

FY17-19 strategic plan



This strategic plan provides the agency's five and 10-year goals, strategic focus areas, and associated high-level initiatives to be implemented during the next three-year horizon.



This document contains interactive buttons. Click to navigate.





MESSAGE FROM THE CEO

Team Energy Northwest,

In recent years we have earned – through your commitment to Excellence in Performance – recognition from the U.S. nuclear industry and high regard among regional stakeholders in response to Columbia Generating Station’s performance recovery. Key accomplishments throughout the agency we should all be proud of include:

- Improved employee engagement
- Increased regional support for nuclear energy
- Maintained strong regulator confidence
- Improved industrial safety
- Exceeded expectations in dose reduction
- Increased Columbia capacity by 50 megawatts
- Exceed annual and monthly generation goals at Columbia
- Improved Columbia cost competitiveness with industry peer-plants
- Successfully completed the Demand Response Pilot Project with BPA
- Set records for adjusted availability at Nine Canyon

Although we have many accomplishments to be proud of, fiscal year (FY) 2016 was a challenge for our agency and our journey to sustained excellence at Columbia. We failed to maintain and further improve upon key industry performance measures largely due to human performance issues. There are two primary areas that have immediate and lasting impacts either positive or negative on our agency and Columbia: how we maintain the equipment and our human performance.

Looking ahead strategically, the energy industry is changing. It is having an impact on the basic construct of our industry and on the nuclear industry competitiveness. A “business as usual” approach will not successfully address the challenges we face.

Electricity demand is flat or declining, federal and state policies are incentivizing construction of new renewables, and distributed generation and smart grid applications are growing, affecting distribution systems. Nuclear competitiveness is not a merchant plant issue, but an industry issue. We’ve seen during the course of the past year, several U.S. nuclear plants permanently close, or will soon; electricity markets are deluged with natural gas at historically low prices; and solar and wind are being provided subsidies and other competitive advantages.

Heading into 2017, I ask you to refocus and recommit to our foundational phase of excellence “Improving Behaviors and Employee Engagement.” Let’s stay motivated, engaged and identify areas for improved efficiencies. Let’s complete our core business activities right the first time; and most importantly, let’s continue to keep each other and the public safe. This commitment will pay off in safe, reliable, predictable, sustainable and cost effective operation of agency generation assets. It’s critical to our future and in the best interests of ratepayers, that we demonstrate that we’re not just about achieving excellence – but more importantly, sustaining excellence in everything we do.

Our Strategic Plan is one of the primary tools we use to keep us aligned on our mission and vision, and as always, continuous improvement and safety. The overarching imperative for our agency is to ensure that public health and safety is rooted in every action and decision we take. This is reflected in both our first core value and the first strategic focus area.

Take time to review the plan which includes five- and 10- year goals as outlined by the Executive Board and senior leadership team, specific measure-of-excellence targets along with multi-year initiatives to achieve these targets. Please discuss any questions you may have regarding these initiatives and associated targets with your manager or the focus area owner.

Employee engagement is vital to meeting our strategic objectives which ultimately tie to achieving and sustaining excellence across all agency assets, projects and activities. During the past several years, we have developed a strong team and put in place the right infrastructure. I, along with the entire senior leadership team, maintain great confidence in the men and women of Energy Northwest – every frontline worker, supervisor and manager. We are all leaders. Through sustained excellence, the agency’s mission and vision will be realized and we will be a stronger agency that benefits our region for decades to come.

Respectfully,

Mark Reddemann
Chief Executive Officer



STRATEGIC PLANNING PROCESS



STRATEGIC
PLANNING PROCESS



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.

AGENCY MISSION

Provide our public power members and regional customers with safe, reliable, cost-effective, responsible power generation and energy solutions.

AGENCY VISION

A regional leader in clean power generation and energy solutions through sustained excellence in performance and innovation.

Columbia Vision

Sustained nuclear excellence reflected by performance in the top quartile.

Energy Services and Development Vision

A leader in developing innovative, competitive energy solutions for the 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.

Accountability for our actions

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

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.

Excellence in performance

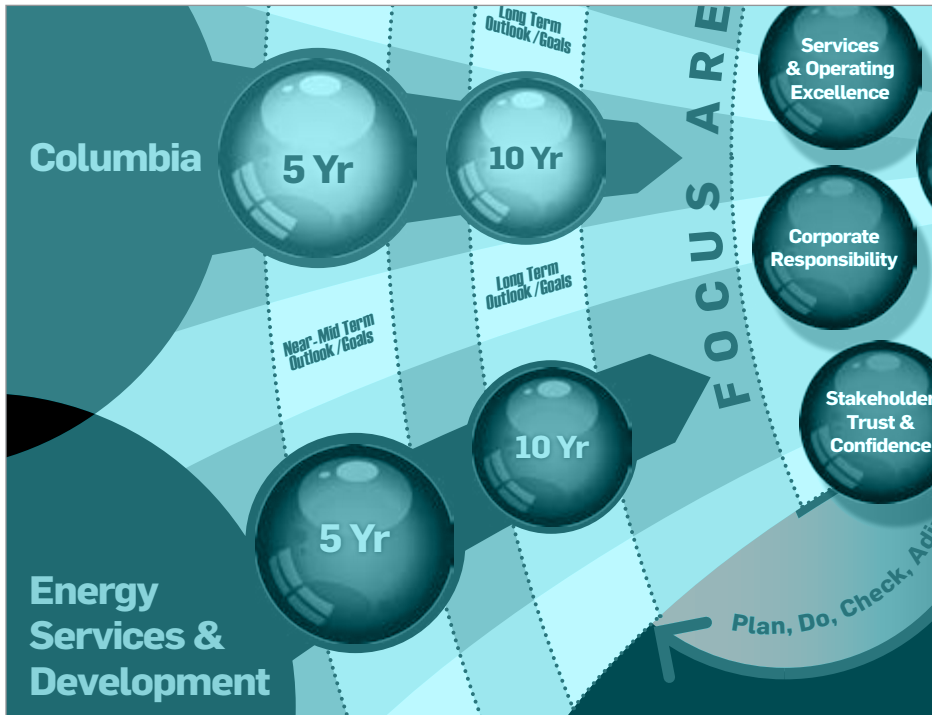
Relentless pursuit of the highest performance expectations through continuous improvement and zero tolerance for deviation from standards, and dedication to fostering an environment of teamwork.

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.



EXECUTIVE BOARD DIRECTION

Annually, the Energy Northwest Executive Board reviews, assesses and provides the agency strategic direction focusing on the future outlook. This direction is centered around achieving excellence and ongoing achievement of our mission, vision and core values. The outlook includes five and 10-year goals for Energy Northwest as an agency as well as specific goals for Columbia Generating Station and Energy Services & Development. These goals then feed into the defined strategic Focus Areas followed by strategic initiatives and excellence plans which ultimately will help the agency achieve its vision. The five and 10-year goals shown on the right, represent the Executive Board's current direction for the agency.



