

Potential Strategic Plan Items: Discussion of City Light Review Panel's List of Brainstorm Ideas
Discussion Guide for 11.10.15

List based on "brainstorming list" of potential ideas from September and October Panel meetings—not a Panel or Utility endorsed list.

10 topics, loosely grouped...

Emerging Trends:

- 1. Solar Power**
- 2. Electric Vehicle Future / Electrification of the Transportation Sector**
- 3. Is the Utility's traditional relationship to the customer changing and if so...?**
- 4. Excellent Customer Service**
- 5. Importance of Technology to SCL's Success**
- 6. Environmental Stewardship**
- 7. Demand Side Services / Efficiencies**
- 8. Rate Path / Financial Policies**
- 9. Rate Design**
- 10. Employees/Labor Relations**

	Topic Area / issues and questions	Panel direction <i>Does the panel have a specific opinion as to direction on this issue? Or a more general sense that this is an important topic to consider?</i>	"Tier" 1-High priority 2-medium priority 3- Interested 4- Not a priority
1.	<p>Emerging Trends:</p> <p>Solar</p> <p><u>Policy Questions/Issues, Strategic Direction Ideas:</u></p> <ol style="list-style-type: none"> 1. Watch for solar funding/cap issues--decreasing hurdle for solar investment, issues around leasing and 3rd party financing. What is SCL's role here? 2. New buildings must be solar ready by code—implications for strategic plan? 3. Community solar <ul style="list-style-type: none"> • for low income customers • for other customers <p><u>Tactics/Comments:</u></p> <ol style="list-style-type: none"> 1. Hope SCL will be more open to customer desires for change (Noted SRP fought Boeing's attempt to invest in solar through third parties) 2. Managing customer service impact of solar cap 		
2.	<p>Electric Vehicle future and strategies / Electrification of Transportation</p> <p><u>Policy Questions/Issues, Strategic Direction Ideas:</u></p> <ol style="list-style-type: none"> 1. Understanding impacts on the utility operations 2. Rate considerations 3. Meeting customer expectations 		

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3.	<p>Is the utility's traditional relationship to customers changing?</p> <p><u>Policy Questions/Issues, Strategic Direction Ideas:</u></p> <ol style="list-style-type: none"> 1. Are we losing our monopoly position? Maybe not, but people are thinking differently now about how they buy power than in the past. 2. Increasing impact of third parties on SCL business 3. Growing uncertainty 4. Declining rate of growth in demand—saw declining sales this year 		
4.	<p>Excellent Customer Service</p> <p><u>Policy Questions/Issues, Strategic Direction Ideas:</u></p> <ol style="list-style-type: none"> 1. Consider whether proposed new investments facilitate the future characterized by 2-way communication with customers, 2-way power flows? 2. Synchronize desired policy outcomes for low income customers <p><u>Tactics/ Comments:</u></p> <ol style="list-style-type: none"> 1. Moving customer-generated power is a benefit for those customers. 2. Seamless customer experience—map your customer touch points 3. We're a service business in the future—it's not all about generation and wires 		

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5.	Importance of technology to SCL's success <u>Policy Questions/Issues, Strategic Direction Ideas:</u> <ol style="list-style-type: none"> 1. Explore technology trends and figure out how we can be more nimble in the future 2. Should SCL plan to accommodate all or a specific subset of technologies? Explicit assumptions should be developed around this. 3. Identify SCL's local problem sets around technology and change 4. Cybersecurity preparedness <u>Tactics/Comments:</u> <ol style="list-style-type: none"> 1. Set up a special "futurist" team within SCL 2. Shorter life span of investments is important to consider 3. Pilot projects to test technology solutions – should SCL lead here or partner? 4. Utility doesn't have a lot of depth here to respond on technological innovation 5. Figure out what are SCL's core strengths in this new future 		
6.	Environmental Stewardship <u>Policy Questions/Issues, Strategic Direction Ideas:</u> <ol style="list-style-type: none"> 1. How do we treat hydro-electric power in this new world? How do we appropriately value it? How do wholesale power markets relate to this? 2. Renewables – plans? Rate impacts of current policies? 		

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7.	Demand-side services / Efficiencies <u>Policy Questions/Issues, Strategic Direction Ideas:</u> <ol style="list-style-type: none"> 1. There are a lot of new ideas on demand-side management out there. Can SCL do more? 2. Analyze environmental and economic impacts of acquiring more energy efficiency than needed to meet load growth, look at the impact of freeing up more SCL low impact hydro for surplus sales to displace fossil fuel generation in the region 3. Analyze need for demand response to meet peaking needs and to integrate intermittent renewables 4. Efficiencies: where are the cost control initiatives? 		
8.	Rate Path / Financial Policies <u>Policy Questions/Issues, Strategic Direction Ideas:</u> <ol style="list-style-type: none"> 1. Rate impact of Mayor's UDP targets? 2. Financial policies review and update as needed 		
9.	Rate Design <u>Policy Questions/Issues, Strategic Direction Ideas:</u> <ol style="list-style-type: none"> 1. In the strategic plan, should we lay out future rate design drivers, principles and changes to consider? Laying groundwork for future policy decisions that will need to be made 2. Net metering 3. Explore decoupling as an alternative to increasing flat customer charges 4. Rate design that works for all and is scalable – a "win-win" for SCL and its customers 		

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	<u>Tactics/Comments:</u> 5. Piloting of rate design 6. Time of Use (TOU) rates supported by Low Income customers		
10.	Employees / Labor Relations <u>Policy Questions/Issues, Strategic Direction Ideas:</u> 1. Need greater flexibility in managing employees/labor relations. Low-hanging fruit has been accomplished. <u>Tactics/Comments:</u> 1. Conduct an annual employee survey 2. Adjust the apprenticeship program to allow apprentice slots to be filled without waiting for retirements (overlapping positions or other mechanism) 3. Map 5-10 year needs of employee skillsets needed in non-operational areas		
11.			
12.			
13.			
14.			
15.			

Proposed Principles for the plan:		Panel support?
A.	<i>SCL should be adaptive rather than defensive</i>	
B.	<i>SCL should embrace the idea that customers will expect more from SCL in the future</i>	
C.	<i>SCL needs to change thinking: future is one of declining demand</i>	
D.		
E.		
F.		
G.		