

# FY14-16 STRATEGIC PLAN

This document provides an overview of the agency's strategic focus areas and high-level initiatives over a three-year planning horizon.



This document contains interactive buttons. Click to navigate.

## Powering a clean energy future



## Message to the Stakeholders

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We developed the fiscal year 2014 - 2016 Strategic Plan with public health and safety as an overarching imperative and the ultimate goal of achieving and sustaining excellence at the forefront of all of our agency activities.

To accomplish this, our plan is grounded in the agency's mission of providing our public power members and regional ratepayers with safe, reliable and cost-effective power; our vision – to be the region's leader in energy generation and public power solutions through sustained excellence in performance; and the Excellence Model – our model for strengthening and sustaining workforce behaviors. We also hold a strong belief that, using our mission, vision and the model as guide posts, both individual excellence and teamwork will be necessary to ensure the success of this plan.

The FY 14-16 plan serves to focus agency efforts now and in the future. It is within this context that everyone at Energy Northwest plays a key role in achieving our strategic initiatives.

The plan includes Energy Northwest's strategic focus areas, which are broadly defined category targets, such as safety, fiscal responsibility, employee engagement, and stakeholder trust and confidence, to ensure we are focused on the right picture of excellence. The plan also contains associated strategic initiatives – planned high-level actions – that will support us reaching our ultimate goal.

We define our success by the enduring value we create for our stakeholders, employees and communities. We are confident that as we continue to focus on our mission and vision, Energy Northwest will emerge a stronger agency benefiting many for decades to come.

Thank you for reading through our strategic plan and learning more about Energy Northwest. I appreciate any feedback about this document or how Energy Northwest can better serve the region's energy needs.

Respectfully,

Mark Reddemann  
Chief Executive Officer  
Energy Northwest

# FY14-16 STRATEGIC PLAN



## Strategic Planning

**MISSION,  
VISION &  
CORE VALUES**



**STRATEGIC FOCUS AREAS**

Broadly defined categories, which connect the agency's mission and vision to its strategy



**STRATEGIC INITIATIVES**

Planned high-level actions, which support achieving and sustaining excellence within each strategic focus area

All strategic initiatives are created with safety (nuclear, industrial, radiological and environmental) as an uncompromising principle



**EXCELLENCE PLANS**

Focused implementation plans for current fiscal year strategic initiatives



**PERFORMANCE APPRAISALS**

Individual goals (aka: SMART goals) that drive accountability toward achieving strategic focus area picture of excellence goals

STRATEGIC  
PLANNING

# FY14-16 STRATEGIC PLAN



## Mission, Vision & Core Values

*Public health and safety is the unwavering commitment for everything we do and is the overarching imperative of our mission, vision and strategic plan.*

### Energy Northwest Mission

Provide our public power members and regional ratepayers with safe, reliable and cost-effective power.

#### Columbia Mission

Safe, reliable, cost-effective power generation for the long term.

#### Energy/Business Services Mission

Aggregate member interests and provide superior service and value in support of power generation, plant operations and other energy service needs.

### Energy Northwest Vision

The region's leader in energy generation and public power solutions through sustained excellence in performance.

#### Columbia Vision

Sustained operational excellence at Columbia Generating Station reflected by performance in the top quartile.

#### Energy/Business Services Vision

Public power leader in evaluating and developing competitive, clean energy options, power plant operations and providing technical energy services.

### Energy Northwest Core Values

#### Safety first

A strong safety culture permeates the organization – every employee takes personal responsibility and demonstrates commitment to nuclear, industrial, radiological and environmental safety.

#### Integrity in all we do

We earn trust by doing what we say we will do, ensuring our actions and words are consistent, honest and ethical. We will help each other succeed through collaboration, mutual respect and trust.

#### Accountability for our actions

We take ownership and personal responsibility for both individual and team actions and results.

#### Excellence in performance

Relentless pursuit of the highest performance expectations through continuous improvement and zero tolerance for deviation from standards, and dedication to fostering an environment of teamwork.

*Our core values are essential to achieving our mission, vision and strategic initiatives. They guide our daily activities and behaviors and are achieved through open and honest communication.*



# FY14-16 STRATEGIC PLAN

## Strategic Focus Areas

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Agencywide

Columbia Generating Station

Energy/Business Services



This document contains interactive buttons. Click to navigate.

