look forward.
- John: Question regarding the rate path. Considering the effect of COVID-19 – are these rates going to be re-assessed? Do we want to put something out there that will be obsolete by the time people see it?
 - Karen: This might be a good place to talk about weaving in COVID-19 response. On the SPU side, the plan is to complete and deliver their plan regardless of if the Mayor/Council even pick them up on schedule. As time passes, we might dive back in to update the details in the plan. City Light is on the same trajectory.
 - Kirsty: John, you're right. With regard to forecasting, there will be a decline in consumption which results in upward rate pressure and we will also be pressured to lower rates. Another uncertainty is how we navigate recovery. How that will translate to rates is really hard to say with certainty right now.
 - John: What's the advisability of including actual numbers? Is it worth contingencies? If we can issue bonds that the feds will buy or is it so uncertain it's not even worth talking about?
 - Kirsty – Do you even know what the feds will do?
 - John – They are setting up funds.
 - Kirsty: We were scheduled to do a bond issue, but the viability of that is in question because of interest rates. This could impact cost of operations.



City Light Review Panel Meeting Meeting Minutes

- John: If this is a strategic plan, maybe the verbiage could include a list of potential issues and rate levers that may impact rates.
 - Karen: Do you think you could talk about possibly a topic list just to reference forward?
 - Kirsty: We're doing that, and we'll know more in a few months. It's not anything we'll have certainty about in the near future.
 - Patrick: This sounds great. I agree about including something like this.

Due to time, the consensus was to continue discussions for an additional 15-minutes and then allow the Review Panel members time to review the initiatives off-line and meet again, before the next Review Panel meeting on April 14th. Karen will create a template and send to the Panel members today so they may share their comments on scope/goals of the initiatives.

Leigh stated that the documents will be attached to the Strategic Plan document will be a shorter version of the templates in the Review Panel packet. It will not include information such as staff names or budget details.

- Top priority is creating the document to go with the plan. This would include a high-level description of each initiative, measures, goals, overview, and reasoning.
- Bearing in mind this is a 2021 plan, the real detail will be included in future months. This will be shared with the Panel and will be the basis for reporting going forward.

Eric McConaghy expressed a big thanks from the City to Review Panel for going above and beyond for this effort.

Sara thanked Chris Tantoco for helping the luddites.

Toby Thaler, from CM Pedersen's office, stated that people on the call correctly framed Councilmember Pederson's concerns about the rate path.

The meeting was adjourned at 1:15PM.

Table of Contents

- **Organizational Change Management2**
- **Continuous Improvement Program5**
- **Grid Modernization in Support of Electrification8**
- **Regional Energy Leadership and Collaboration.....12**
- **Future of Work15**
- **Rate Path at or Below Inflation18**
- **Customer Experience Roadmap.....20**
- **Pricing Services for the Future.....23**
- **Expand Customer Program Options.....25**
- **Information & Operational Technology for Cyber Security28**
- **Right-Size the Capital Program30**

Organizational Change Management



Initiative Basics:

Strategic Priority	Cultivate a Culture of Change
Initiative Name	Organizational Change Management
Strategic Measures Impacted	<ul style="list-style-type: none">• Current Culture Survey•

Initiative Team:

Initiative Sponsor/s (1/BU)	Lead: Jen Chan (GM Office)
Initiative Lead	New OCM Coordinator in General Manager’s Office <i>(currently in hiring process)</i>

Overview

Through the development of a new Organizational Change Management (OCM) initiative, we will enable City Light to become a change-ready organization by preparing, equipping and supporting individuals in successfully transitioning, embracing and adopting change in order to drive organizational success. By establishing an intentional change management support model, we will facilitate a broader transformation goal to build a culture that enabling nimble, adaptable, and effective teams and partnerships.

Reasoning

By helping City Light become a more change-ready organization, the following benefits will be achieved:

- Individuals are aware of the organizational vision and anticipated impacts and benefits from desired changes that connect to their day to day work and individual contributions.
- Individuals embrace change quickly and effectively.
- City Light will respond more quickly to new changes.
- Employees feel reassured when changes arrive.
- Staff show a reduction in negative behaviors/impact/productivity.
- Higher project success rate, including stronger and quicker adoption of technology and process changes

Timeline

Phase	Deliverable	Start Date	Due Date
Scoping	OCM program scope developed, including high level deliverables, timeline, stakeholder involvement, etc.	6/1/2020	8/15/2020
Planning	2021 OCM work plan approved by sponsor, including identification of specific OCM projects to be led from General Manager's Office, and other key deliverables and milestones in building utility-wide framework and coordination with other OCM resources within City Light and across other City departments	9/1/2020	11/1/2020
Execution	Key OCM milestones and deliverables, as outlined in 2021 OCM work plan	12/1/2020	Ongoing
Monitor & Revise	Course corrections made to OCM program scope and 2021 work plan based on ongoing feedback and lessons learned.	Ongoing	Ongoing

Process Measures

Measure	Currently Tracking?	Baseline	Target
Organizational performance metrics (e.g., performance improvements, business and change readiness, project KPI measures, adherence to project plan and timeline, speed of execution)	<input type="checkbox"/> yes <input checked="" type="checkbox"/> no	TBD	TBD
Individual performance metrics (e.g., change adoption metrics, employee engagement, employee readiness and satisfaction survey results)	<input type="checkbox"/> yes <input checked="" type="checkbox"/> no	TBD	TBD
Change management performance metrics (e.g., adherence to change management plans, delivery of specific change management activities, performance improvements, project KPIs, speed of execution)	<input type="checkbox"/> yes <input checked="" type="checkbox"/> no	TBD	TBD

Scope

The OCM initiative will establish a utility-wide framework and internal consultancy to support City Light's business units in developing and executing formal change management plans, training, readiness tools and other resources to help staff prepare for key changes in improving performance, streamlining processes, and adopting new technologies.

Anticipated Budget

The anticipated budget to hire an outside OCM consultant is estimated to be \$100,000, however this funding request will be prioritized within existing SCL resources therefore there is not an additional budget impact to the utility. The vendor will leverage industry expertise and experience in organizational change management for large, complex systems such as City Light.

Anticipated Risks

Beyond the inherent challenges associated with supporting successful change management in general, there is an organizational risk of ensuring there is clear coordination and alignment with other OCM resources within the utility, including other external OCM consultants who may be assigned to work on existing/more discrete projects, otherwise it may feel fragmented, disjointed and confusing to staff.