5 Year Goals / Outlook

Energy Northwest	Columbia	Energy Services & Development
Excellent stewardship of generating resources	Top quartile performance	In collaboration with our members, work to provide technology solutions (to include cyber security, demand side management, storage) consistent with core competencies
Expand EN's role in the region	Operating safely, reliably and cost effectively	In collaboration with our members, initiate a significant aggregated generating resource (if sufficient demand)
EN as a thought leader on current and future energy technologies	Implement Measurement Uncertainty Recapture	Complete early restoration of Industrial Development Complex Site 1 / 4
Strong leadership / employee development	Evaluate power uprate (if cost effective)	Implement Nine Canyon life cycle management plan
Implement the Cost Effective Operation Plan		
Prepare for operations and maintenance of small modular reactor (Carbon Free Power Project)		

10 Year Goals / Outlook

Energy Northwest	Columbia	Energy Services & Development
Top quartile performance	Top quartile performance	Based upon regional and member needs, develop new business lines and energy solutions
Valued provider of energy solutions	Operating safely, reliably and cost effectively	Consider Industrial Development Complex site for small modular reactor
Valued thought leader on energy issues	Making needed capital investments	
Operate and maintain the small modular reactor constructed through the Carbon Free Power Project	Implement power uprate (if cost effective)	



AGENCYWIDE STRATEGIC FOCUS AREAS

Strong Safety Culture
Accident Free
Control Dose
Event Free
Stewardship

Safe
Reliable
Predictable
Sustainable

Safe
Reliable
Predictable
Sustainable

Professional
Knowledgeable
Value Added
Engaged
Flexible

Ethical
Accountable
Transparent
Predictable
Cost Effective

Talented
Trusting
Inspired
Discretionary Effort
Appreciated

Counsel-focused
Research-based
Credible
Straightforward
Partnerships
Public Interest

* Measures of excellence and strategic initiatives throughout that have an asterisk (*) indicates it is associated with mission critical risk mitigation/performance monitoring.



Strategic Focus Area: **SAFETY FIRST**

Owner:
Grover Hettel
Vice President,
Operations

A PICTURE OF EXCELLENCE:

(includes key words that define what excellence is)

Strong Safety Culture • Accident Free • Control Dose • Event Free • Stewardship

B MEASURES OF EXCELLENCE:

(targets to help measure success of reaching and sustaining excellence)

- Nuclear – Columbia’s Reactivity Management index in the industry top quartile
- Radiological – Columbia’s collective radiation exposure performance achieving industry goal
- Industrial – Agency’s safety accident rate and OSHA recordable performance in the industry top quartile
- Environmental – Environmental Management System (EMS) performance indicators equal to green

C CHALLENGES TO EXCELLENCE:

(gaps that hinder reaching and sustaining excellence)

1. Columbia has not consistently met the Reactivity Management index industry standards
2. Consistent employee demonstration of safe behaviors needs improvement agencywide
3. Columbia’s collective radiation exposure exceeds industry established goals
4. Employee engagement with the Environmental Management System needs continual improvement agencywide
5. Changing regulatory environment for physical controls in Cyber Security

D MULTI-YEAR STRATEGIC PLAN:



(click to access fiscal years)



Strategic Focus Area: **SAFETY FIRST**

Owner:
Grover Hettel
Vice President,
Operations

**SAFETY FIRST
FY17**

1 FY17 MEASURE OF EXCELLENCE GOALS:

- Nuclear – Columbia’s Reactivity Management index maintains industry top quartile
- Radiological – Columbia’s collective radiation exposure achieves industry goal
- Industrial – Agency’s safety accident rate and OSHA recordable performance maintains industry top quartile
- Environmental – Environmental Management System performance indicators maintain green status

2 FY17 STRATEGIC INITIATIVES

1. Columbia nuclear safety:
 - Execute implementation of identified Fukushima and Cyber Security requirements on-time and on-budget*
 - Implement system vulnerability evaluation actions for equipment impacting reactivity
 - Ensure proper levels of engagement and training to operate new plant equipment

2. Columbia reduction of radiological source term through implementation of the 5 Year Collective Radiation Exposure Plan:
 - Replace control rod blades in R-23 to reduce cobalt in the reactor system (final third)
 - Implement on-line dose reductions through improving radiological practices
 - Prepare for Residual Heat Removal (RHR) System Decontamination
 - Replace Scram Discharge Volume (SDIV)
 - Expand use of remote monitoring so that more dose reduction opportunities can be realized
3. Agencywide industrial safety:
 - Improve the effectiveness of Energy Northwest Corporate Safety Committee in driving timely safety hazard corrective actions and safety improvements
 - Conduct a snap shot assessment of Energy Northwest Industrial Safety Program implementation to identify gaps to excellence
 - Improve Energy Services and Development and Facilities process and procedures regarding industrial safety.

4. Agencywide environmental responsibility:
 - Reduce solid waste generation (all waste types including hazardous and mixed waste)
 - Reduce energy consumption
 - Certify to ISO 14001
 - Implement opportunities to off-set growth in carbon dioxide emissions
 - Reduce the amount of excess/expired chemicals
 - Incorporate sustainability standards in new construction
 - Assess the viability of electric vehicle and charging stations

3 IMPLEMENTING FY17 EXCELLENCE PLANS:

- Columbia Excellence Plans
- Energy Services & Development Excellence Plan
- Environmental Excellence Plan



Strategic Focus Area: **SAFETY FIRST**

Owner:
Grover Hettel
Vice President,
Operations

SAFETY FIRST **FY18**

1 FY18 MEASURE OF EXCELLENCE GOALS:

- Nuclear – Columbia’s Reactivity Management index maintains industry top quartile
- Radiological – Columbia’s collective radiation exposure achieves industry goal
- Industrial – Agency’s safety accident rate and OSHA recordable performance maintains industry top quartile
- Environmental – Environmental Management System performance indicators maintain green status

2 FY18 STRATEGIC INITIATIVES:

1. Columbia nuclear safety:
 - Implement the remaining core cyber programmatic policies
 - Implement system vulnerability evaluation actions for equipment impacting reactivity
 - Ensure proper levels of engagement and training to operate new plant equipment
2. Columbia reduction of radiological source term through implementation of the 5 Year Collective Radiation Exposure Plan:
 - Implement on-line dose reductions
 - Implement System Decontamination Strategy
 - Expand use of remote monitoring so that more dose reduction opportunities can be realized
 - Implement RHR System Decontamination
3. Agencywide industrial safety:
 - Improve the effectiveness of Energy Northwest Corporate Safety Committee in driving timely safety hazard corrective actions and safety improvements
 - Conduct a snap shot assessment of Energy Northwest Industrial Safety Program implementation

4. Agencywide environmental responsibility:
 - Reduce solid waste generation (all waste types including hazardous and mixed waste)
 - Reduce energy consumption
 - Maintain certification to ISO 14001
 - Reduce Energy Northwest carbon emissions
 - Incorporate sustainability standards in new construction
 - Implement electric vehicle and charging stations

3 IMPLEMENTING FY18 EXCELLENCE PLANS:

- Columbia Excellence Plans
- Energy Services & Development Excellence Plan
- Environmental Excellence Plan



Strategic Focus Area: **SAFETY FIRST**

Owner:
Grover Hettel
Vice President,
Operations

SAFETY FIRST FY19

1 FY19 MEASURE OF EXCELLENCE GOALS:

- Nuclear – Columbia’s Reactivity Management index maintains industry top quartile
- Radiological – Columbia’s collective radiation exposure achieves industry goal
- Industrial – Agency’s safety accident rate and OSHA recordable performance maintains industry top quartile
- Environmental – Environmental Management System performance indicators maintain green status

2 FY19 STRATEGIC INITIATIVES:

1. Columbia nuclear safety:
 - Complete all plant remediation modifications to bring plant systems in line with the cyber security hardening requirements
 - Implement system vulnerability evaluation actions for equipment impacting reactivity
 - Ensure proper levels of engagement and training to operate new plant equipment
2. Columbia reduction of radiological source term through implementation of the 5 Year Collective Radiation Exposure Plan:
 - Implement on-line dose reductions through improving radiological practices
 - Complete implementation RHR System Decontamination
 - Decontaminate and clean Suppression Pool