STRATEGIC  
FOCUS AREAS



## Strategic Focus Area: Safety

**Owner:**  
Brad Sawatzke  
Vice President,  
Nuclear Generation/  
Chief Nuclear Officer

### Picture of Excellence:

Excellence in nuclear, industrial, radiological and environmental safety across Energy Northwest

### Measures of Excellence:

- Nuclear – Green level status within industry nuclear safety performance indexes
- Industrial – Safety accident rate in the top quartile
- Radiological – Collective radiation exposure in the top quartile
- Environmental – Zero fines, zero violations

### Strategic Initiatives:

#### FY14:

- Improve decision making communications
- Probabilistic Risk Assessment alignment with industry
- Identify and implement Fukushima requirements
- Pursue Voluntary Protection Program Star Plant for Columbia
- Assess Packwood and Nine Canyon for Voluntary Protection Program

- Fewer recordable and first aid occurrences
- Conduct preparation activities for chemical decontamination of the reactor recirculation system and the reactor water cleanup system during Refueling Outage 22 (R-22)
- Conduct preparations for control rod blade replacement to reduce cobalt
- Implement on-line dose reductions through improved radiological practices
- Reduce hazardous and mixed waste generation
- Strengthen energy conservation efforts

#### FY15:

- Implement Fukushima requirements per plan
- Re-evaluate plan to further reduce recordable and first aid occurrences
- Conduct chemical decontamination of the reactor recirculation system and the reactor water cleanup system during R-22
- Replace control rod blades to reduce cobalt

- Implement on-line dose reductions through improving radiological practices
- Minimize hazardous and mixed waste generation
- Strengthen energy conservation efforts

#### FY16:

- Implement Fukushima requirements per plan
- Re-evaluate and strengthen plan to sustain low recordable and first aid occurrences
- Replace control rod blades to reduce cobalt
- Implement on-line dose reductions through improving radiological practices
- Further minimize hazardous and mixed waste generation
- Sustain energy conservation efforts

# FY14-16 STRATEGIC PLAN



## Strategic Focus Area: Fiscal Responsibility

**Owner:**  
Brent Ridge  
Vice President,  
Chief Financial  
and Risk Officer

### Picture of Excellence:

- Sustainable and predictable operation of Energy Northwest assets
- Energy Northwest business processes and practices promote transparency, completeness and accuracy
- Energy/Business Services operates as a viable and self-sufficient business

### Measures of Excellence:

- Meet approved budget (O&M, capital and staffing)
- Cost performance in the top quartile of large, non-fleet, single unit nuclear plants
- E/BS business development fund reserve at least \$10 million

### Strategic Initiatives:

#### FY14:

- Identify Columbia's peer financial targets and prepare an assessment plan
- Implement Columbia long-range organizational plan
- Establish FY15 Columbia budget to meet phased cost reduction target for FY15
- Communicate Columbia's competitive position
- Conduct mission critical risk assessment
- Conduct internal control assessments per plan
- Establish a compliance program
- Assess completeness and develop a plan to increase predictability of the Columbia long-range plan
- Reduce E/BS overhead by 14 percent

#### FY15:

- Establish FY16 Columbia budget to meet phased cost reduction target for FY16
- Implement Columbia long-range organizational plan
- Assess and monitor mission critical risks per plan

- Improve integration of management decision framework
- Validate business risk management program effectiveness
- Conduct internal control assessments per plan
- Conduct cost performance assessment on Columbia
- Execute implementation of FY14 plan to increase predictability of the Columbia long-range plan
- Reduce E/BS overhead by 5 percent

#### FY16:

- Establish FY17 Columbia budget to meet phased cost reduction target for FY17
- Implement Columbia long-range organizational plan
- Assess and monitor mission critical risks per plan
- Conduct internal control assessments per plan
- Prepare action plans based on assessment results to improve Columbia's cost performance compared to industry
- Reduce E/BS overhead by 5 percent



## Strategic Focus Area: Employee Engagement

**Owner:**  
Dale Atkinson  
Vice President,  
Employee Development/  
Corporate Services

### Picture of Excellence:

Energy Northwest is a learning organization, has the right people, and has the right coaching and engagement to achieve the desired results

### Measures of Excellence:

- Voluntary turnover in the Electric Utility Human Resources (EUHR) metrics in the top quartile
- Employee engagement index in the top quartile

