

FY 2021 – 2025

STRATEGIC PLAN

Powering Our Clean Energy Future



Revised 6.30.22



Dear Valued Energy Northwest Team Members,

As we enter year three of our five-year strategic plan, let's take a moment to reflect on the significant progress we have made in pursuit of Excellence. We can take pride in the agency's achievements since the introduction of this strategic plan. Though the current environment in which Energy Northwest operates is more challenging than ever before, we are well equipped to thrive in this complex landscape based on our superb performance.

The following pages offer a roadmap to sustain our mission and fulfill our revised vision. It outlines the five fundamental strategic outcomes necessary for success. Agency alignment on the strategic plan and its components is critical; we must work as a cohesive team to achieve our goals.

Strategic Focus Areas

This year, we are introducing a set of five strategic focus areas that link to the strategic outcomes and provide additional guidance to ensure EN's long-term sustainability.

1. Manage EN as a joint operating agency, focusing on business excellence and value to our members by anticipating and meeting their needs.
2. Operate Columbia Generating Station safely, reliably and cost-effectively for at least an 80-year lifetime.
3. Actively support the regional clean energy transformation, including preparing the agency for an expansion of our nuclear portfolio.
4. Focus on innovation as the key to our future growth and success.
5. Inspire a culture of continuous improvement throughout the agency.

Focusing on these five areas as we plan and execute our work will secure EN as a key regional energy partner and help us demonstrate our value to the Northwest and our public power members.

Understanding the Plan

EN's strategic plan is structured around our agency's mission and vision — they are the core elements driving the remaining components. These components consist of the strategic outcomes developed by the Executive Board; the strategic goals and measures for each outcome; and the strategic focus areas, which are embedded throughout to further guide the agency. Implementing the plan ensures we are a future-ready agency, prepared to meet challenges along the way and stay ahead of the transformation happening all around us.

The Critical Component

The component that is most critical to the success of Energy Northwest is YOU. Without the hard-working, committed and passionate people that make up our team, none of these aspirational goals would be possible. With you, this plan is both actionable and achievable. We are confident our extraordinary team is made up of an exceptional set of individuals, making us capable of achieving anything we set out to.


Please take the time to read and understand the strategic plan and know how you can support its execution. Our plan outlines our best path forward to leading the clean energy transformation for the regional public power community.

Thank you for all your efforts.