3. Agencywide industrial safety:
 - Improve the effectiveness of Energy Northwest Corporate Safety Committee in driving timely safety hazard corrective actions and safety improvements
 - Conduct a focused assessment of Energy Northwest Industrial Safety Program implementation to identify gaps to excellence
4. Agencywide environmental responsibility:
 - Reduce solid waste generation (all waste types including hazardous and mixed waste)
 - Reduce energy consumption
 - Maintain certification to ISO 14001
 - Reduce Energy Northwest carbon emissions

3 IMPLEMENTING FY19 EXCELLENCE PLANS:

- Columbia Excellence Plans
- Energy Services & Development Excellence Plan
- Environmental Excellence Plan



Strategic Focus Area: **NUCLEAR EXCELLENCE**

Owner:
Brad Sawatzke
Chief Operating Officer/
Chief Nuclear Officer

A PICTURE OF EXCELLENCE:

(includes key words that define what excellence is)

Safe • Reliable • Predictable • Sustainable

B MEASURES OF EXCELLENCE:

(targets to help measure success of reaching and sustaining excellence)

- Columbia performance index in the industry top quartile
- Peer recognition of Excellence performance
- Columbia cost performance near Tier 1 pricing levels by 2026*
- NRC performance is in Column 1 – Licensee Response

C CHALLENGES TO EXCELLENCE:

(gaps that hinder reaching and sustaining excellence)

1. Columbia's costs are higher than desired
2. Improve initial license performance
3. Improve operational configuration management
4. Leverage Corrective Action Program to improve performance
5. Improve human performance
6. Improve collective radiation exposure performance
7. Improve outage readiness and execution

D MULTI-YEAR STRATEGIC PLAN:



(click to access fiscal years)



Strategic Focus Area: **NUCLEAR EXCELLENCE**

Owner:
Brad Sawatzke
Chief Operating Officer/
Chief Nuclear Officer



1 FY17 MEASURE OF EXCELLENCE GOALS:

- Columbia performance index in the industry third quartile
- Peer evaluation of Exemplary performance
- Columbia cost performance equals green
- NRC performance is in Column 1 – Licensee Response

2 FY17 STRATEGIC INITIATIVES:

Continue to implement Phase IV of the Excellence Plan

1. Predictable long-range planning and execution:*
 - Identify and address equipment obsolescence issues
 - Implement system vulnerability actions
 - Implement initial license improvement plan
 - Execute equipment reliability excellence plan

2. Risk management is core business:
 - Implement industry principles – Excellence in Integrated Risk Management
 - Implement operational configuration management excellence plan
 - Implement human performance excellence plan
3. Strong governance and oversight:
 - Improve supplemental workforce performance
 - Implement industry principles – Leadership and Team Effectiveness Attributes
 - Implement Corrective Action Program excellence plan
4. Cost-effective operation: *
 - Implement Cost Effective Operation plan and industry Nuclear Promise initiative to reduce production cost of power
5. Successful Outage:
 - Achieve R-23 pre-outage milestones
 - Implement outage excellence plan to include outage schedule, productivity, scope and other best practices

- Establish early scheduling of systems, programs and components of emergent work in the outage, and establish discovery milestones
- Execute a successful R-23 outage by meeting established goals
- Implement Collective Radiation Exposure excellence plan

3 IMPLEMENTING FY17 EXCELLENCE PLANS:

- Columbia Excellence Plans
 - Equipment Reliability
 - Operational Configuration Management
 - Human Performance
 - Corrective Action Program
 - Collective Radiation Exposure
 - Outage



Strategic Focus Area: **NUCLEAR EXCELLENCE**

Owner:
Brad Sawatzke
Chief Operating Officer/
Chief Nuclear Officer



1 FY18 MEASURE OF EXCELLENCE GOALS:

- Columbia performance index in the industry top quartile
- Peer evaluation of Exemplary performance
- Columbia cost performance equals green
- NRC performance is in Column 1 – Licensee Response

2 FY18 STRATEGIC INITIATIVES:

Continue to implement Phase IV of the Excellence Plan

1. Predictable long-range planning and execution:
 - Identify and address equipment obsolescence issues
 - Implement system vulnerability actions
 - Execute equipment reliability excellence plan
2. Risk management is core business:
 - Implement industry principles – Excellence in Integrated Risk Management
 - Assess and identify gaps from the FY17 industry assessment; create plan
3. Strong governance and oversight:
 - Assess effectiveness of industry principles - Leadership and Team Effectiveness Attributes and correct identified areas for improvement
 - Assess effectiveness of supplemental work performance

4. Cost-effective operation:
 - Implement Cost Effective Operation plan and industry Nuclear Promise initiative to reduce production cost of power
5. Successful Outage:
 - Conduct post refuel outage self-assessment
 - Develop and implement plans for R-24

3 IMPLEMENTING FY18 EXCELLENCE PLANS:

- Columbia Excellence Plans
 - Equipment Reliability
 - Operational Configuration Management
 - Human Performance
 - Corrective Action Program
 - Collective Radiation Exposure
 - Outage



Strategic Focus Area: **NUCLEAR EXCELLENCE**

Owner:
Brad Sawatzke
Chief Operating Officer/
Chief Nuclear Officer



1 FY19 MEASURE OF EXCELLENCE GOAL:

- Columbia performance index in the industry top quartile
- Peer evaluation of Excellence performance
- Columbia cost performance equals green
- NRC performance is in Column 1 – Licensee Response

2 FY19 STRATEGIC INITIATIVES:

Continue to Implement Phase IV of the Excellence Plan:

1. Predictable long-range planning and execution:
 - Identify and address equipment obsolescence issues
 - Execute equipment reliability excellence plan
2. Risk management is core business:
 - Assess effectiveness of industry principles - Excellence in Integrated Risk Management and correct identified areas for improvement
3. Strong governance and oversight:
 - Implement actions resulting from industry evaluation
4. Cost-effective operation:
 - Implement Cost Effective Operation plan and industry Nuclear Promise initiative to reduce production cost of power
5. Successful Outage:
 - Achieve R-24 pre-outage milestones
 - Execute a successful R-24 outage by meeting established goals

3 IMPLEMENTING FY19 EXCELLENCE PLANS:

- Columbia Excellence Plans
 - Equipment Reliability
 - Operational Configuration Management
 - Human Performance
 - Corrective Action Program
 - Collective Radiation Exposure
 - Outage



Strategic Focus Area: **SERVICES & OPERATING EXCELLENCE**

Owner:
Jim Gaston
General Manager,
Energy Services &
Development

A PICTURE OF EXCELLENCE:

(includes key words that define what excellence is)

Safe • Reliable • Predictable • Sustainable

B MEASURES OF EXCELLENCE:

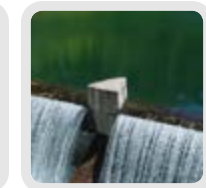
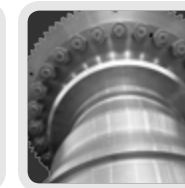
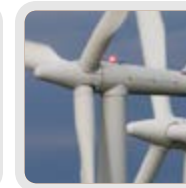
(targets to help measure success of reaching and sustaining excellence)

- ESD safety success equal to green
- Energy Services and Development (ESD) Business Development Fund (BDF) Revenue Generating Project margin greater than or equal to target goal
- Packwood availability in the industry top quartile
- Nine Canyon availability in the industry top quartile
- ESD Initiative Success Points earned greater than or equal to target goal