Continuous Improvement Program



Initiative Basics:

Strategic Priority	Cultivate a Culture of Change
Initiative Name	Continuous Improvement Program
Strategic Measures Impacted	<ul style="list-style-type: none">• Current Culture Employee survey• Reduction in O&M costs (Overtime, Temp staff)

Initiative Team:

Initiative Sponsor/s (1/BU)	Lead: Jen Chan (GM Office)
Initiative Lead	<i>Leigh Barreca</i>

Overview

Elements of this initiative include:

- Improve business processes to meet existing and emerging business needs using time-limited teams to solve process problems, drive efficiencies and results.
- Centralize improvement ideas sourced from employees, performance metrics, and benchmarking data to identify areas in the Utility for continuous improvement.
- Educate and train working groups participating in process improvement activities to build problem solving skills, knowledge, and experience so that a pool of internal talents is built within the Utility.
- Track and report on improvement results, operational metrics, and employee engagement for each improvement effort undertaken

Reasoning

This is a continuation of the existing Business Process Improvement strategic initiative. We will continue to identify inefficiencies in work processes that span the organization. We will work with business teams to identify problem areas, improve process flows, and engage with staff in the collaborative creation of new and more efficient processes. We will work with impacted employees during and after process improvement effort and will offer training support as needed.

Timeline

Phase	Deliverable	Start Date	Due Date
Initiation	Annual workplan, including Utility-wide improvement projects approved by Executive Team	Annually	Q1
Planning	Each improvement project's charter and workplan are approved by affected departmental sponsors	Annually	Q1 - Q2
Execution	Each improvement project deliverables are executed, as outlined in plan	Ongoing	Ongoing
Monitor	Projects are monitored by project and Program Steering Committees	Ongoing	Ongoing
Close	Projects are closed with measurable metrics. 30-60-90 days post-project check-in to gather improvement results	Ongoing	Ongoing
Reporting	Quarterly reporting on project status to sponsors and Program Steering Committee Annual reporting to Executives	Bi-Annually	Q2, Q3

Process Measures

Measure	Currently Tracking?	Baseline	Target
Program Impact: <ul style="list-style-type: none"> - # of projects submitted - # of projects completed - # of employees impacted - # of employees involved - Estimated time /\$ saved 	√ yes <input type="checkbox"/> no	TBD	TBD
Project Measures: Each Continuous Improvement begins with the identification of tracking measures. Measures will be standardized as much as possible. Current samples below:			
# days to complete customer construction letter	√ yes <input type="checkbox"/> no	120 days to 110 days to 30 days (72% decrease)	30 days or fewer
# min to process WO	√ yes <input type="checkbox"/> no	60 to 32 minutes (47% decrease)	30 minutes or fewer

Scope

Projects are evaluated based on level of effort, degree of impact and span across the organization. Projects are selected that impact the greatest need and improve service to the greatest extent.

An additional element of this program is providing training to teams throughout City Light that are engaging in their own process improvement efforts.

Specifically, the definition of a business process improvement project includes:

- Addressing an Existing Process
- No Solution Clarity (vs. technology solution)
- Alignment with Corporate Strategy
- Clear Project Scope
- Generating Specific Benefits
- Strong Sponsorship and Management

The prioritization of improvement projects is based on the following characteristics:

- Cross-Functional
- Measurable Benefits
- Urgency/Linkage
- Employee & Customer Experience

Anticipated Budget

All work will be done with existing budget.

Anticipated Risks

- Conflicting priorities will limit the ability for staff to work on improvement efforts.
- Organizational capacity is limited. In order to successfully complete a continuous improvement effort, there needs to be strong sponsorship and commitment from upper management.

Grid Modernization in Support of Electrification



Initiative Basics:

Strategic Priority	Create Tomorrow's Energy Future Today
Initiative Name	Grid Modernization in Support of Electrification
Strategic Measures Impacted	<ul style="list-style-type: none"> • Smart Grid Technology Penetration Rate • Distributed Energy Resource (DER) Penetration Rate • Electric Transportation Adoption Rate • New Grid Architecture Implementation

Initiative Team:

Initiative Sponsor/s (1/BU)	Lead: Emeka Anyanwu (Energy Innovation & Resources) Mike Haynes + Michelle Vargo (Operations) Craig Smith (Customer Experience)
Initiative Lead	Cameron Keyes

Overview

To enable the electrified – and decarbonized – future our customers want, we will create, maintain, and execute a Grid Modernization roadmap with specific technology timelines and an associated CIP plan. This will establish a disciplined approach to prioritizing and sequencing our modernization investments that will deliver the operational capabilities required to give our customers access to the energy choices they want for themselves. The grid is a key enabler of change and the investments outlined in the Grid Modernization roadmap will be crucial to managing this evolution in core capabilities.

Elements of this initiative include:

- Smart Grid: Increase operational usage of smart grid & automation technology on the Distribution system.
- Foundational OT: Connectivity to and integration with Operational Technology; Grid Mod roadmap is incorporated in, and coordinated closely with the Enterprise Technology Roadmap
- Operational Process evolution: Planned development of operations processes and protocols to leverage new OT capabilities
- Distributed Energy Resources (DERs): Develop ability to consistently and effectively integrate DERs of all kinds – distributed generation (solar), storage, Demand Response (DR),
- New Grid Architecture: Develop framework for City Light's next generation grid including structure, design/performance criteria, component standards, etc.

Reasoning

The way our customers use energy is evolving – smart homes and commercial buildings, industrial automation, industrial automation and controls, flexible loads and transactive energy are no longer buzzwords, they are all being actively adopted. Electrification at scale will especially challenge the entire structural framework that underpins legacy electric utility systems. Challenges driving the need for foundational change come not only from behind the meter, but throughout the entire system of production, delivery, and usage. With massive new demand for energy emerging even as carbon-producing baseload generation is being shuttered, we must meet these new needs with a different portfolio of resources – distributed, renewable, and smart resources. Interconnecting these new resources will require a delivery system that can keep up in order to maintain current levels of reliability and integrity. The physics of the delivery platform will be considerably different for this new universe of customer and community needs and wants and will be an evolution decades in the making. We must execute a sustained, organized strategic approach to identifying, implementing and integrating the technology and architecture of this new system to ensure success and do so while investing our customer-owner’s funds wisely. Our plan will be informed by the best practices of peer utilities throughout the country who are implementing their own Grid Modernization plans in the face of similar challenges, and in partnership with the best solution providers that are helping utilities across the globe to build their capabilities.