Sincerely,

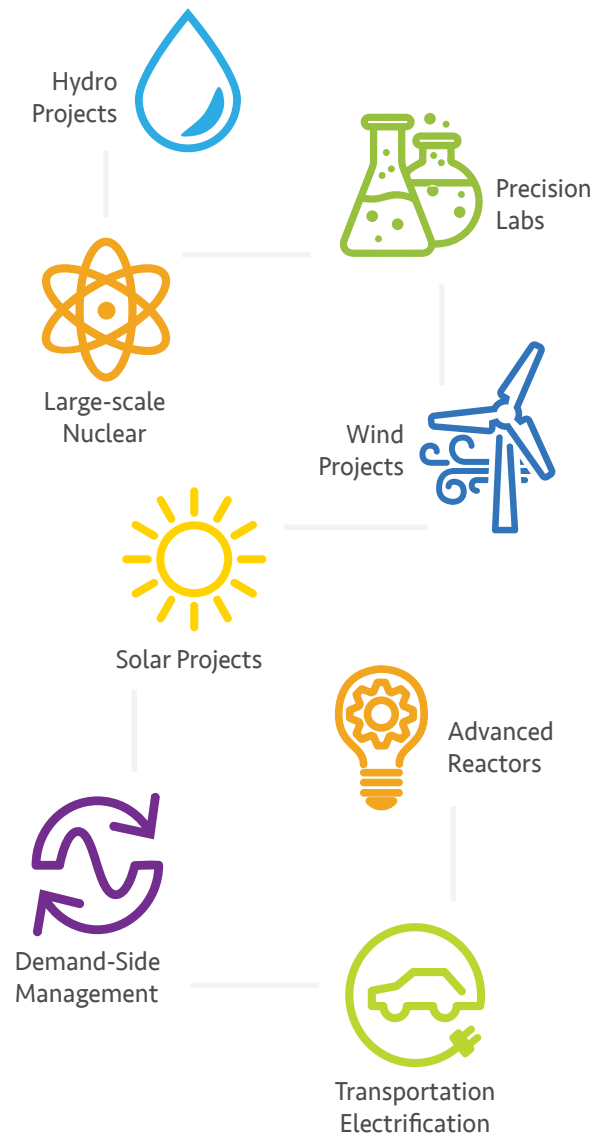


Will Purser
Executive Board Chair



Bob Schuetz
Chief Executive Officer

Our Present and Future



Getting to Know Us

For more than 60 years Energy Northwest has provided the region clean, cost-effective and reliable energy. Today we generate more than 1,400 megawatts of diverse, carbon-free energy through hydro, solar, wind and nuclear. These projects power more than a million homes each year. As a joint operating agency, our skilled workforce is also looking at ways to further expand our portfolio of assets and services to address our region’s future energy resource needs.


Our resources also provide enormous benefit in the form of jobs and tax contributions. Every two years, more than 1,200 temporary workers are hired to support maintenance projects at Columbia. The added workers, along with EN’s normal work force of about 1,000, bring substantial economic value to the region. Additionally, EN pays privilege taxes that go directly to the local communities including schools, fire and library districts, cities and counties. EN paid more than \$100 million since 1984 when Columbia first began operating.

We are Energy Northwest, and we are proud to power our future and serve our region every day by providing vital electricity to homes and businesses.




By the Numbers


Diverse mix of
100% clean electricity
generating resources that produce nearly
1,400 MW

Columbia Generating Station
 **1,207 MW**
Carbon-free nuclear energy
24/7 Availability

Hydroelectric Facilities:
80 MW Clean hydro power


- Packwood Lake Hydroelectric Project
- Portland Hydroelectric Project
- Tieton Hydroelectric Project

Nine Canyon Wind Project
 **96 MW**
Renewable wind energy

White Bluffs Solar Station
 **242 solar panels** producing 38 KW of renewable solar power
Partnering to build a solar, storage and training facility


27 Public Power Members

Current membership includes 21 PUDs and 5 municipalities.

- | | |
|----------------------------------|-------------------------|
| Asotin County PUD | Klickitat County PUD |
| Benton PUD | Lewis County PUD |
| Chelan County PUD | Mason County PUD 1 |
| Centralia City Light | Mason County PUD 3 |
| City of Port Angeles | Okanogan County PUD |
| City of Richland Energy Services | Pacific County PUD 2 |
| Clallam County PUD | Pend Oreille County PUD |
| Clark Public Utilities | Seattle City Light |
| Ferry County PUD | Skamania County PUD |
| Franklin PUD | Snohomish County PUD |
| Grant PUD | Tacoma Public Utilities |
| Grays Harbor County PUD 1 | Wahkiakum PUD |
| Jefferson County PUD | Whatcom County PUD |
| Kittitas County PUD | |

Formed in
1957
as a **JOA**
(Joint Operating Agency)

Serving more than
1.5 Million
public power customers

Employs nearly
1,000 diverse and highly skilled people
(our greatest asset) 

 Earned 2020 Military Friendly designation for
5th year in a row



**Energy Northwest
Mission Statement**

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



**Energy Northwest
Vision Statement**

Leading the clean energy transformation for the regional public power community.



**Energy Northwest
Core Values**

- Safety First
- Pride in All We Do
- Service to Others
- Excellence in Performance
- Leadership at All Levels

Columbia Generating Station Vision

Sustained nuclear excellence reflected by performance in the top quartile.