C CHALLENGES TO EXCELLENCE:

(gaps that hinder reaching and sustaining excellence)

1. Improvements in safety procedures and processes (refer to Safety First for initiatives)
2. Understanding member interests and needs; tailoring specific services to meet member needs
3. Members are experiencing zero to low electrical load growth
4. Maintaining and growing new and existing revenue contracts
5. Collaboration with members toward aggregation of new services, programs and projects
6. To identify and develop new tools and processes to inform and help members adapt to rapid change in the electric utility industry



D MULTI-YEAR STRATEGIC PLAN:



(click to access fiscal years)



Strategic Focus Area: **SERVICES & OPERATING EXCELLENCE**

Owner:
Jim Gaston
General Manager,
Energy Services &
Development



1 FY17 MEASURE OF EXCELLENCE GOALS:

- ESD safety success equal to green
- ESD's BDF revenue generating business lines operating net margin at least \$659,000
- Packwood adjusted availability in the industry top quartile (≥98%)
- Nine Canyon adjusted availability in the industry top quartile (≥98.5%)
- ESD Initiative Success Points earned greater than or equal to 12

2 FY17 STRATEGIC INITIATIVES:

1. Packwood performance:
 - Implement standard operating procedures to achieve industry top quartile adjusted availability
 - Utilize life cycle management plan to meet strategic direction

2. Nine Canyon performance:
 - Implement standard operating procedures to achieve industry top quartile adjusted availability
 - Utilize life cycle management plan to meet strategic direction
3. Tieton Hydro Project O&M Performance:
 - Retain Tieton O&M services contract for FY18
4. Services:
 - Utilize ≥ 90 percent of Energy Northwest's BPA Energy Efficiency Incentive (EEI) allocation through internal use or by bilateral transfer to utilities
 - Existing business:
 - any revenue generating agreement renewed for > \$100,000
 - expanding any revenue generating agreement for > \$15,000
 - New business: Any new revenue generating agreement for > \$15,000*
 - *a new agreement can qualify with multiple orders (work/task order; sales/purchase order) with same client accumulating to > \$25,000

5. Industrial Development Complex:
 - Initiate Site Final Restoration – Phase 1 accelerated restoration
6. Continue to engage member collaboration on aggregated services, programs and projects:
 - Assess and develop an action plan based on Public Power Forum input
7. Identify and develop new tools and processes to inform and help members adapt to rapid change in electric utility industry

3 IMPLEMENTING FY17 EXCELLENCE PLANS:

- Energy Services and Development Excellence Plan



Strategic Focus Area: **SERVICES & OPERATING EXCELLENCE**

Owner:
Jim Gaston
General Manager,
Energy Services &
Development

SERVICES & OPERATING EXCELLENCE FY18

1 FY18 MEASURE OF EXCELLENCE GOALS:

- ESD safety success equal to green
- ESD's BDF revenue generating business lines operating net margin is greater than or equal to the target
- Packwood adjusted availability in the industry top quartile ($\geq 98\%$)
- Nine Canyon adjusted availability in the industry top quartile ($\geq 98.5\%$)
- ESD Initiative Success Points earned greater than or equal to 14

2 FY18 STRATEGIC INITIATIVES:

1. Packwood performance:
 - Implement standard operating procedures to achieve industry top quartile adjusted availability

2. Nine Canyon performance:
 - Maintain Nine Canyon standard operating procedures to achieve industry top quartile adjusted availability
3. Tieton Hydro Project O&M Performance:
 - Retain Tieton O&M services contract for FY19
4. Services:
 - Utilize ≥ 90 percent of Energy Northwest's BPA Energy Efficiency Incentive (EEI) allocation through internal use or by deployment to utilities
 - Existing business:
 - any revenue generating agreement renewed for $\geq \$100,000$
 - expanding any revenue generating agreement for $\geq \$15,000$
 - New business: Any new revenue generating agreement for $\geq \$15,000^*$
 - * a new agreement can qualify with multiple orders (work/task order; sales/purchase order) with same client accumulating to $\geq \$25,000$

5. Industrial Development Complex:
 - Complete Site Final Restoration – Phase 1 accelerated restoration
6. Continue to engage member collaboration on aggregated services, programs and projects:
 - Assess and develop an action plan based on Public Power Forum input
7. Identify and develop new tools and processes to inform and help members adapt to rapid change in electric utility industry

3 IMPLEMENTING FY18 EXCELLENCE PLANS:

- Energy Services and Development Excellence Plan



Strategic Focus Area: **SERVICES & OPERATING EXCELLENCE**

Owner:
Jim Gaston
General Manager,
Energy Services &
Development

SERVICES & OPERATING EXCELLENCE FY19

1 FY19 MEASURE OF EXCELLENCE GOALS:

- ESD safety success equal to green
- ESD's BDF revenue generating business lines operating net margin is greater than or equal to target
- Packwood adjusted availability in the industry top quartile ($\geq 98\%$)
- Nine Canyon adjusted availability in the industry top quartile ($\geq 98.5\%$)
- ESD Initiative Success Points earned greater than or equal to 16

2 FY19 STRATEGIC INITIATIVES:

1. Packwood performance:
 - Implement standard operating procedures to achieve industry top quartile adjusted availability

2. Nine Canyon performance:
 - Implement standard operating procedures to achieve industry top quartile adjusted availability
3. Tieton Hydro Project O&M Performance:
 - Retain Tieton O&M services contract for FY20
4. Services:
 - Utilize ≥ 90 percent of Energy Northwest's BPA Energy Efficiency Incentive (EEI) allocation through internal use or by bilateral transfer to utilities
 - Existing business:
 - any revenue generating agreement renewed for $\geq \$100,000$
 - expanding any revenue generating agreement for $\geq \$15,000$
 - New business: Any new revenue generating agreement for $\geq \$15,000^*$
 - * a new agreement can qualify with multiple orders (work/task order; sales/purchase order) with same client accumulating to $\geq \$25,000$

5. Industrial Development Complex:
 - Develop Plan for Site Final Restoration – Phase 2 accelerated restoration:
6. Continue to engage member collaboration on aggregated services, programs and projects:
 - Assess and develop an action plan based on Public Power Forum input
7. Identify and develop new tools and processes to inform and help members adapt to rapid change in electric utility industry

3 IMPLEMENTING FY19 EXCELLENCE PLANS:

- Energy Services and Development Excellence Plan



Strategic Focus Area: **INNOVATIVE ENERGY SOLUTIONS**

Owner:
Jim Gaston
General Manager,
Energy Services &
Development

A PICTURE OF EXCELLENCE:

(includes key words that define what excellence is)

Professional • Knowledgeable • Value Added • Engaged • Flexible

B MEASURES OF EXCELLENCE:

(targets to help measure success of reaching and sustaining excellence)

- Measure the impact and influence of Energy Services & Development (ESD) on regional energy issues through meeting or exceeding the target goal for ESD personnel to present to local, regional and national energy related forums
- Member feedback on ESD service levels and innovative solutions greater than or equal to prior ratings. (PI measures: member visits, member survey, public power forum)
- Initiative Success Points earned greater than or equal to target goal
- Project, Service, Program development activities are completed on-time and on-budget

C CHALLENGES TO EXCELLENCE:

(gaps that hinder reaching and sustaining excellence)