As a result of this initiative, we will increase the automation, visibility and flexibility of the grid, as we move away from the reliable, but unidirectional and manually operated legacy distribution, to a multi-directional energy system with flexibility and resiliency built in, and visibility that enables situational awareness to maintain reliability and deliver customer value. This modernized grid will allow the adoption of the innovative technologies our customers demand, allowing Seattle to achieve its carbon-neutrality goals via electrification, while working to stabilize rates by increasing overall revenues and allowing for more efficient capital deployment that considers traditional T&D investments alongside potentially more cost-effective dynamic DER-based solutions.

Maintaining the Grid Modernization roadmap (including DER) with specific technology timelines and an associated CIP plan establishes a disciplined approach to prioritizing and sequencing our modernization investments that deliver operational capabilities our customers need from us.

- Grid Modernization roadmap
 - Completed and adopted; included in Strategic plan
 - CIP funded and maintained as essential to operations
 - Biennial Grid Mod Roadmap updates
 - Execution of Grid Mod projects – within scope schedule & budget; consistent with SCL PM Framework requirements
- DER Integration: Develop a robust DER program
 - Hosting capacity study capability (identify how much distributed generation or storage a given grid segment can integrate without upgrades)
 - Improved and streamlined interconnection process
 - Easier access to data and mapping
 - DERs incorporated into system planning, forecasting, and capital planning

- Next Gen Grid Architecture: Resilient, reliable, flexible
 - Develop new grid architecture framework/concepts
 - Updated system planning criteria
 - Operational use of new grid mod equipment: SOPs leverage new grid capabilities
- Smart Grid & Automation
 - Integration of foundational OT systems with grid automation equipment
 - Smart grid technology penetration – scaling smart capabilities on entire system

Timeline

Phase	Deliverable	Start Date	Due Date
Initiation	Charter Signed by all departments involved.	Q2 2020	Q3 2020
Planning	Project management plan approved by sponsor	Q4 2020	Q1 2021
Execution	Key project deliverables, as outlined in plan	Various	Ongoing
Monitor & Revise	Final Report	n/a	Annual
Close	Presentation to Executive Team	n/a	Biennial

Process Measures

Measure	Baseline	Target
Project documentation completion		
System penetration for smart grid technologies		
Grid Mod Roadmap draft		
Grid Mod Roadmap adoption		
Next Gen grid template development		
Operations SOPs created for use of smart grid technology		
DER penetration		
EV Adoption		

Scope

1. Grid Modernization is not a wholesale replacement of grid equipment and infrastructure assets.
2. This initiative is related to and will be coordinated with other Technology initiatives including OT and Cybersecurity – but it does not fully incorporate them.
3. Closely affiliated with and a key enabler of Transportation Electrification - but does not include it. May ultimately include Vehicle-to-Grid (V2G) as a DER option but does not explicitly include EVs or other electric transportation.

Anticipated Budget

Scope of this effort suggests an eventual annual funding level in the **\$10-20M** range. Early capability limitations likely mean this will be more in the **\$3-7M** range in first few years. Funding escalation depends on our CIP capacity and ability to successfully implement.

***Needs revisions by Kirsty & Debra before final*

Anticipated Risks

- Operational culture – changing to a culture of operating smart devices will require robust change management and disciplined adherence to new protocols
- Technology risks – vendor management, cybersecurity, ITD support, recruitment and retention of necessary talent.
- Procurement – Processes are slow and paperwork intensive and introduce execution and cost risk.

Regional Energy Leadership and Collaboration



Initiative Basics:

Strategic Priority	Create Tomorrow's Energy Future Today
Initiative Name	Regional Energy Leadership and Collaboration
Strategic Measures Impacted	<ul style="list-style-type: none"> Forecast certainty on building and transportation electric load increases on City Light's long-term load forecast. Long-term rate competitiveness from BPA and improved revenue outcomes for SCL in regional energy markets. Clearer path forward on federal BiOp obligations for BPA and the impact of the associated costs on long-term electric rates Becoming an early adopter of EDAM if certain market design elements are not averse to City Light's policy objectives. Faster and deeper reductions in carbon emissions in western United States through regional markets and greater integration of renewables through innovative hydro operations Continued and ongoing collaboration with regional and west-wide partners on major energy market initiatives including EDAM and a potential future RTO.

Initiative Team:

Initiative Sponsor/s (1/BU)	Lead: Maura Brueger (Government & Legislative Affairs) Emeka Anyanwu (Energy Innovation & Resources) Tom DeBoer (Chief Environmental Officer)
Initiative Lead	Maura Brueger

Overview

Elements of this initiative include:

- State Legislative Agenda & engagement with state and regional agencies.
- Formalized collaboration with Tacoma Public Utilities, Snohomish PUD and Puget Sound Energy on Puget Sound building decarbonization.
- Development of strategies and actionable solutions, through engagement with key trade associations & coalitions or stakeholder groups, to high profile regional energy issues.
- Active leadership and participation on upcoming and ongoing major policy initiatives throughout the west including EDAM, NWPP Resource Adequacy, regional transmission planning efforts, and other advances in regional cooperation that will lead to decarbonization of the energy sector.
- Active and continued leadership and participation in national and regional trade groups and formal coalitions to advance City Light's environmental, carbon reduction, and marketing goals.

Reasoning

Take a leadership position in defining the future of deep decarbonization in the energy sector through the expansion of electricity for buildings and transportation in our region, consistent with the city's broader environmental stewardship and racial equity and social justice values. Additionally, ensuring the capacity and availability of carbon-free generation resources will ensure reliability and affordability for our customers today and for future generations. Finally, pursuing innovative solutions that allow our hydro resources to integrate the continued proliferation of renewable resources in the west to further assist with our decarbonization goals.