### Strategic Initiatives:

#### FY14:

- Employee selection process streamlining
- Prepare FY14 succession plan
- Prepare 2014 – 2017 workforce plan
- Re-energize the new employee on-boarding process
- Evaluate work-life balance
- Research employee engagement survey options

#### FY15:

- Conduct employee engagement survey
- Conduct organizational study of Columbia

#### FY16:

- Develop plan to address employee engagement and survey results





## Strategic Focus Area: Stakeholder Trust & Confidence

**Owner:**  
Rochelle Olson  
Manager, Public Affairs

### Picture of Excellence:

- Perception and support of Energy Northwest is positive
- Energy Northwest is viewed as a credible, top-tier resource for information on energy issues
- Key stakeholder relationships are positive
- Energy Northwest is sought out by member utilities as their primary resource for services, support and generation development partnership

### Measures of Excellence:

- Favorable Energy Northwest rating by member general managers and board commissioners of at least 80 percent
- Energy Northwest favorable rating of at least 75 percent by key, non-member stakeholders who have been in their current position for more than two years

### Strategic Initiatives:

#### FY14:

- Build awareness and understanding of member utility issues
- Increase member utility positive perception and support
- Identify key stakeholder perceptions
- Increase stakeholder positive perception and support
- Strengthen the subject matter expert network
- Increase support for nuclear energy among key stakeholders

#### FY15:

- Strengthen and re-assess awareness and understanding of member utility issues
- Further increase member utility positive perception and support for Energy Northwest
- Re-assess key stakeholder perceptions
- Further increase stakeholder positive perception and support
- Grow the subject matter expert network
- Continue to increase support for nuclear energy among key stakeholders

#### FY16:

- Re-assess and sustain awareness and understanding of member utility issues
- Further strengthen and leverage member utility positive perception and support
- Re-assess key stakeholder perceptions
- Sustain stakeholder positive perception and support
- Sustain the subject matter expert network
- Sustain support for nuclear energy among key stakeholders

# FY14-16 STRATEGIC PLAN



## Strategic Focus Area: Columbia Excellence

**Owner:**  
Brad Sawatzke  
Vice President,  
Nuclear Generation/  
Chief Nuclear Officer

### Picture of Excellence:

Nuclear Excellence: Safe, Reliable, Predictable

### Measures of Excellence:

- Columbia performance index in the top quartile
- Peer evaluation results is in Excellence



### Strategic Initiatives:

#### FY14:

- Improve management and supervisor intrusiveness
- Reinforce standards through communication and training
- Reinforce behavior with additional D-15 topics
- Strengthen career development for individual employees
- Improve accountability of operational risk management
- Manage outage risk by implementing lessons learned from R-21
- Strengthen preventative maintenance strategies
- Enhance engineering processes
- Improve work management and project management
- Benchmark gaps identified during R-21 critique
- Set and achieve milestones for R-22
- Strengthen equipment reliability plan to continue excellent equipment performance
- Leverage successful mid-cycle assessment

#### FY15:

- Sustain and assess equipment reliability plan to continue excellent equipment performance
- Implement identified Fukushima requirements on-time and on-budget
- Implement new security requirements
  - Outage and on-line
- Achieve R-22 milestones

#### FY16:

- Create an environment that continues to develop a succession of engaged and informed leaders
- R-23 pre-outage milestones completed per schedule
- Conduct successful mid-cycle assessment
- Implement identified Fukushima requirements on-time and on-budget



## Strategic Focus Area: Business Development

**Owner:**  
Lawrence Willey  
Vice President,  
Energy/Business Services

### Picture of Excellence:

Energy Northwest is the premier aggregator in the Northwest by consistently providing value-added services to our members and optimizing our existing assets

### Measures of Excellence:

#### Services:

- Business line growth by 6 percent

#### Asset performance:

- Availability of at least 99.5 percent for Packwood and at least 98.5 percent for Nine Canyon
- Cost of power for Packwood and Nine Canyon in the lowest cost quartile

### Strategic Initiatives:

#### FY14:

- Maintain and grow O&M services
- Improve generation options/energy management
- Obtain new/renew services
- Change focus to energy-based availability rather than hours-based
- Execute Industrial Development Complex plans
- Complete Capital Development Corporation (CDC) building sale
- Develop life-cycle equipment maintenance plan

#### FY15:

- Maintain and grow O&M services
- Improve generation options/energy management
- Obtain new/renew services
- Execute Industrial Development Complex plans
- Complete Multi-Purpose Facility and land parcel sale