Energy Services and Development Vision

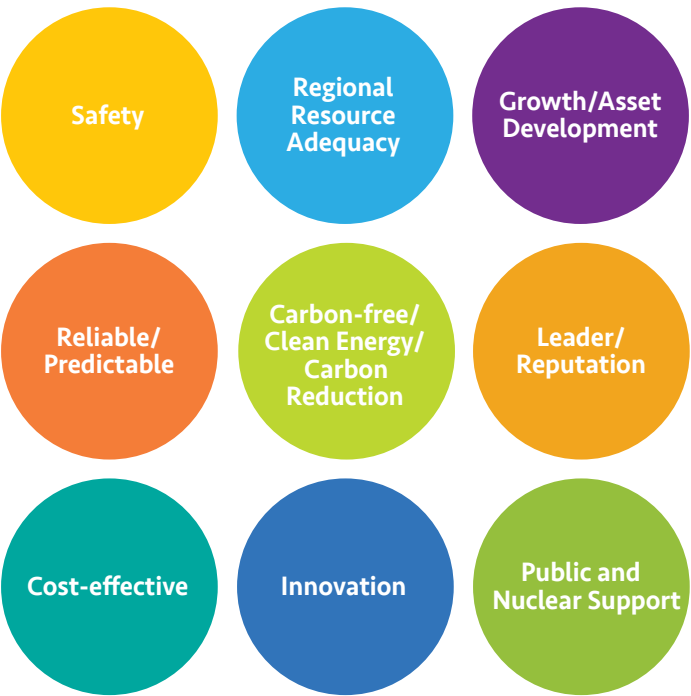
The leader in providing diverse services and clean energy solutions that offer our regional customers best value while achieving sustained growth and excellence.

Setting Direction

Energy Northwest’s long-term strategic direction is represented by five strategic outcomes – aspirational, results-oriented and timeless statements – intended to focus our efforts to ensure we fulfill Energy Northwest’s mission and vision as directed by our Executive Board.

Key themes that emerged from the Executive Board strategic planning workshop discussions held in the fall of 2019 developed the strategic outcomes.

Strategic Themes



These outcomes set the strategic plan’s structure to identify specific goals, while creating inspiration for building and sustaining Energy Northwest’s future; and ensuring as an organization we are aligned and moving in the same direction. Each strategic outcome includes goals, measures and initiatives that describe ‘What’ and ‘How’ we will achieve each outcome.

Through these strategic outcomes we will make Energy Northwest **SAFER, BETTER, BIGGER, LEANER.**

Strategic Outcomes





Strategic Outcome #1



**BE SAFE -
ALWAYS**

Every worker goes
home safe – Everyday.

Strategic Measures

NUCLEAR



≥ 85
EQUIPMENT
PERFORMANCE INDEX

RADIOLOGICAL



MEET
RADIATION EXPOSURE
INDEX GOAL*

INDUSTRIAL



MEET
RECORDABLE INJURY
RATE GOAL

ENVIRONMENTAL



MEET KEY
ENVIRONMENTAL
COMPLIANCE
OBLIGATIONS

Strategic Goals: FY 2021 – 2025

1. **Nuclear Safety:** Achieve industry excellence for Columbia's equipment performance by 2022 and sustain performance
2. **Radiological Safety:** Achieve and sustain industry excellence in radiological safety
3. **Industrial Safety:** Achieve industry excellence in industrial safety by the end of Q2 2023 and sustain performance
4. **Environmental Safety:** Maintain agency-wide compliance obligations and event-free environmental performance each year

Strategic Initiatives

1. Nuclear Safety:

- a. Reduce online reliability loss factor
- b. Reduce number of single-point vulnerabilities
- c. Reinforce cross-functional engagement on equipment issues
- d. Execute critical component preventative maintenance strategies

2. Radiological Safety:

- a. Implement on-line dose reduction plan
- b. Innovate and expand use of technology to reduce dose during online operation and outages including remote monitoring

3. Industrial Safety:

- a. Foster a culture of Safety Always – not only Safety First – at work, home and play
- b. Expand education and awareness of ergonomic risks and soft-tissue injuries
- c. Improve case management


4. Environmental Safety:

- a. Assess compliance programs regularly
- b. Develop appropriate strategies for NPDES, radioactive air emissions license, radioactive waste management performance, spill prevention and other compliance programs



*Excludes R-25 Reactor Water Cleanup Heat Exchanger and Reactor Recirculation Pump projects.

Strategic Outcome #2



PROTECT AND OPTIMIZE OUR ASSETS - NUCLEAR

We are counted on by the region for reliability, economic value and resilience.