- Puget Sound Utility Collaboration on Building Decarbonization established with strategy & timeline for measurable actions.
- City Light's Successful entry and operation in CAISO's EIM and future entry into EDAM provided there are benefits to our customer owners.
- Successful entry of BPA into the CAISO EIM and EDAM to benefit NW ratepayers and leverage NW hydropower for western decarbonization.
- Establishment of new CRSO BiOp with long-term vision and strategic plan to recover species, honor tribal needs, strengthen electric grid & support agricultural services.
- Aggressive and strategic state legislative agenda promoting regional decarbonization through building and transportation electrification.
- Continued support of state legislative and agency policy objectives relating to environmental outcomes and decarbonization by providing leadership and expertise on key strategic issues while also minimizing impacts to customers through undue added costs or undue compliance obligations.

Timeline

Phase	Deliverable	Start Date	Due Date
Initiation	Charter Signed by all departments involved.		
Planning	Project management plan approved by sponsor		
Execution	Key project deliverables, as outlined in plan		
Monitor & Revise	Ongoing rubric and metrics evaluated with regular reporting		
Close	Final Report & Presentation to Executive Team		

Process Measures

Measure	Currently Tracking?	Baseline	Target
Groups/Coalitions SCL actively participates in	<input checked="" type="checkbox"/> yes <input type="checkbox"/> no	Some existing groups+ new	New coalition & engagements exist
Issue and/or initiative participation comments	<input checked="" type="checkbox"/> yes <input type="checkbox"/> no		
Leadership roles within trade groups	<input checked="" type="checkbox"/> yes <input type="checkbox"/> no	Current status	Staff serve on key working groups or in leadership roles
Coordination and collaboration tools developed	<input type="checkbox"/> yes <input checked="" type="checkbox"/> no	Current status	New useful analysis with data/info available

Anticipated Budget

Currently, the expectation is to work within existing resources and budgets, leverage trade association and coalition affiliations.

Anticipated Risks

These are all ambitious efforts that require participation and action by parties outside of Seattle City Light's control. With that, measuring success will be difficult. However, City Light's leadership and engagement in these efforts is more likely to contribute to the establishment of actionable strategies and more rapid regional decarbonization. Absent City Light's leadership, many of these issues, in the northwest utility landscape, could create a leadership vacuum where there is no entity helping guide and deliver a coherent objective of achieving deep-decarbonization in the energy sector.



Future of Work

Initiative Basics:

Strategic Priority	Cultivate a Culture of Change
Initiative Name	Future of Work
Strategic Measures Impacted	<ul style="list-style-type: none">• Current Culture employee survey• Employee promotion rates• New hire retention rates• Percentage of employees compliant with req'd safety training• Total Recordable Incident Rate• Safety assessments completed by people leaders• % of employees participating in utility safety programs• % reduction in preventable motor vehicle collisions

Initiative Team:

Initiative Sponsor/s (1/BU)	Lead: DaVonna Johnson (People & Culture) Jen Chan (General Manager's Office)
Initiative Lead	Kathy Knoelke

Overview

This initiative will build a workforce that is rooted in flexibility, agility, and resilience while positively impacting the employee experience and achieving a culture of safety excellence.

Elements of this initiative include:

- Developing a comprehensive customer centric workforce strategy that attracts, develops, and engages the workforce for greater connection and execution of City Light's business goals.
- Driving a growth mindset culture where our employees embrace and make change a reality.
- Developing an executable safety change management strategy to achieve safety excellence.

Reasoning

As we look at needs of our customer-owners, from residential to big business, we see that the workforce and safety strategy that brought us to 2020 is not sustainable. We must build a workforce that is rooted in flexibility, agility, and resilience.

The Future of Work strategic initiative strives to:

- Align evolving customer expectation to our workforce strategy.
- Implement a strategic staffing and succession plan.
- Transform the workforce to be responsive to our changing industry and customer-owner needs.
- Embed a culture of safety excellence that drives the work of all employees regardless of location or title.

Data will be a key component of this initiative. Data will inform our decisions and how we utilize employee resources.

We anticipate that implementation and successful execution of this initiative will result in:

- A growth mindset culture that embraces change to enable innovation.
- An inclusive environment where collaboration is valued.
- A comprehensive public safety program that includes employee training and education regarding public safety issues, customer education talking points and customer education, and awareness program regarding electrical hazards.
- An employee experience that is defined by increased morale, high engagement, and effective communication.
- Increased communication to customer-owners and the general public to improve safety on and around active job sites.
- A shared vision for safety aligned around a consistent message to drive better outcomes.

Timeline

Phase	Deliverable	Start Date	Due Date
Initiation	Charter Signed by all departments involved.	October 2020	December 2020
Planning	Project management plan approved by sponsor	January 2021	March 2021
Execution	Key project deliverables, as outlined in plan	April 2021	Quarterly report out
Monitor & Revise	Final Report	July 2022	September 2022
Close	Presentation to Executive Team	October 2022	December 2022

Process Measures

Measure	Currently Tracking?	Baseline	Target
Current Culture employee survey	<input checked="" type="checkbox"/> yes <input type="checkbox"/> no	Participation 76% Engagement Index 70%	Participation 80% Engagement Index 75%
Pulse Surveys	<input type="checkbox"/> yes <input checked="" type="checkbox"/> no	n/a	
New hire retention rates		n/a	
Total Recordable Rate	<input checked="" type="checkbox"/> yes <input type="checkbox"/> no		
Safety assessments completed by people leaders	<input checked="" type="checkbox"/> yes <input type="checkbox"/> no		
Training participation			
Absenteeism rates			

Scope

The Future of Work initiative will touch upon every aspect of the employee experience. As such, intentional collaboration across the initiatives will be imperative.

Anticipated Budget

Budget need is still under development. There is a recognized need to engage a consultant to assist in the rollout of some of the parts of this initiative to employ a train the trainer model. Additionally, we will need to hire a survey company to help us build and implement a pulse survey to understand how employees are experiencing People and Culture.

Anticipated Risks

As we move to a workforce that is agile and flexible our traditional way of defining work will need to change. Potential risks may include:

- The City's classification system is controlled by the Seattle Department of Human Resources (SDHR). Any changes would have to be developed in partnership with SDHR and could result in the project being delayed.
- All changes in the City's classification structure require Union agreement. Even though this is a potential risk, we have been successful working in collaboration with the unions to reach an agreement on classification issues.