#### FY16:

- Maintain and grow O&M services
- Improve generation options/energy management
- Obtain new/renew services
- Execute Industrial Development Complex plans

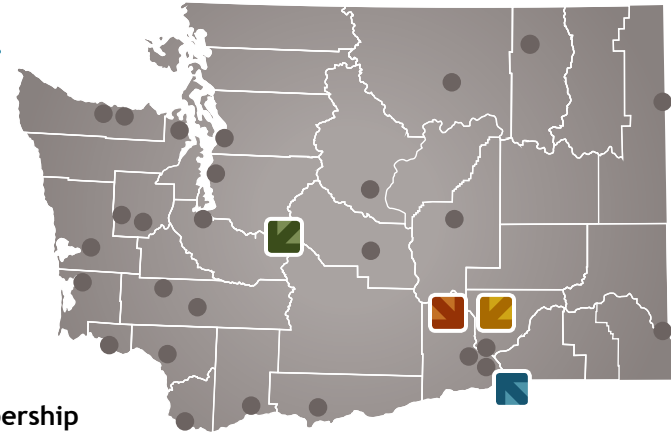


# FY14-16 STRATEGIC PLAN



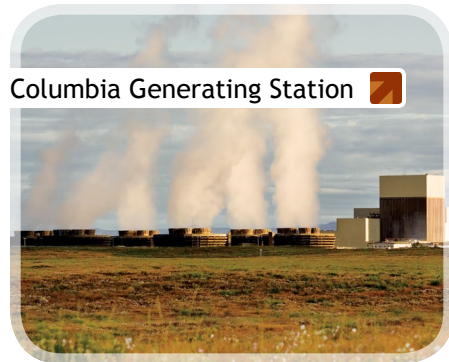
## About Energy Northwest

In the early 1950s, many public utility district commissioners envisioned a time when the federal hydroelectric resources would be inadequate to meet the growing needs of their customers. Since many of the PUDs were not large enough to build a generating facility of their own, they sought legislation that would allow them to pool their resources to build power plants. In 1953, the Washington State Legislature passed a joint operating agency law that allowed PUDs and municipalities with electrical systems to form a single agency to build and operate generating facilities. In 1957, 17 PUDs availed themselves of the law to form the Washington Public Power Supply System. On June 2, 1999, the agency was renamed Energy Northwest.



### Membership

Energy Northwest membership currently includes 22 PUDs and five municipalities.



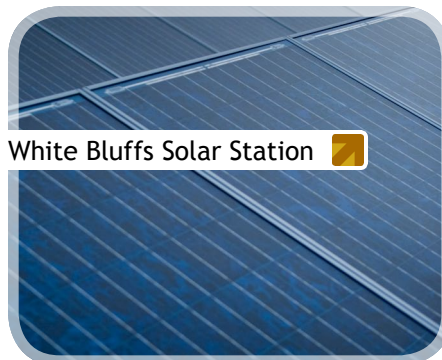
Columbia Generating Station



Nine Canyon Wind Project



Packwood Lake Hydroelectric Project



White Bluffs Solar Station

- |    |                         |    |                         |
|----|-------------------------|----|-------------------------|
| 1  | Asotin County PUD       | 15 | Kittitas County PUD     |
| 2  | Benton County PUD       | 16 | Klickitat County PUD    |
| 3  | Chelan County PUD       | 17 | Lewis County PUD        |
| 4  | Centralia City Light    | 18 | Mason County PUD 1      |
| 5  | City of Port Angeles    | 19 | Mason County PUD 3      |
| 6  | City of Richland        | 20 | Okanogan County PUD     |
| 7  | Clallam County PUD      | 21 | Pacific County PUD      |
| 8  | Clark Public Utilities  | 22 | Pend Oreille County PUD |
| 9  | Cowlitz County PUD      | 23 | Seattle City Light      |
| 10 | Ferry County PUD        | 24 | Skamania County PUD     |
| 11 | Franklin County PUD     | 25 | Snohomish County PUD    |
| 12 | Grant County PUD        | 26 | Tacoma Public Utilities |
| 13 | Grays Harbor County PUD | 27 | Wahkiakum County PUD    |
| 14 | Jefferson County PUD    |    |                         |

ABOUT ENERGY  
NORTHWEST