Strategic Goals: FY 2021 – 2025

1. Sustain Exemplary status





2. Meet Columbia's FY 2024 long-range plan cost of power

3. Improve Columbia's output capacity by 20 megawatts through better thermal efficiency by 2027

4. Identify optimal time to pursue securing Columbia Generating Station as a large, long-term and clean energy solution through 2063 by 2026



Strategic Measures

EXEMPLARY	COST OF POWER	CAPACITY	LICENSE RENEWAL
 <div>KPIs MEET OR EXCEED KEY PERFORMANCE INDICATORS NRC RATING IN COLUMN 1 WITH NO NON-GREEN FINDINGS</div>	 <div>≤ \$27.52/MWh PRODUCTION COST OF POWER* ≤ \$36.93/MWh GENERATING COST OF POWER* <small>*Escalated to FY24 \$</small></div>	 <div>≥ 20 MWe* INCREASED MEGAWATT CAPACITY MEET MAJOR MILESTONES</div>	 <div>MEET MAJOR MILESTONES</div>

Strategic Initiatives

1. Exemplary

Implement and execute station-wide Focus Areas; reassess on a frequent basis to determine gap closure; establish, as needed, new Focus Areas to address new gaps

Achieve 'Exemplary' rating as evaluated by industry peers

Improve equipment performance and reliability by executing critical component preventative maintenance strategies and clearly defining outage scope

Maintain strong Nuclear Regulatory Commission performance
2. Cost of Power

Develop and implement innovative ideas to improve efficiency and reliability

Identify and implement lasting budget reductions through process efficiencies and simplification using assessment reviews, cost savings idea initiatives and industry benchmarking

Optimize preventative maintenance program

Create deeper cost management understanding and discipline across the agency surrounding both fixed and variable costs

Implement outage Long Range Planning, effectively managing outage costs, durations and goals, to support sustainable regional commitment

Foster public support for Columbia Generating Station's clean, carbon-free nuclear energy
3. Capacity

Implement and execute high-pressure turbine project in refueling and maintenance outage

Implement and execute moisture separator reheater project in refueling and maintenance outage

Determine path forward for extended power uprate to further increase capacity by conducting EPU feasibility study; provide recommendation; request Executive Board and Bonneville Power Administration support and approval by 2023
4. Subsequent License Renewal

Conduct benchmarking to identify costs; vendors utilized; and overall lessons learned by plants that have recently gone through a Subsequent License Renewal

Conduct a readiness assessment to define overall project scope; plan and schedule development; duration and cost estimates; and high-level equipment impact

Foster public support for Columbia Generating Station's clean, carbon-free nuclear energy

*Actual output may be limited by the main generator during colder weather seasons

Strategic Outcome #2



PROTECT AND OPTIMIZE OUR ASSETS - NON-NUCLEAR

We are counted on by the region for reliability, economic value and resilience.

Strategic Measures

9 CANYON CONTINUED OPERATION



MEET MAJOR MILESTONES

9 CANYON COST OF POWER

MEET NINE CANYON TOTAL BUDGET

≥ 98%
ADJUSTED AVAILABILITY

PACKWOOD COST OF POWER

MEET PACKWOOD TOTAL BUDGET

0
LOST GENERATION DUE TO EQUIPMENT ISSUES

Strategic Goals: FY 2021 – 2025

1. Determine viability of Nine Canyon Wind Project continued operation beyond initial operating life by 2024
2. Optimize Nine Canyon Wind Project adjusted cost of power annually through 2025
3. Optimize Packwood Lake Hydroelectric Project adjusted cost of power annually through 2025

Strategic Initiatives

1. Nine Canyon Viability

- a. Conduct financial analyses; assess and evaluate future options including: repowering, run-to-failure and other cost-effective options
- b. Engage and seek participant input

2. Nine Canyon Cost of Power

- a. Adhere to Nine Canyon's long-range plan
- b. Maintain and execute original equipment manufacturer maintenance specifications
- c. Communicate emergent plant issues timely and effectively to participants

3. Packwood Cost of Power

- a. Adhere to Packwood's long-range plan
- b. Maintain and execute original equipment manufacturer maintenance specifications
- c. Communicate emergent plant issues timely and effectively to participants
- d. Meet revised regulatory schedule for license requirements
- e. Perform preventative maintenance per the work management system



Strategic Outcome #3



INVEST IN OUR PEOPLE

We foster a positive and inclusive work environment where everyone feels valued, developed and respected for their contributions.