Rate Path at or Below Inflation



Initiative Basics:

Strategic Priority	Ensure Future Financial Stewardship & Affordability
Initiative Name	Rate Path at or Below Inflation
Strategic Measures Impacted	<ul style="list-style-type: none"> • Rate Path • Leverage Ratio • Debt Service Coverage

Initiative Team:

Initiative Sponsor/s (1/BU)	Lead: Kirsty Grainger (CFO) DaVonna Johnson (P&C Officer) – for O&M portion
Initiative Lead	Chris Ruffini (Finance)

Overview

This initiative is about delivering long-term affordability and a rate path at or below inflation.

Elements of this initiative include:

- **Long-term Debt Plan.** Research debt management policy and create a long-term debt plan to stabilize leverage ratio. Propose and gain approval for amendments to financial policies to support prudent financing of capital investments and debt levels.
- **Full Reimbursement for Costs.** Focused financial tracking for costs and revenues associated with reimbursable work, develop cost/revenue financial reporting templates for reimbursable capital work, opt-in customer programs, and other functions that operate as mini lines of business with revenue streams. Identify opportunities for amending work practices around coding costs and revenues to automate tracking by program. Full funding of reimbursable work eliminates impact on regular customer rates.
- **Contain O&M Costs.** Manage labor costs through redeployment of vacant positions resulting from efficiency improvements and reordered priorities. Labor constitutes approximately 60% of non-power O&M costs, and new initiatives and changing technology will require new positions to support this work.

Reasoning

Maintaining affordable energy costs for our customer-owners is central to City Light’s mission. In recent years, annual rate increases have averaged 5-6% range, significantly higher than inflation. This initiative proposes to flatten the rate trajectory though containing long-term costs from CIP and debt service, customer-driven work (services provided beyond regular electric service delivery), and internal labor costs.

Timeline

Phase	Deliverable	Start Date	Due Date
Initiation	Charter Signed by all departments involved.		
Planning	Project management plan approved by sponsor		
Execution	Key project deliverables, as outlined in plan		
Monitor & Revise	Final Report		
Close	Presentation to Executive Team		

Process Measures

Measure	Currently Tracking?	Baseline	Target
Proportion of capital work funded with bonds	Yes	60%	tbd
Forecasted & actual leverage ratio	Yes	tbd	
"P&L" for lines of business with revenue streams	No	tbd	tbd
Number of positions redeployed	Yes		
Total FTE	Yes		No change

Scope

The scope of this initiative is limited to the three items listed.

Anticipated Budget

Incremental work to be accomplished with existing finance and P&C staff.

Anticipated Risks

The main risk is bandwidth to implement change given competing priorities.

Customer Experience Roadmap



Initiative Basics:

Strategic Priority	Focus on Customer Experience
Initiative Name	Customer Experience Roadmap
Strategic Measures Impacted	Customer Surveys
	Issue Resolution Time
	Current Culture Employee Survey

Initiative Team:

Initiative Sponsor/s (1/BU)	Lead: Craig Smith (Customer Care & Energy Solutions)
	<ul style="list-style-type: none"> Jen Chan (Chief of Staff)
	<ul style="list-style-type: none"> Emeka Anyanwu (Energy Innovation & Resources)
	<ul style="list-style-type: none"> Kirsty Grainger (Finance and Load Forecasting)
	<ul style="list-style-type: none"> DaVonna Johnson (People & Culture)
	<ul style="list-style-type: none"> Robert Cromwell (Customer Operations)
Initiative Lead	Mike Little – CCES Business Support Services

Overview

Through this initiative we will work to understand our customers and use that understanding to develop a customer experience roadmap. This work will involve substantial data collection and analysis through a variety of tactics and methodologies. Areas of focus will include:

- Comprehensive research to understand our customers' needs and preferences.
- Market research to understand technology trends, adoption curves and customer demands
- Survey mechanisms to gain feedback on customer experience and satisfaction with the utility
- Journey mapping to identify customer pain points and opportunities for the utility to add value
- Collection and assessment of utility AMI data, end use load research, and customer end use saturations to better understand how customers use energy in buildings, transportation and processes.

Reasoning

In late 2019 City Light established a Customer Experience Strategy and created a vision for the utility: **“We empower our customer-owners in meeting their energy needs. Simple and accessible solutions – for every customer, in every interaction.”** To transform these words from vision to reality, we must become an organization that delivers products and services that are grounded in data and research that captures our customers' values, interests, preferences and needs. We must deeply know our customers *now* so that we can anticipate -- and therefore meet -- their *future* energy needs.

The Customer Experience Roadmap is designed to help us understand customers' needs and desires through comprehensive research on preferences, behavior, energy use, building stock, customer journey mapping, and ongoing customer satisfaction measurement. We will use the voice of the customer as well as other customer data and analytics to drive ongoing empathetic process improvement, employee training and product and service design. This approach should lead to higher levels of customer satisfaction and loyalty, as well as employee engagement.

As a result of this initiative, we will:

- Establish detailed strategic roadmap that allows us to create meaningful customer initiatives.
- Build better understanding of our customers' challenges and how to prioritize our improvement efforts to become a customer centric organization.
- Establish a customer information system(s) with real-time, actionable and ongoing feedback, tools and metrics to measure our success
- Develop customized, personalized products and services that meet customers' energy needs and speak to their values
- Make more data-driven decisions based on customer research.
- Be able quantify the impact to our customers for current and future work to incorporate it into our business cases to support and justify the need for changes
- Strive to reduce the time it takes to develop, pilot, launch, evaluate and revise customer offerings.
- Have data and information to identify how to better equip employees with tools and resources to empathize, listen and advocate for customers

Timeline

Phase	Deliverable	Start Date	Due Date
Initiation	Charter Signed by all departments involved.	Q2 2020	Q4 2020
Planning	Project management plan approved by sponsor	Q4 2020	Q1 2021
Execution	Key project deliverables, as outlined in plan	Various	
Monitor & Revise	Final Report	n/a	Ongoing
Close	Presentation to Executive Team	n/a	Ongoing

Process Measures

Measure	Currently Tracking?	Baseline	Target
JD Power – Customer Survey	<input checked="" type="checkbox"/> yes <input type="checkbox"/> no	TBD	TBD
Issue Resolution Time	<input checked="" type="checkbox"/> yes <input type="checkbox"/> no	TBD	TBD
Customer Satisfaction Survey Scores	<input type="checkbox"/> yes <input checked="" type="checkbox"/> no	TBD	TBD

Scope

- **What is included:** Understanding customers, understanding customer energy needs, understanding the buildings that customers live and work in.
- **What isn't included:** Work with other City Departments and employee experience that does not intersect with the customer experience roadmap are considered out of scope.