1. Members are experiencing low electrical load growth
2. Engaging member collaboration in implementation of new member construct working toward aggregation of new services, programs and projects
3. Strengthening expertise in new generation technologies, demand side programs, and storage solutions
4. To identify and develop new tools and processes to inform and help members adapt to rapid change in the electric utility industry



D MULTI-YEAR STRATEGIC PLAN:



(click to access fiscal years)



Strategic Focus Area: **INNOVATIVE ENERGY SOLUTIONS**

Owner:
Jim Gaston
General Manager,
Energy Services &
Development

INNOVATIVE ENERGY SOLUTIONS FY17

1 FY17 MEASURE OF EXCELLENCE GOALS:

- Measure the impact and influence of Energy Services & Development (ESD) on regional energy issues through meeting or exceeding the target goal for ESD personnel to present to local, regional and national energy related forums
- Member feedback on ESD services levels and innovative solutions greater than or equal to prior ratings. (PI measures: member visits, member survey, public power forum)
- ESD Initiative Success Points earned greater than or equal to 12
- Project development activities are completed on-time and on-budget

2 FY17 STRATEGIC INITIATIVES:

1. Continue to aggressively communicate with our members and other regional interests via member visits, General Manager Advisory Group (GMAG), WPUDA, PPC, etc. to recognize and aggregate demand for energy solutions
2. Meet or exceed a target of 8 requests for attendance / presentations to energy policy discussions and forum activities
3. Continue to support community and industrial scale solar; and storage projects
4. Continue to strengthen ESD's expertise in new generation technologies, demand side programs, and storage solutions
5. Continue BPA / Energy Northwest demand response programs
6. Continue development of and implement demand side management applications (i.e. demand voltage reduction)

7. Complete negotiations and approval of the Energy Northwest / UAMPS O&M contract for the Carbon Free Power Project
8. Identify and develop new tools and processes to inform and help members adapt to rapid change in electric utility industry

3 IMPLEMENTING FY17 EXCELLENCE PLANS:

- Energy Services and Development Excellence Plan



Strategic Focus Area: **INNOVATIVE ENERGY SOLUTIONS**

Owner:
Jim Gaston
General Manager,
Energy Services &
Development



1 FY18 MEASURE OF EXCELLENCE GOALS:

- Measure the impact and influence of Energy Services & Development (ESD) on regional energy issues through meeting or exceeding the target goal for ESD personnel to present to local, regional and national energy related forums
- Member feedback on ESD services levels and innovative solutions greater than or equal to prior ratings. (PI measures: member visits, member survey, public power forum)
- ESD Initiative Success Points earned greater than or equal to 14
- Project development activities are completed on-time and on-budget

2 FY18 STRATEGIC INITIATIVES:

1. Initiate a new energy development project in support of regional aggregated need
2. Continue to aggressively communicate with our members and other regional interests via member visits, GMAG, WPUA, PPC, etc. to recognize and aggregate demand for energy solutions
3. Meet or exceed a target of 10 requests for attendance / presentations to energy policy discussions and forum activities
4. Continue to support community and industrial scale solar; and storage projects
5. Continue to strengthen ESD's expertise in new generation technologies, demand side programs and storage solutions
6. Continue implementation of demand side management commercial applications (i.e. demand voltage education)

7. Continue implementation of EN Carbon Free Power Project O&M contract with UAMPS
8. Identify and develop new tools and processes to inform and help members adapt to rapid change in electric utility industry

3 IMPLEMENTING FY18 EXCELLENCE PLANS:

- Energy Services and Development Excellence Plan



Strategic Focus Area: **INNOVATIVE ENERGY SOLUTIONS**

Owner:
Jim Gaston
General Manager,
Energy Services &
Development



1 FY19 MEASURE OF EXCELLENCE GOALS:

- Measure the impact and influence of Energy Services & Development (ESD) on regional energy issues through meeting or exceeding the target goal for ESD personnel to present to local, regional and national energy related forums
- Member feedback on ESD services levels and innovative solutions greater than or equal to prior ratings. (PI measures: member visits, member survey, public power forum)
- ESD Initiative Success Points earned greater than or equal to 16
- Project development activities are completed on-time and on-budget

2 FY19 STRATEGIC INITIATIVES:

1. Initiate a new energy development project in support of regional aggregated need
2. Continue to aggressively communicate with our members and other regional interests via member visits, GMAG, WPUDA, PPC, etc. to recognize and aggregate demand for energy solutions
3. Meet or exceed a target of 10 requests for attendance / presentations to energy policy discussions and forum activities
4. Continue to support community and industrial scale solar; and storage projects
5. Continue to strengthen ESD's expertise in new generation technologies, demand side programs and storage solutions
6. Continue implementation of demand side management applications (i.e. demand voltage reduction)

7. Continue implementation of EN Carbon Free Power Project O&M contract with UAMPS
8. Utilize scenario planning to assess potential development of new business lines and energy solutions
9. Identify and develop new tools and processes to inform and help members adapt to rapid change in electric utility industry

3 IMPLEMENTING FY19 EXCELLENCE PLANS:

- Energy Services and Development Excellence Plan



Strategic Focus Area: **CORPORATE RESPONSIBILITY**

Owner:
Brent Ridge
Vice President,
Corporate Services and
Chief Financial/Risk Officer

A PICTURE OF EXCELLENCE:

(includes key words that define what excellence is)

Ethical • Accountable • Transparent • Predictable • Cost Effective

B MEASURES OF EXCELLENCE:

(targets to help measure success of reaching and sustaining excellence)

- Columbia budget performance indicators are equal to green; trajectory set by the Executive Board (O&M, capital and staffing)
- Columbia long-range plan predictability performance indicator equals green
- Columbia cost performance near Tier 1 pricing levels by 2026
- Compliance metrics equal to green
- Key risk indicators equal to green
- Budget Performance - Business Development Fund (BDF) overall cash margin greater than or equal to target goal
- Regional cooperation debt plan: Actual gross savings is greater than or equal to target savings estimated and supported by the EN governing boards

C CHALLENGES TO EXCELLENCE:

(gaps that hinder reaching and sustaining excellence)

1. Columbia's costs are higher than desired
2. Continued implementation of industry risk management requirements
3. Business process internal controls require baselining
4. Sustaining ESD revenue business operating lines
5. Regional cooperation debt savings amounts are negatively impacted by rising interest rates
6. Continued focus on the agency's compliance and ethics program
7. Columbia Long-Range Plan predictability needs improvement
8. Improvement of corporate network security through increased centralization, segmentation, and advanced monitoring needed

D MULTI-YEAR STRATEGIC PLAN:



(click to access fiscal years)



Strategic Focus Area: **CORPORATE RESPONSIBILITY**

**CORPORATE
RESPONSIBILITY
FY17**

Owner:
Brent Ridge
Vice President,
Corporate Services and
Chief Financial/Risk Officer

1 FY17 MEASURE OF EXCELLENCE GOALS:

- Columbia budget performance indicators are equal to green; trajectory set by the Executive Board (O&M, capital and staffing)
- Columbia long-range plan predictability performance indicator equals green
- Columbia cost performance equals green
- Compliance metrics equal to green
- Key risk indicators equal to green
- Budget Performance - Business Development Fund (BDF) overall cash margin greater than or equal to target goal
- Regional cooperation debt plan: Actual gross savings is greater than or equal to target savings estimated and supported by the EN governing boards