Strategic Goals: FY 2021 – 2025

1. Develop and sustain an aligned and engaged workforce by 2025
2. Enhance professional workforce development by 2025
3. Improve and sustain leadership development ensuring all leaders are effective, knowledgeable and proficient by 2025



Strategic Measures

ENGAGEMENT

≥ 65%

COLLABORATION

Favorable perception of being asked for input regarding changes that affect their work

≥ 70%

COMMUNICATION

Favorable perception that EN communicates well with all employees about what is going on

≤ 5%

TURNOVER

Maximize Employee Retention Rate

WORKFORCE DEVELOPMENT



≥ 80%

TRAINING

Maintain employees' perception of having the training to do job well

≥ 80%

GROWTH OPPORTUNITIES

Improve employees' perception of their work provides opportunities to learn and grow

LEADERSHIP DEVELOPMENT

≥ 70%

Leadership positions filled internally

≥ 75%

SUCCESSION PLANNING

Critical leadership positions filled through succession planning

≥ 85%

SUPERVISOR ENGAGEMENT

Sustain employees' favorable perception in the Supervisor dimension

Strategic Initiatives

1. Engagement

- a. Implement cross-functional focused working groups for various projects and initiatives to identify gaps and drivers and develop actions and goals
- b. Leverage and implement recommendations from 'Staying on Top' working group
- c. Establish 'ENovations' or similar concept to create a culture that values employees' ideas; and fosters innovation and collaboration
- d. Optimize and implement employee communication strategy

2. Workforce Development

- a. Execute workforce planning strategy
- b. Leverage and implement recommendations from 'Staying on Top' working group
- c. Support, leverage and encourage participation in professional organizations (e.g., EN chapters of WIN, NAYGN and LDO; etc.)

3. Leadership Development

- a. Enhance leadership training and integrate with leadership development
- b. Restructure initial leadership training
- c. Improve continuing leadership training by incorporating refresher soft skills and leadership behavior training; align delivery schedule and sequence with industry guidance
- d. Leverage and implement recommendations from 'Staying on Top' working group
- e. Execute succession planning strategy

Strategic Outcome #4



GROW THE BUSINESS

We are the leader in providing innovative new nuclear projects, diverse services and clean energy solutions to maximize our value to the region.

Strategic Goals: FY 2021 – 2025

1. Support the development of new nuclear projects by 2030

2. Grow Energy Services & Development, consistent with sound business principles, with a balanced portfolio of clean energy solutions and services by increasing ESD’s portion of EN total revenue to ≥6% by 2025



Strategic Measures

NEW NUCLEAR



MEET MAJOR MILESTONES

GROWTH



MEET ESD TOTAL MARGIN GOAL*



MEET ESD TOTAL REVENUE GOAL*

*Follows fiscal year targets as established by the Executive Board.

Strategic Initiatives

1. New Nuclear

a. Support achieving strategic partner milestones consistent with project schedules

b. Support a successful project evaluation and decision process by utility partners

c. Develop and execute stakeholder engagement strategy

2. Growth

a. Develop and operate new nuclear

b. Extend Nine Canyon operation

c. Build a solar and storage project on our 300 acres

d. Become a more active and comprehensive joint operating agency (including clean energy solutions)

e. Expand hydro and wind O&M services

f. Optimize laboratory services

Strategic Outcome #5



FOSTER ENVIRONMENTAL STEWARDSHIP

Our daily business practices improve and protect our natural resources for a sustainable future.