Anticipated Budget

- Estimated staff resource need is \$600,000 (annual)
- Estimated consulting budget for research, analytics, and culture change is \$550,000 (annual)
- Estimated costs for acquisition and/or development of technology is \$1,000,000

Anticipated Risks

High	<p>Cooperation and collaboration with other City Departments and IT. Department goals, priorities, budgets, timing and resources may not be aligned. This will require negotiation. City-level strategic vision and sponsorship can help.</p> <p>Past interdepartmental initiatives around CRM and building data analytics have been bogged down. We worry about resourcing, our relative priority, scope creep, and timing.</p> <p>Moreover, we are aware of a parallel IT 'data lake' initiative. Customer insight that is collected in this City Light strategic initiative may be folded into that City-wide initiative</p>
High	Operational culture – changing to a culture that a) values customer perspective <i>in addition to</i> utility perspective, and b) emphasizes data-driven decisions will require robust change management and disciplined adherence to new norms
Medium	Procurement – Processes are slow and paperwork intensive and introduce execution and cost risk.
Medium	Recruitment and retention of necessary talent
Medium	Other technology risks -- vendor management, cybersecurity, ITD support

Pricing Services for the Future



Initiative Basics:

Strategic Priority	Ensure Future Financial Stewardship & Affordability
Initiative Name	Pricing Services for the Future
Strategic Measures Impacted	<ul style="list-style-type: none"> • Contribution Margin • Rate Path •

Initiative Team:

Initiative Sponsor/s (1/BU)	Lead: Kirsty Grainger (CFO) Craig Smith (Customer Programs)? Emeka Anyanwu (EIR)
Initiative Lead	Carsten Croff (Rates Manager)

Overview

This initiative continues to deliver on the recommendations from the 2019 Rate Design Project Report and builds on the 2019-2024 Strategic Plan initiative “revenue recovery and rates”. Elements of this initiative:

- **TOD Pricing.** Establish TOD pricing alternatives available to all customers, on an opt-in basis. This initiative is already underway but will continue and evolve as more information becomes available. TOD pricing is a key to long term affordability because it facilitates customer participation in efficiently managing energy costs, demand response, and electrification.
- **Commercial Pilots.** Partner with commercial customers to create pilots and pricing programs to encourage demand response and deep decarbonization. This will impact long term affordability by increasing kWh/revenues while potentially alleviating need for new capacity investments.
- **Residential Pilots.** Study and develop new residential programs that address affordability needs (energy burden), new TOD options, and desire for new green power alternatives. Affordability programs will complement and improve the existing UDP, directly improving affordability for vulnerable populations. Meeting customers’ desire for premium green power alternatives might prevent loss of customers to alternative power providers.
- **Service Availability Pricing.** Building on a standardized fixed charge methodology that captures 100% of applicable customer costs (to be implemented 2021), design a capacity-based fixed (commercial) or minimum (residential) charge to collect for the appropriate infrastructure cost of maintaining service availability.
- **Power Cost Rate Mechanism.** Study, evaluate and (potentially) implement an integrated power cost rate mechanism that combines impacts of BPA, RSA, EIM and other wholesale marketing revenues. Develop tracking and reporting for each component for transparency. Clarify impact of net power costs on rates, and stabilize downstream impact to rates from these interrelated drivers.
- **Commercial Rate Class Standardization.** Efficient rate design may alleviate the need for four different general service rate classes. Study and recommend an ideal long term structure for commercial rates (determining the best mix of volumetric charges, capacity/demand charges, fixed/minimum charges.) Simplifying and standardizing rate classes should improve customer satisfaction, reduce administrative costs, remove incentives for false loading and increase incentives for certain types of energy efficiency.

Reasoning

Time of Day (TOD) and demand response rates contain capacity costs and maximize wholesale market benefits. Rates have mechanism to adjust for power costs, stabilizing contribution margin. Pricing alternatives that meet diverse customer needs and expectations.

Timeline

Phase	Deliverable	Start Date	Due Date
Initiation	Charter Signed by all departments involved.		
Planning	Project management plan approved by sponsor		
Execution	Key project deliverables, as outlined in plan		
Monitor & Revise	Final Report		
Close	Presentation to Executive Team		

Process Measures

Measure	Currently Tracking?	Baseline	Target
Net Power Costs	Not like this	Set by budget	Lower than budget
Participation in Pilots	Not yet		
Customer Satisfaction	Yes (JD Power)		

Scope

This initiative focuses on customer classification and rate design, it doesn't include changing cost of service methodology or overall rate path. It is possible that this is too much to accomplish in 2-6 years, along with other department initiatives, and some scope adjustment or prioritization will be needed.

Anticipated Budget

Assumes this initiative will be supported by existing staff in Finance, Customer Programs, and EIR. May need external communications/marketing support depending on internal resource availability. No incremental budget specifically for this initiative.

Anticipated Risks

The largest risk is that diverse stakeholders will not be able to come to a common agreement on changes to be made, leading to failure to get support from elected officials/Council, and status quo will continue.

New rate structures will support key goals and improve the way that revenue is collected from customers. However, not all customers will directly benefit. Relative to current rate structures some customers will see decreases in their bills and other customers will experience higher bills. There is a risk that some customers will experience higher than anticipated bill impacts.

Expand Customer Program Options



Initiative Basics:

Strategic Priority	Focus on Customer Experience
Initiative Name	Expand Customer Program Options
Strategic Measures Impacted	JD Power Score
	Customer Satisfaction
	First Contact Resolution

Initiative Team:

Initiative Sponsor/s (1/BU)	Lead: Craig Smith (Customer Experience) <ul style="list-style-type: none">• Emeka Anyanwu – Energy Innovation and Resources• Jen Chan – Chief of Staff
Initiative Lead	Mike Little – CCES Business Support Services

Overview

This Initiative expands customer-facing programs, products and services in order to improve our customers' experience and ensure we are meeting their energy needs. Areas of focus are identified through various strategic planning and research activities, and many will be initiated and informed through complementary 2020 Strategic Initiatives. Past and planned bodies of work internal to City Light guiding the content of this Initiative include:

- 2018 Strategic Initiative for Business Customer Services
- 2018 CCES Residential Customer Strategy
- Transportation Electrification Strategic Investment Plan
- Customer Experience Roadmap Initiative
- Grid Modernization Initiative
- Pricing Services Initiative
- CCES Commercial Customer Strategy

Reasoning

As we gain understanding to our customer pain points and needs, we can plan for and establish programs that meet their energy needs, improve our value proposition, and create positive experiences. This Initiative has two phases of work; work that is current underway and new work identified through the various strategic planning efforts identified above.