2 FY17 STRATEGIC INITIATIVES:

1. Establish FY18 Columbia budget to meet the goals established in the Cost Effective Operation plan

2. Revise target for Cost Effective Operation Plan*
3. Implement Columbia Five-Year staffing plan (includes contractors) to achieve approved staffing levels for FY18*
4. Continue to implement Columbia's long-range plan predictability improvement plan*
5. ESD cost control:
 - Assess rate structure and overhead targets based on business conditions
6. Improve business risk management:
 - Implement industry principles – Excellence in Integrated Risk Management
 - Assess ESD business risk management effectiveness
7. Improve internal controls:
 - Conduct baseline internal control assessments per plan
8. Improve compliance program:
 - Assess and revise as needed the performance metrics and standard to measure the effectiveness of the compliance and ethics program

9. Regional cooperation debt:
 - Implement per Executive Board direction and review effectiveness
10. Continue to implement COBIT (Control Objectives for Information Technology) control framework for Information Services per plan
11. Implement a standardized security monitoring plan for the corporate network
12. Governance, oversight, support and performance (GOSP):
 - Integrate USA oversight and support
 - Participate in corporate evaluation as an assist
 - Conduct snapshot self assessment

3 IMPLEMENTING FY17 EXCELLENCE PLANS:

- Columbia Excellence Plans
- Asset Management Excellence Plan
- Energy Services and Development Excellence Plan
- Legal Services Excellence Plan
- Human Resources Excellence Plan
- Treasury Excellence Plan
- Information Services Excellence Plan



Strategic Focus Area: **CORPORATE RESPONSIBILITY**

Owner:
Brent Ridge
Vice President,
Corporate Services and
Chief Financial/Risk Officer

CORPORATE RESPONSIBILITY **FY18**

1 FY18 MEASURE OF EXCELLENCE GOALS:

- Columbia budget performance indicators are equal to green; trajectory set by the Executive Board (O&M, capital and staffing)
- Columbia long-range plan predictability performance indicator equals green
- Columbia cost performance equals green
- Compliance metrics equal to green
- Key risk indicators equal to green
- Budget Performance - Business Development Fund (BDF) overall cash margin greater than or equal to target goal
- Regional cooperation debt plan: Actual gross savings is greater than or equal to target savings estimated and supported by the EN governing boards

2 FY18 STRATEGIC INITIATIVES:

1. Establish FY19 Columbia budget to sustain Cost Effective Operation Plan performance
2. Revise and assess (if necessary) target for Cost Effective Operation Plan
3. Implement Columbia Five-Year staffing plan (includes contractors) to achieve approved staffing levels for FY19
4. Evaluate Columbia long-range plan predictability and effectiveness
5. ESD cost control:
 - Implement rate structure and overhead targets
6. Improve business risk management:
 - Implement industry principles – Excellence in Integrated Risk Management
 - Measure effectiveness of key risk and leading indicators (predictive)
7. Improve internal controls:
 - Conduct internal control assessments per plan
 - Survey process owners' understanding of effective internal controls
8. Improve compliance program:
 - Monitor and report on the compliance and ethics program
 - Assess the compliance and ethics program through completion of a self-assessment utilizing external expertise
9. Regional cooperation debt:
 - Implement per Executive Board direction and review effectiveness
10. Continue to implement COBIT (Control Objectives for Information Technology) control framework for Information Services per plan
11. Centralize the corporate network security monitoring functions

3 IMPLEMENTING FY18 EXCELLENCE PLANS:

- Columbia Excellence Plans
- Asset Management Excellence Plan
- Energy Services and Development Excellence Plan
- Legal Services Excellence Plan
- Human Resources Excellence Plan
- Treasury Excellence Plan
- Information Services Excellence Plan



Strategic Focus Area: **CORPORATE RESPONSIBILITY**

CORPORATE RESPONSIBILITY FY19

Owner:
Brent Ridge
Vice President,
Corporate Services and
Chief Financial/Risk Officer

1 FY19 MEASURE OF EXCELLENCE GOALS:

- Columbia budget performance indicators are equal to green; trajectory set by the Executive Board (O&M, capital and staffing)
- Columbia long-range plan predictability performance indicator equals green
- Columbia cost performance equals green
- Compliance metrics equal to green
- Key risk indicators equal to green
- Budget Performance – Business Development Fund (BDF) overall cash margin greater than or equal to target goal
- Regional cooperation debt plan: Actual gross savings is greater than or equal to target savings estimated and supported by the EN governing boards

2 FY19 STRATEGIC INITIATIVES:

1. Establish FY20 Columbia budget to sustain Cost Effective Operation Plan performance

2. Revise and assess (if necessary) target for Cost Effective Operation Plan
3. Implement Columbia Five-Year staffing plan (includes contractors) to achieve approved staffing levels for FY20
4. Complete Columbia long-range plan third party assessment
5. ESD Cost Control: Strengthen rate structure and overhead targets
6. Improve business risk management:
 - Assess the Enterprise Risk Management program through completion of a self-assessment
7. Improve internal controls:
 - Conduct baseline internal control assessments per plan
 - Develop and implement actions resulting from survey of process owners' understanding of effective internal controls

8. Improve compliance program:
 - Monitor and report on the compliance and ethics program
 - Evaluate recommendations from self-assessment and develop necessary actions
9. Regional cooperation debt:
 - Implement per Executive Board direction and review effectiveness
10. Complete baselining for COBIT (Control Objectives for Information Technology) control framework implementation
11. Segment the corporate network to increase defense-in-depth

3 IMPLEMENTING FY19 EXCELLENCE PLANS:

- Columbia Excellence Plans
- Asset Management Excellence Plan
- Energy Services and Development Excellence Plan
- Legal Services Excellence Plan
- Human Resources Excellence Plan
- Treasury Excellence Plan
- Information Services Excellence Plan



Strategic Focus Area: **EMPLOYEE ENGAGEMENT**

Owner:
Brent Ridge
Vice President,
Corporate Services and
Chief Financial/Risk Officer

A PICTURE OF EXCELLENCE:

(includes key words that define what excellence is)

Talented • Trusting • Inspired • Discretionary Effort • Appreciated

B MEASURES OF EXCELLENCE:

(targets to help measure success of reaching and sustaining excellence)

- Voluntary turnover in industry metrics in the top quartile*
- Agency's critical leadership positions with a ready now succession candidate or emergency replacement candidate identified performance indicator equal to green*
- Leadership** positions filled internally is equal to 70 percent or greater*
- Critical leadership positions filled "successfully" is equal to 75 percent or greater*
- Knowledge transfer performance indicator equal to green*
- Employee Engagement survey response is equal to at least 77 percent favorable*
- Employee Voice equal to green*

** Leadership includes Supervisors, Managers and the Executive Team

C CHALLENGES TO EXCELLENCE:

(gaps that hinder reaching and sustaining excellence)

1. Voluntary turnover is currently second quartile in industry metrics
2. Employee engagement actions need to be established by department
3. Only half of employees feel they are asked for input regarding changes that affect their work
4. Managers/supervisors are not satisfied with the number of hours they work
5. Less than desired percentage of employees have the flexibility they want to manage their work life balance

D MULTI-YEAR STRATEGIC PLAN:



(click to access fiscal years)



Strategic Focus Area: **EMPLOYEE ENGAGEMENT**

Owner:
Brent Ridge
Vice President,
Corporate Services and
Chief Financial/Risk Officer



1 FY17 MEASURE OF EXCELLENCE GOALS:

- Voluntary turnover in industry metrics in the top quartile
- Agency's critical leadership positions with a ready now succession candidate or emergency replacement candidate identified performance indicator equal to green
- Leadership** positions filled internally is equal to 70 percent or greater
- Critical leadership positions filled "successfully" is equal to 75 percent or greater
- Knowledge transfer performance indicator equal to green
- Employee Engagement survey response is equal to at least 75 percent favorable
- Employee Voice equal to green