Strategic Goals: FY 2021 – 2025

1. Optimize the reduction of individual and agency-wide impact to the environment by 2025

Strategic Measures

WASTE



SQG
MEET SMALL QUANTITY GENERATOR (SQG) STATUS*

ELECTRICAL EFFICIENCY

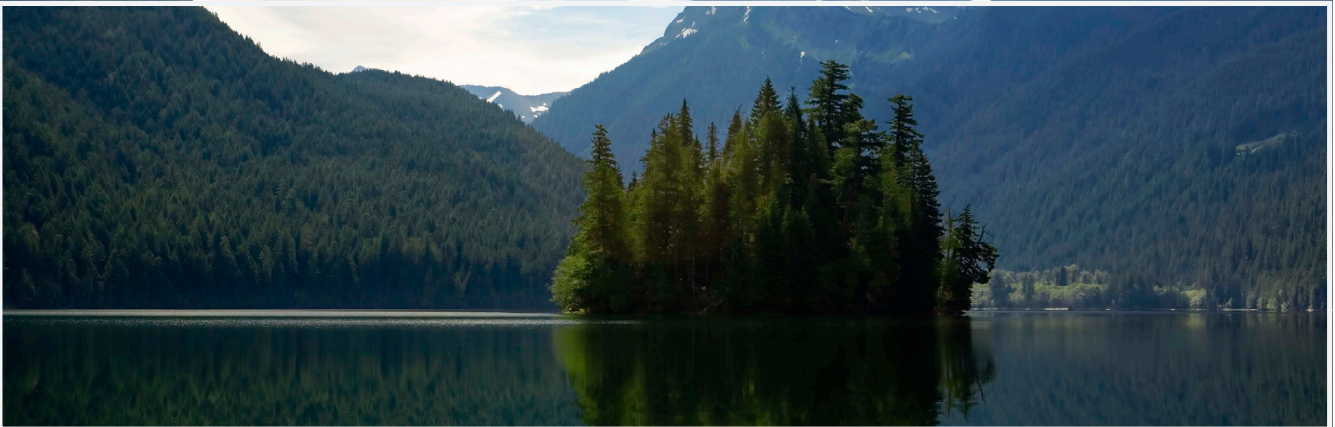


≥ 1,650 MWh
INCREASE ELECTRICAL EFFICIENCY

Strategic Initiatives

1. Meet and maintain Small Quantity Generator (SQG) status at all agency facilities
2. Reduce energy consumption agency-wide
3. Communicate and encourage environmental safety innovations in daily work practices agency-wide
4. Maintain agency-wide Environmental Stewardship Program (ESP)

*As defined by the Washington State Department of Ecology, CGS is currently a medium quantity generator in a pilot program for SQG; all other EN generation projects are SQG



Plan the work. Work the plan.

Energy Northwest is committed to high performance and excellence. Our Fiscal Year 2021 – 2025 Strategic Plan is our road map to achieve that success.

The strategic plan is a living document that aligns our efforts with the changing energy landscape, and our Executive Board’s strategic direction to achieve and sustain excellence of our generation assets and grow our business by expanding into new clean energy markets and services.

On an annual basis, the Executive Board and leadership team will review the plan and revise as necessary to address emerging industry changes and any new internal conditions that might affect EN’s ability to implement successfully. Risks and challenges associated with achieving the vision will also be evaluated during the review process.

Definitions

Strategic Outcome: A high-level strategic direction and aspirational agency-wide desired state of being or end result that focuses our efforts to help ensure we fulfill EN’s mission and vision.

Strategic Goals: The wildly important goals that will help us accomplish the strategic outcome. They are specific and measurable; and illustrate a road map of where we are heading.

Strategic Measures: Targets to measure success of reaching and achieving the goals.

Strategic Initiatives: Overarching strategies used to drive action that will have the biggest impact to achieve the targets and accomplish the goals.





Taking Action

Take time to understand the plan, including the long-term strategic direction and the associated goals, measures and initiatives that represent how we’ll achieve the strategic outcomes. Look for ways the different components of your work align and support the plan’s strategic outcomes.

Through your leaders and department planning process, your manager will develop actions that give line of sight between the work you do each day and the goals in the strategic plan.

What is your role?

Our future success depends on our ability to effectively use our collective skills, talents, knowledge and strengths to achieve Energy Northwest’s vision and goals. Each of us have a role:

-  **Take personal responsibility for safety** – consistently adhere to our safety standards. Actively coach others to ensure behaviors and work practices support safety.
-  **Proactively engage in risk identification** – excellence requires risk to be managed effectively. Identifying something that can be a problem and proactively taking action is the philosophy behind risk management and applies to all activities across all assets and services.
-  **Avoid complacency** – consistently challenge existing conditions and activities that could have an unacceptable impact. Stop and expand the team when needed.
-  **Contribute to innovative ideas to decrease costs** – our ambitious plan means we must all be open to being innovative and acquiring new skills. Think about how we can do our work differently; speak up about work that no longer provides value; find new and different ways to work more efficiently, streamline processes and maintain or improve the quality of our work.



Collaborate – silos are barriers to EN’s success and we all have a role to play in breaking them down. Collaboration means we consult, meet with and inform the right people to get the right input at the right time to make the right decisions for Energy Northwest.