Phase 1. Recently completed research and strategic planning within the utility has identified areas where gaps exist and/or where there are opportunities for enhanced services or expanded offerings. Several pilots are planned or underway. Some are reaching points of scale/no scale decisions. The initial work plan for this Initiative will be focused on assessing, modifying, and scaling these programs. Existing programs and offers that are identified as obsolete or ineffective will be sunset or exited as appropriate. Five significant efforts are identified in Phase 1.

1. Expand business customer service center pilot to scale for all small and medium commercial customers; approximately 32,000 customers impacted.
2. Expand digital customer experience through adding functionality to the existing customer portal and creating a complementary customer engagement and purchase platform to help customers understand and manage energy use.

3. Develop new energy-efficiency programs for residential and commercial buildings with special emphasis on underserved populations.
4. Evaluate and scale DER programs including the large solar pilot and virtual net metering for affordable housing.
5. Evaluate and expand public charging and residential home charging pilots and introduce new transportation electrification programs that align with the City Light Transportation Electrification Strategy Investment Plan.

Phase II. As the utility completes new strategic work, new opportunities for customer facing programs will be brought forward. As these opportunities are approved for development, the Programs Initiative workplan will expand. New program development will follow a formal stage-gate process of discovery, design, build and implementation. While the specific customer solutions are not yet identified and need to be developed through a cross-functional customer-centric design process, we can anticipate potential outcomes. Some anticipated areas of programmatic expansion include:

- Distributed generation and renewable energy purchase options
- Solar storage, batteries, and load management
- Demand management and response
- Transportation charging infrastructure in commercial, residential and industrial markets
- Technologies for deep energy efficiency in multifamily and commercial buildings including efforts to achieve net zero and carbon neutrality
- Information systems to support customer energy use and pricing decisions

Outcomes. The solutions proposed under this Initiative will be designed using customer-centric methodology. The expected outcomes include increased customer satisfaction and loyalty, and in some cases, reduced cost to the utility and our customer owners. Other focuses will be on customer activities that provide added value to the utility such as demand response.

Timeline

Phase	Deliverable	Start Date	Due Date
Initiation	Charter Signed by all departments involved.	Q2 2020	Varies
Planning	Project management plan approved by sponsor	Varies	Varies
Execution	Key project deliverables, as outlined in plan	Varies	Varies
Monitor & Revise	Final Report	N/A	Ongoing
Close	Presentation to Executive Team	N/A	Bi-annual

Program-Specific Timelines. There are several programs/projects planned in this Initiative. Each program will have business objectives, and a workplan with specific milestones and due dates. Program status and health will be reported out monthly via program dashboards. We recommend bi-annual status updates to the Executive team.

Process Measures

Measure	Currently Tracking?	Baseline	Target
Customer Satisfaction JD Power	✓ yes <input type="checkbox"/> no	790 (2017)	TBD

Program-Specific Measures. Each program/project identified in this Initiative will have a set of business success factors and program metrics. These will vary by program, and each will include a customer satisfaction component that can be measured through program workflow. Status of program metrics will be reported monthly on the program dashboards.

Scope

- **What is included.** Design, build and delivery of programs, products and services that are identified as opportunities for improving the customer experience, adding customer value, and/or adding value to the utility. Opportunities pursued in this Initiative will be driven and informed by formal strategic research and planning.
- **What isn't included.** Work that is not identified through a formal planning process is considered out of scope.

Anticipated Budget

We anticipate this Initiative will represent a \$15-20 million investment over the 5-year planning cycle. A good portion of funding will come from our existing budgets and/or the costs will be offset from new revenue sources. In addition, we will need additional dedicated staffing resources.

Anticipated Risks

High	Procurement – Processes are slow and paperwork intensive and introduce execution and cost risk.
High	Technology risks – there is a parallel City- IT ‘data lake’ initiative; customer insight that is collected in this City Light strategic initiative may be folded into that City-wide initiative – with associated timing and resources – or may be independent. This will require negotiation.
Medium	Recruitment and retention of necessary talent
Medium	Operational culture – changing to a culture of valuing customer perspective <i>in addition to</i> utility perspective will require robust change management and disciplined adherence to new norms
Medium	Other technology risks -- vendor management, cybersecurity, ITD support
Medium	Authority to deliver new products and services may challenge traditional utility role/perspective.
Medium	Cooperation and collaboration from city departments. Department goals, budgets, resources may not be aligned. City-level strategic vision and sponsorship can help.
Medium	Cooperation and collaboration from internal utility workgroups. Resources and budget need to be allocated throughout the utility for successful design and implementation.



Information & Operational Technology for Cyber Security

Initiative Basics:

Strategic Priority	Create Tomorrow's Energy Future Today
Initiative Name	Enhance Cyber Security Capabilities and Oversight
Strategic Measures Impacted	<ul style="list-style-type: none"> • •

Initiative Team:

Initiative Sponsor/s (1/BU)	Lead: Jim Baggs (Facilities and Oversight Services) Jeff Brausieck (CISO)
Initiative Lead	Jeff Brausieck (CISO)

Overview:

We will establish foundational capabilities of a robust cyber security program for utility technology. Phase one includes staffing a Cyber Security team and establishing cyber security governance and risk management framework for Utility Technology. We will monitor and direct City provision of cyber security protection for critical energy infrastructure assets and centralized systems on which the utility depends. Appropriate security toolsets and controls to improve security posture in key program areas will be implemented.