** Leadership includes Supervisors, Managers and the Executive Team

2 FY17 STRATEGIC INITIATIVES:

1. Employee engagement survey for Energy Northwest:
 - Improve communication of how changes today impact the company's future
 - Remove unnecessary application of nuclear standards to non-nuclear areas of business
 - Set improvement goal over previous survey results
 - Complete Leadership Summit after survey concludes
2. Workforce planning implementation*
3. Succession plan candidate development*

4. Begin tracking knowledge transfer activities and reporting out using a Knowledge Transfer Performance Indicator*
5. Benchmark Energy Northwest employee engagement to energy services industry
6. Study the formation of an employee advisory group

3 IMPLEMENTING FY17 EXCELLENCE PLANS:

- Human Resources Excellence Plan





Strategic Focus Area: **EMPLOYEE ENGAGEMENT**

Owner:
Brent Ridge
Vice President,
Corporate Services and
Chief Financial/Risk Officer



1 FY18 MEASURE OF EXCELLENCE GOALS:

- Voluntary turnover in industry metrics in the top quartile
- Agency's critical leadership positions with a ready now succession candidate or emergency replacement candidate identified performance indicator equal to green
- Leadership** positions filled internally is equal to 70 percent or greater
- Critical leadership positions filled "successfully" is equal to 75 percent or greater
- Knowledge transfer performance indicator equal to green
- Employee Engagement survey response is equal to at least 76 percent favorable
- Employee Voice equal to green

** Leadership includes Supervisors, Managers and the Executive Team

2 FY18 STRATEGIC INITIATIVES:

1. Employee engagement survey for Energy Northwest:
 - Prepare action plans based on survey results to improve engagement compared to industry
 - Set improvement goal over previous survey results
 - Complete Leadership Summit after survey concludes
2. Workforce planning implementation
3. Succession plan candidate development
4. Establish employee advisory group (if feasible)

3 IMPLEMENTING FY18 EXCELLENCE PLANS:

- Human Resources Excellence Plan



Strategic Focus Area: **EMPLOYEE ENGAGEMENT**

Owner:
Brent Ridge
Vice President,
Corporate Services and
Chief Financial/Risk Officer



1 FY19 MEASURE OF EXCELLENCE GOALS:

- Voluntary turnover in industry metrics in the top quartile
- Agency's critical leadership positions with a ready now succession candidate or emergency replacement candidate identified performance indicator equal to green
- Leadership** positions filled internally is equal to 70 percent or greater
- Critical leadership positions filled "successfully" is equal to 75 percent or greater
- Knowledge transfer performance indicator equal to green
- Employee Engagement survey response is equal to at least 77 percent favorable
- Employee Voice equal to green

** Leadership includes Supervisors, Managers and the Executive Team

2 FY19 STRATEGIC INITIATIVES:

1. Employee engagement survey for Energy Northwest:
 - Prepare action plans based on survey results to improve engagement compared to industry
 - Set improvement goal over previous survey results
 - Complete Leadership Summit after survey concludes
2. Workforce planning implementation
3. Succession plan candidate development

3 IMPLEMENTING FY19 EXCELLENCE PLANS:

- Human Resources Excellence Plan



Strategic Focus Area: **STAKEHOLDER TRUST AND CONFIDENCE**

Owner:
Brent Ridge
Vice President,
Corporate Services and
Chief Financial/Risk Officer

A PICTURE OF EXCELLENCE:

(includes key words that define what excellence is)

- Counsel-focused
- Research-based
- Credible
- Straightforward
- Partnerships
- Public Interest

B MEASURES OF EXCELLENCE:

(targets to help measure success of reaching and sustaining excellence)

- Favorable Energy Northwest rating by member general managers and board commissioners at least or greater than 95 percent
- Energy Northwest favorable rating of at least 75 percent by state legislators*
- Sustain favorable support for nuclear energy by at least 65 percent of statewide public and sustain at least or greater than 90 percent in Plant Neighbor Survey*
- Energy Northwest Optimal Content Score (media coverage) of at least 4 on the industry standard scale of -10 to 10*

C CHALLENGES TO EXCELLENCE:

(gaps that hinder reaching and sustaining excellence)

1. Communicating Energy Northwest's leadership role in regional and national energy issues to stakeholders
2. Developing and sustaining consistent relationships with a broadening group of stakeholder organizations
3. Strengthening Energy Northwest awareness and understanding of member issues
4. Communicating Energy Northwest/Columbia value to stakeholders
5. Increasing general public awareness of the environmental, cost and safety benefits of nuclear energy
6. Continuing to build confidence in Energy Northwest's energy services and generation development capability with stakeholders

D MULTI-YEAR STRATEGIC PLAN:



(click to access fiscal years)



Strategic Focus Area: **STAKEHOLDER TRUST AND CONFIDENCE**

Owner:
Brent Ridge
Vice President,
Corporate Services and
Chief Financial/Risk Officer

**STAKEHOLDER
TRUST &
CONFIDENCE
FY17**



1 FY17 MEASURE OF EXCELLENCE GOALS:

- Favorable Energy Northwest rating by member general managers and board commissioners of at least or greater than 95 percent
- Sustain Energy Northwest favorable rating of at least 75 percent by state legislators (biennial survey)
- Obtain favorable support for nuclear energy by at least 63 percent of statewide public and at least or greater than 90 percent of Plant Neighbor public (biennial survey)
- Sustain Energy Northwest Optimal Content Score (media coverage) of at least 4 on the industry standard scale

2 FY17 STRATEGIC INITIATIVES:

Member relations:

1. Assess and leverage implementation of Customer Relationship Management system
2. Further strengthen and leverage public power utility positive perception and support:
 - Sustain and adjust as appropriate, member relations plan, for member utility relationship management
 - Foster initial success of Member Construct in partnership with ES&D (e.g., General Manager Advisory Group and Joint Purchasing) - refer to ES&D initiative
 - Foster EN leadership and board member involvement/activities in member utilities

Stakeholder relations (Legislative; civic leaders; energy policy groups; regional opinion leaders):

3. Ensure continued contribution of Columbia Generating Station through its lifecycle to the Northwest clean energy mix:
 - Assess FY16 efforts, update Columbia Value Campaign strategies
 - Sustain civic and opinion leader engagement; expand target group within Washington state
 - Initiate campaign to increase responsible use of agency social media programs by employees; benchmark industry best practices
 - Expand relationships with energy policy groups within the region
4. Promote and strengthen Energy Northwest's reputation as a regional power leader and provider of innovative energy solutions and services:*



Strategic Focus Area: **STAKEHOLDER TRUST AND CONFIDENCE**

Owner:
Brent Ridge
Vice President,
Corporate Services and
Chief Financial/Risk Officer

STAKEHOLDER
TRUST &
CONFIDENCE
FY17



5. Strengthen support for nuclear energy:

- Frequent, ongoing, transparent communication efforts by Public Affairs and key senior leadership to key stakeholders (legislators, members and regional power community) about the value of nuclear energy to Washington, the region, our nation and the world
- Host biennial Clean Energy Forum; reassess and prioritize regional education outreach efforts

General Public Engagement (news/social media, advertising platforms and associated audiences):

6. Assess FY16 efforts; update Columbia Value Campaign strategies to increase broad favorability of nuclear energy in Washington and the Northwest:
 - Focus educational-only marketing/advertising efforts on the Seattle-Tacoma, Vancouver and Spokane media markets
 - Assess/update and create new collateral handouts as needed in support of educational advertising campaign
 - Identify/solicit support from two or more third-party nuclear energy advocates capable of speaking to news media on Energy Northwest's behalf