Trust in your leaders, your peers and yourselves – an environment based on trust delivers faster and more effective decision-making, higher quality work and more productive meetings and conversations.



Be accountable – be transparent, expect the best, hold each other accountable and respectfully address each other if expectations aren’t met.



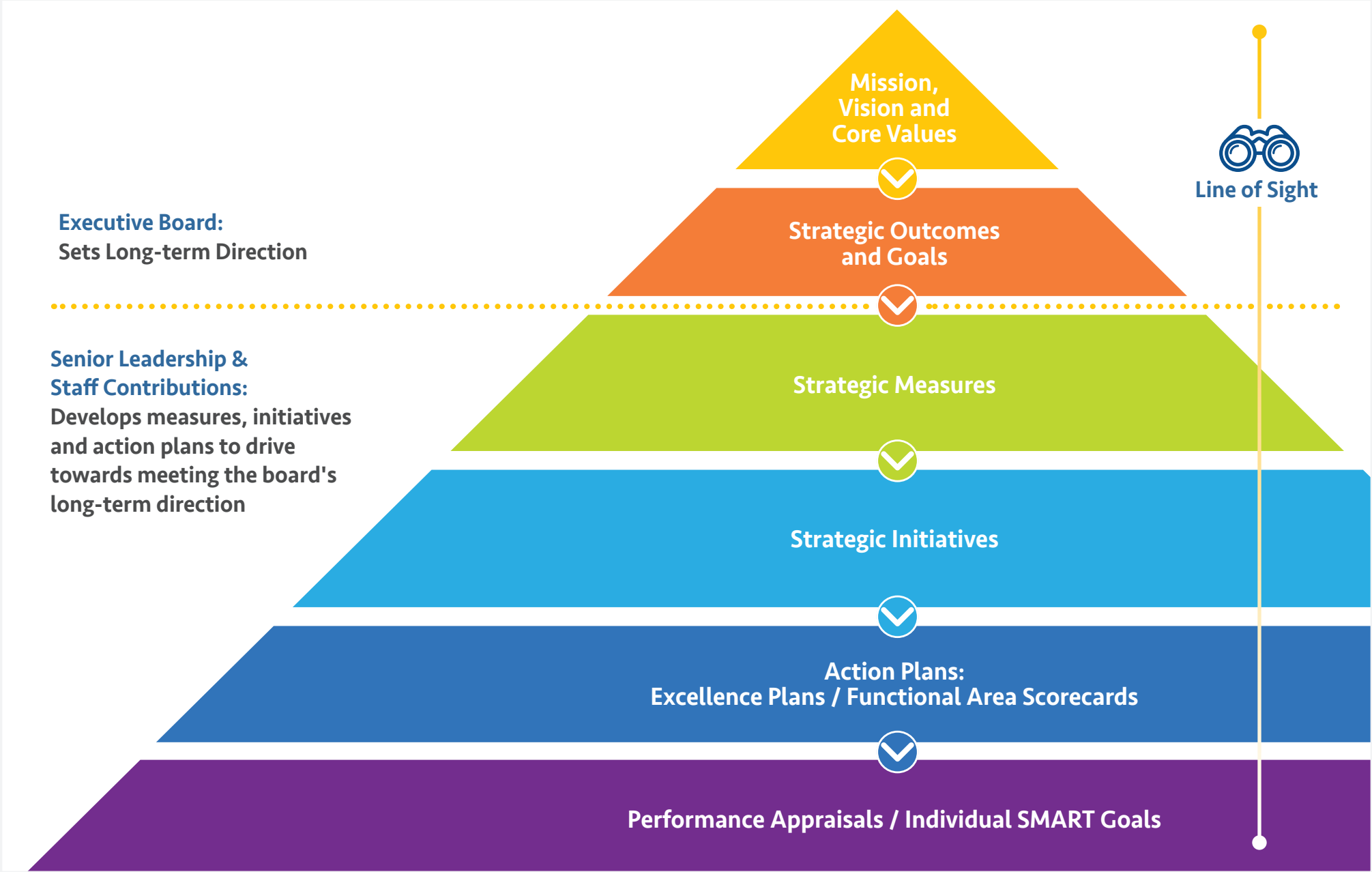
Support community outreach and industry group activities – advocate for Energy Northwest. Actively engage and collaborate with Public Affairs on messaging.