Elements of this initiative include:

- Establish Cyber Security Governance and Frameworks
- Hire initial staff and build core program capabilities
- Adopt and adapt NIST Cyber Security Framework and DOE C2M2 as appropriate to City Light
- Develop Cyber security communications plan
- Provide customer oversight to services provided by SIT
- Work with SMEs to develop security policies and standards
- Develop plan for security monitoring (incident detection and response)
- Inventory all IT & OT systems the utility depends on to develop a roadmap
- Increase change management around IT/OT changes including training and support
- Build system to increase compliance with efforts to record, manage, and report on all technology projects

Reasoning:

Proactively understanding and addressing cyber risk of both current and future technology improves service reliability, protects our customers, and demonstrates due diligence in risk management for the utility. As interconnected systems can each affect the combined risk profile, an enterprise cyber security program will provide the governance, frameworks and leadership needed to manage risk across all City Light technologies. It will also provide the expertise needed to address increasing NERC-CIP, PCI-CSS, PII Privacy and other emerging cyber security requirements, reducing both security and compliance risk.

This initiative will integrate cyber security considerations into utility technology governance processes and enable secure technology innovation. A cyber security risk management program will be implemented leveraging well established frameworks to mitigate risks and maintain operational resiliency. We will provide leadership and technical expertise to throughout City Light on cyber security architecture, controls and design to support various technology initiatives including new systems upgrades and enhancements.

We will enhance cyber security operations capability and ensure the necessary tools, integrations and staff are in place to monitor and analyze utility technology systems and to detect and respond to incidents.

Timeline

Phase	Deliverable	Start Date	Due Date
Initiation	Charter Signed by all departments involved.	12/31/19	4/30/20
Planning	Project management plan approved by sponsor	3/1/20	4/30/20
Execution	Key project deliverables, as outlined in plan	3/1/20	6/30/20
Monitor & Revise	Final Report	Annual Report	2/28/21
Close	Presentation to Executive Team	No close	

Process Measures

Measure	Baseline	Target
Staff Hired		
Governance Defined		
Communication Plan		
Seattle IT Performance		
Regulatory Compliance		

Scope

Some cyber security protection is provided to all City departments including City Light by Seattle IT. They will continue to be responsible for cyber security for the information technology they are responsible for.

Anticipated Budget

Unknown currently... budget still under development.

Anticipated Risks

None.

Right-Size the Capital Program



Initiative Basics:

Strategic Priority	Ensure Future Financial Stewardship & Affordability
Initiative Name	Right-Size the Capital Program
Strategic Measures Impacted	<ul style="list-style-type: none"> • Leverage Ratio • Debt Service Coverage • Completion Rate/Capital Adherence

Initiative Team:

Initiative Sponsor/s (1/BU)	Lead: Kirsty Grainger (CFO) Mike Haynes Andy Strong
Initiative Lead	TBD

Overview

This initiative will prudently reduce and standardize the size of the capital program by changing how the capital budget is developed. Elements of this initiative include:

- Overhaul programmatic CIP– Reorganize asset management team and concentrate efforts on improving planning and estimating that precedes new capital investments. Build robust asset condition data within WAMS. Develop budgets by pooling funds (rather than using annual allocations) and use long-term system planning and condition assessments to identify most-needed capital investments. Explore new models for dividing responsibility and enforcing accountability for managing programmatic capital spending between project managers, analysts, and engineers. Improve reporting capabilities; create metrics and dashboards for monitoring & tracking of spending, budget status, milestones and timelines.
- Enhance management of discrete capital projects. Continue to expand use of project management framework. Research best practice (cost/benefit, plans/charters, stage gates, etc.) and implement augmented project controls process for use with CARE committee. Improve reporting for project status and budgets.

Reasoning

Capital improvements account for 60% of the projected 6-year rate trajectory, so carefully right-sizing the capital program will be impactful in managing overall costs and rates. Simply reducing the size of the capital program is not difficult but doing so in a way where infrastructure is not compromised for the long-term is.

This initiative proposes to fundamentally alter how the utility manages programmatic CIP, which accounts for 70% or more of the capital program. In parallel, strong project controls will help weed out unnecessary work and limit budget variances for discrete projects.

Timeline

Phase	Deliverable	Start Date	Due Date
Initiation	Charter Signed by all departments involved.		
Planning	Project management plan approved by sponsor		
Execution	Key project deliverables, as outlined in plan		
Monitor & Revise	Final Report		
Close	Presentation to Executive Team		

Process Measures

Measure	Currently Tracking?	Baseline	Target
Number of projects using project mgmt. framework	Yes		
Various metrics for programmatic work	Some		
CIP Forecast vs Actuals	Yes		
Budget overages	Yes		
CIP Completion Rate	Yes		
	<input type="checkbox"/> yes <input type="checkbox"/> no		

Scope

WAMS reimplementation and integration is outside the scope of this initiative, though the timing and purview of this technology upgrade would impact how proposed new processes would use this system. Also, it is assumed that some organizational changes and reassignments will be resolved before this initiative begins.

Anticipated Budget

No incremental O&M or headcount is included in this initiative. It is likely that staffing among engineers/capital project management will need to be shifted or reorganized. There is interest in adding staffing to support project management, program management, cost estimating and project controls analysis, but a full analysis has not yet been completed.

Anticipated Risks

Culture change: this initiative will require cross-functional teamwork, and strong sponsorship to shift responsibilities from one team to another and enforce accountability.

Cost/Staffing/Technology: As this initiative progresses and we clarify how processes and responsibilities will change, we may determine that we do need headcount (at least in the short-term) consulting support or new technology.

SLC Review Panel - Draft Strategic Plan Initiative Feedback Template. Instructions: Please review the draft initiatives in the meeting packet from March 24 and provide any comments or questions in the template below. You can offer as much or as little feedback as you like—the table will expand—and please fill out the last column of your overall position on each initiative. Please forward your completed template by email to Karen Reed (kreedconsult@comcast.net) by FRIDAY, MARCH 27. Thank you!

Panel Member Name: _____

Name of Initiative <i>(presented in order they appear in the 3/24 meeting packet)</i>	Questions / Comments / Concerns	My position on this initiative: Support / Oppose / Need more Info (pls. specify info needed in column 2)
Organizational Change Management		
Continuous Improvement Program		
Grid Modernization in Support of Electrification.		
Regional Energy Leadership and Collaboration		
Future of Work		

Name of Initiative <i>(presented in order they appear in the 3/24 meeting packet)</i>	Questions / Comments / Concerns	My position on this initiative: Support / Oppose / Need more Info (pls. specify info needed in column 2)
Rate Path at or Below Inflation		
Customer Experience Roadmap		
Pricing Services for the Future		
Expand Customer Program Options		
Information & Operational Technology for Cyber Security		
Right-Size the Capital Program		