3 IMPLEMENTING FY17 EXCELLENCE PLANS:

- Public Affairs Excellence Plan (including Columbia Value Campaign)
- Member Relations Excellence Plan



Strategic Focus Area: **STAKEHOLDER TRUST AND CONFIDENCE**

Owner:
Brent Ridge
Vice President,
Corporate Services and
Chief Financial/Risk Officer

STAKEHOLDER TRUST & CONFIDENCE FY18

1 FY18 MEASURE OF EXCELLENCE GOALS:

- Favorable Energy Northwest rating by member general managers and board commissioners of at least or greater than 95 percent
- Sustain Energy Northwest favorable rating of at least 75 percent by state legislators (biennial survey)
- Sustain favorable support for nuclear energy by at least 65 percent of statewide public and at least or greater than 90 percent of Plant Neighbor public (biennial survey)
- Sustain Energy Northwest Optimal Content Score (media coverage) of at least 4 on the industry standard scale

2 FY18 STRATEGIC INITIATIVES:

Member relations:

1. Strengthen awareness and understanding of varied member utility issues:
 - Assess and leverage implementation of Customer Relationship Management system

2. Advance positive perception and support for public power utilities:
 - Assess FY17 efforts.
 - Strengthen New Member Construct activities in partnership with ES&D (e.g., General Manager Advisory Group and Joint Purchasing) - refer to ES&D initiative
 - Sustain EN leadership and board member involvement in member utilities

Stakeholder relations (Legislative; civic leaders; energy policy groups; regional opinion leaders; general public):

3. Ensure continued contribution of Columbia Generating Station through its lifecycle to the Northwest clean energy mix:
 - Assess FY17 efforts, update strategies
 - Continue Value Campaign to increase broad favorability of nuclear energy in Washington state and the Northwest
 - Sustain civic and opinion leader engagement; expand target group within Washington state
 - Strengthen campaign to increase responsible use of agency social media programs by employees; benchmark industry best practices
 - Strengthen relationships with energy policy groups within the region

4. Strengthen Energy Northwest's reputation as a regional power leader and provider of innovative energy solutions and services:
 - Assess, update and execute Public Affairs strategy and tactics
 - Sustain Speakers Bureau program in Portland and Seattle and expand to Spokane
 - Further expand number of agency leaders engaging key stakeholders

General Public Engagement (news/social media, advertising platforms and associated audiences):

5. Assess FY17 efforts; update Columbia Value Campaign strategies to increase broad favorability of nuclear energy in Washington and the Northwest:
 - Focus educational-only marketing/advertising efforts on the Seattle-Tacoma, Vancouver and Spokane media markets
 - Assess/update and create new collateral handouts as needed in support of educational advertising campaign
 - Build relationships with two or more third-party nuclear energy advocates capable of speaking to news media on EN's behalf

3 IMPLEMENTING FY18 EXCELLENCE PLANS:

- Public Affairs Excellence Plan (including Columbia Value Campaign)
- Member Relations Excellence Plan



Strategic Focus Area: **STAKEHOLDER TRUST AND CONFIDENCE**

Owner:
Brent Ridge
Vice President,
Corporate Services and
Chief Financial/Risk Officer

STAKEHOLDER TRUST & CONFIDENCE FY19

1 FY19 MEASURE OF EXCELLENCE GOALS:

- Favorable Energy Northwest rating by member general managers and board commissioners of at least or greater than 95 percent
- Sustain Energy Northwest favorable rating of at least 75 percent by state legislators (biennial survey)
- Sustain favorable support for nuclear energy by at least 65 percent of statewide public and at least or greater than 90 percent of Plant Neighbor public (biennial survey)
- Sustain Energy Northwest Optimal Content Score (media coverage) of at least 4 on the industry standard scale

2 FY19 STRATEGIC INITIATIVES:

Member relations:

1. Sustain awareness and understanding of varied member utility issues, utilizing Member Construct and Customer Relationship Management system

2. Advance positive perception of public power and member utilities:
 - Assess and adjust FY18 efforts

Stakeholder relations (Legislative; civic leaders; energy policy groups; regional opinion leaders; general public):

3. Ensure continued contribution of Columbia Generating Station through its lifecycle to the Northwest clean energy mix:
 - Assess FY18 efforts, update strategies
 - Continue Value Campaign to increase broad favorability of nuclear energy in Washington state and the Northwest
 - Sustain civic and opinion leader engagement; expand target group within Washington state
 - Continue campaign to increase responsible use of agency social media programs by employees; benchmark industry best practices
 - Strengthen relationships with energy policy groups within the region
4. Strengthen Energy Northwest's reputation as a regional power leader and provider of innovative energy solutions and services:
 - Assess, update and execute Public Affairs strategy and tactics
 - Sustain and further expand Speakers Bureau program in Portland, Seattle and Spokane
 - Further expand number of agency leaders engaging key stakeholders

General Public Engagement (news/social media, advertising platforms and associated audiences):

5. Assess FY18 efforts; update Columbia Value Campaign strategies to increase broad favorability of nuclear energy in Washington and the Northwest:
 - Focus educational-only marketing/advertising efforts on the Seattle-Tacoma, Vancouver and Spokane media markets
 - Assess/update and create new collateral handouts as needed in support of educational advertising campaign
 - Strengthen relationships with two or more third-party nuclear energy advocates capable of speaking to news media on EN's behalf

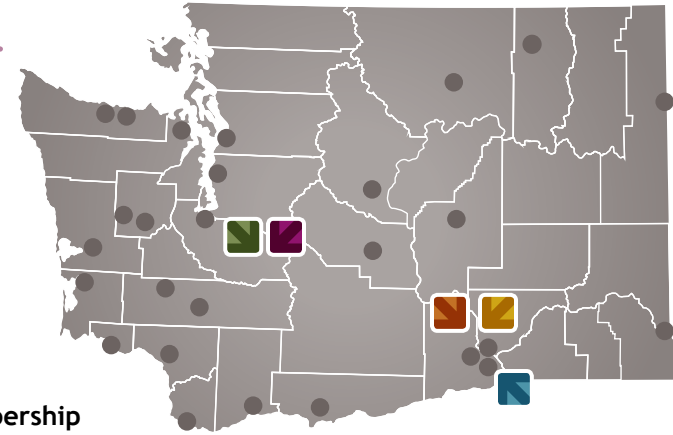
3 IMPLEMENTING FY19 EXCELLENCE PLANS:

- Public Affairs Excellence Plan (including Columbia Value campaign)
- Member Relations Excellence Plan



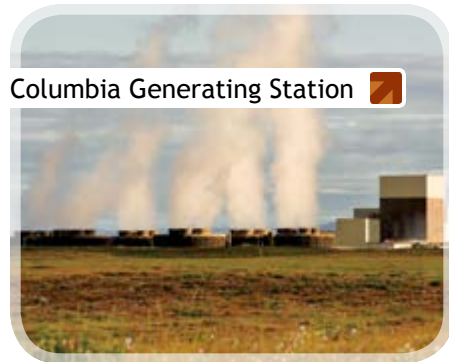
ABOUT ENERGY NORTHWEST

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



White Bluffs Solar Station



Packwood Lake Hydroelectric Project



Tieton Hydroelectric Project

- | | | | |
|----|-------------------------|----|-------------------------|
| 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 | | |