Support and recognize that our clean energy future depends on each one of us here at Energy Northwest – we have the knowledge, experience and people with the talent to accomplish great things.

Through these efforts we will improve the quality of our work, lower our costs and demonstrate value to our stakeholders and community resulting in achieving our goals and ensuring Energy Northwest’s thrives today and in the future.

Energy Northwest – Proud to Power Our Future.



Managing Strategic Enterprise Risks

Our strategic plan is our roadmap that establishes our strategic direction through aspirational outcomes and the most vital goals to sustain our mission and fulfill our vision. Successfully achieving our plan requires identifying the key strategic enterprise risks that signal potential road blocks that have the greatest impact to disrupt our progress.

The importance of risk management cannot be overstated. Risk management is core to successfully executing our strategy. By identifying, assessing, mitigating and monitoring these inherent strategic enterprise risks, ensures we are more anticipatory and effective at evaluating and managing the uncertainties our industry faces and will help us achieve a sustainable future in a constantly changing environment.

Energy Northwest identified four current strategic enterprise risks that are actively being monitored and mitigated with specific actions to decrease their likelihood and impact. As shown on the right, each risk relates to one or more strategic outcomes that are then managed through strategic goals, measures, initiatives, steering committees and/or business plans and related actions.

Current Enterprise Risks



Cost Competitiveness

The efforts to reduce operating expenses may impact reliable and predictable performance and may not be effective in sustaining economic viability in the region.

- Connection to Strategic Outcomes
 - Be Safe – Always
 - Protect & Optimize Our Assets
 - Invest in Our People
 - Grow the Business



Extended or Forced Outage

The challenge in managing human performance, project implementation and aging infrastructure: obsolescence, equipment reliability, critical spares and life cycle management may result in a forced outage of significant duration or an extended refueling outage

- Connection to Strategic Outcomes:
 - Be Safe – Always
 - Protect & Optimize Our Assets



Energy Northwest Value

Potential sentiment against Energy Northwest in general, and nuclear energy specifically, may gain traction which could discredit the agency and impact EN being viewed as a leader in current and future operation of generation assets and energy services.

- Connection to Strategic Outcomes
 - Be Safe – Always
 - Invest in Our People
 - Grow the Business
 - Foster Environmental Stewardship



Cyber Security

Evolving cyber threats may have the potential to disrupt core business operations or damage reputation. External events could impact generation.

- Connection to Strategic Outcomes
 - Protect & Optimize Our Assets



The Model

TheEnergyNorthwestExcellenceModelisamodelforchangingandsustainingworkforce behaviors. It is a proven blueprint to pursue performance excellence opportunities and realize sustainable performance excellence results. Using and leveraging the model to implement our strategic plan will ensure we achieve and sustain the strategic direction provided by our Executive Board. The model leads our workforce in an effective, time-tested and proven manner. We use this model every day as we operate our generation facilities in a safe, reliable and predictable manner.

Defining the Model

The Excellence Model’s visual appearance – as shown on the right – includes four interdependent tiers that build on the preceding tiers’ strengths. Its foundation is based on principles that are key to establishing and maintaining a workplace environment that leads to and sustains desired behaviors.

4
Tiers

4
Principles

4
Pillars

6 ACEMAN
Attributes

6 Enablers of
Excellence

10+
Years
Using the model



1,000+
Employees who are
ACEMAN

100%
Effective



24/7
Usage

The Right People

The Right Picture

Energy Northwest Excellence
Safe, Reliable, Predictable

Organizational
Excellence

Effective Leaders
Predictable
Accountable
Learning Organization
Teamwork

Operational
Excellence

Safety
Configuration Control
Teamwork

Training/Business
Excellence

Effective
Accountable
Model
Customer Satisfaction
Teamwork

Equipment
Excellence

Zero Tolerance
Reliable
Predictable
Pride
Teamwork

Individual Excellence

A	C	E	M	A	N
Accident Free	Control Dose/Cost	Event Free	Meet Commitments	Attend Training	No Rework

Enablers of Excellence

Qualified Workers	Job Planning / Business Preparation	Procedures / Work Instructions	Verification / Validation	Supervisor Oversight	Worker Practices
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The Right Process

The Right Coaching

