FY 2021 – 2025
STRATEGIC PLAN
Powering Our Clean Energy Future

Revised 10.28.21
Dear Energy Northwest Team,

We are pleased to share with you Energy Northwest’s new 5-year Strategic Plan. Our plan is the blueprint for sustaining our mission and fulfilling our vision laying out the most vital strategic goals to focus on during the next five years. Our strategic outlook is new, exciting, challenging and most importantly, achievable.

The plan ensures we are aligned and working together as a united organization around a common goal. For the purpose of this plan that goal is excellence and growth. Being focused together on what is strategically essential means we will continue to thrive in a challenging, changing and uncertain future.

Drivers of Change

As we prepared for the fiscal year 2021 strategic planning process, it was evident there are several developing needs and impacts within our region that create opportunity, action and a potential shift in our long-term strategy. Major drivers of change include:

1. Washington’s Clean Energy Transformation Act;
2. Growing regional resource adequacy challenges;
3. Bonneville Power Administration’s power contracts; and
4. Coronavirus disease (COVID-19)

Leaning into Change

We are proactively leaning into these changes and expanding our strategy to increase our portfolio of generating assets and energy services to look at adding new clean energy projects, services and solutions.

Specifically, we are already exploring options to help Washington state meet its new mandate of 100 percent clean electricity by 2045. As a preliminary step, we completed a study examining the state’s capacity and resource adequacy needs under the new clean energy legislation. We also created a subcommittee focused on resource adequacy and near-term actions EN can take to lead the way through this regional challenge.

As part of our broader initiative to assess new carbon-free generating resources, the study also evaluates a subsequent license renewal for Columbia Generating Station and the value of siting a small modular reactor at EN’s Industrial Development Complex. New strategic goals and initiatives were established to evaluate and activate opportunities such as these.

Change is Here

Over the planning horizon, we expect additional significant changes in the region, within the industry, our customers and even in technologies. As we continue to adapt to emerging technologies and new ways of building and managing our businesses, we must be focused on how to lead through these changes and take action with the necessary urgency to account for first of a kind activities that can have extended lead times to implement. We also are looking at how we do business to ensure we are flexible enough to take on new opportunities and respond to changes. This strategic roadmap positions the EN team to lead through these challenges.

Using the Plan

Our new plan includes goals that define our Executive Board’s strategic direction and strategic initiatives established by a cross-organizational team to achieve the defined goals and the measures that will be used by the EB to monitor our progress.

We all play a role in implementing this strategy which can only be achieved if we understand the goals and work together to accomplish them. Implementing the plan ensures we are a future-ready EN, ready to meet any challenge along the way by keeping ahead of the transformation happening all around us.

Looking to the Future

The strategic plan lays out an ambitious path to an exciting future, with aggressive goals and targets. Achieving our strategic goals will not be easy, and it will take commitment from everyone at EN. We are confident that by working together collaboratively, we will deliver on our strategic goals and make our strategic outcomes a reality.

We have the best and the brightest team with industry-leading knowledge, expertise, experience and commitment to delivering Excellence. We will continue to provide the region with carbon-free power, while decreasing costs and improving performance; these efforts remain vital as the northwest transitions to a clean energy future.

Sid Morrison
Executive Board Chair

Brad Sawatzke
Chief Executive Officer
ABOUT ENERGY NORTHWEST

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

Formed in 1957 as a JOA (Joint Operating Agency)

Serving more than 1.5 Million public power customers

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

Employs nearly 1,000 diverse and highly skilled people (our greatest asset)
Energy Northwest Mission Statement

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

Energy Northwest Vision Statement

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

Energy Northwest Core Values

Safety first
Integrity in all we do
Accountability for our actions
Excellence in Performance

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.
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.

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 DIRECTION**

- **Be Safe - Always**
  
  Every worker goes home safe – Everyday.

- **Protect & Optimize Our Assets**
  
  We are counted on by the region for reliability, economic value and resilience.

- **Invest in Our People**
  
  We foster a positive and inclusive work environment where everyone feels valued, developed and respected for their contributions.

- **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.

- **Foster Environmental Stewardship**
  
  Our daily business practices improve and protect our natural resources for a sustainable future.
5-YEAR STRATEGIC PLAN

STRATEGIC DIRECTION

Senior Sponsor: Dave Brown    Owner: Randy Prewett

Strategic Goal: FY 2021 – 2025

1. **Nuclear Safety**: Achieve industry excellence for Columbia's equipment performance by 2022 and sustain performance
2. **Radiological Safety**: Achieve 2nd quartile for Columbia's collective radiation exposure by 2021 and sustain performance
3. **Industrial Safety**: Achieve industry excellence in industrial safety by the end of 2021 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. Sustain 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

Strategic Outcome #1

**BE SAFE - ALWAYS**
Every worker goes home safe - Everyday.

Strategic Measures

<table>
<thead>
<tr>
<th>NUCLEAR</th>
<th>RADIOLOGICAL</th>
<th>INDUSTRIAL</th>
<th>ENVIRONMENTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>≥ 85 EQUIPMENT PERFORMANCE INDEX</td>
<td>≤ 110* PERSON REM COLLECTIVE RADIATION EXPOSURE (2-year average)</td>
<td>≤ 0.05 RECORDABLE INJURY RATE</td>
<td>MEET ALL ENVIRONMENTAL COMPLIANCE OBLIGATIONS</td>
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**Strategic Measures**

- **EQUIPMENT PERFORMANCE INDEX**: ≥ 85
- **PERSON REM COLLECTIVE RADIATION EXPOSURE**: ≤ 110*
- **RECORDABLE INJURY RATE**: ≤ 0.05
- **MEET ALL ENVIRONMENTAL COMPLIANCE OBLIGATIONS**


Senior Sponsor: Dave Brown     Owner: Randy Prewett

Strategic Measures

- **NUCLEAR**: ≥ 85 EQUIPMENT PERFORMANCE INDEX
- **RADIOLOGICAL**: ≤ 110* PERSON REM COLLECTIVE RADIATION EXPOSURE (2-year average)
- **INDUSTRIAL**: ≤ 0.05 RECORDABLE INJURY RATE
- **ENVIRONMENTAL**: MEET ALL ENVIRONMENTAL COMPLIANCE OBLIGATIONS

**Strategic Initiatives**

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**Strategic Initiatives**

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### Strategic Goals: FY 2021 – 2025

1. Achieve Exemplary status by end of 2020 and sustain excellence
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 2025
4. Identify optimal time to pursue securing Columbia Generating Station as a large, long-term and clean energy solution through 2063 by 2026

### Strategic Initiatives

1. **Exemplary**
   - a. 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
   - b. Achieve ‘Exemplary’ rating as evaluated by industry peers
   - c. Improve equipment performance and reliability by executing critical component preventative maintenance strategies and clearly defining outage scope
   - d. Maintain strong Nuclear Regulatory Commission performance

2. **Cost of Power**
   - a. Develop and implement innovative ideas to improve efficiency and reliability
   - b. Identify and implement lasting budget reductions through process efficiencies and simplification using assessment reviews, cost savings idea initiatives and industry benchmarking
   - c. Optimize preventative maintenance program
   - d. Create deeper cost management understanding and discipline across the agency surrounding both fixed and variable costs
   - e. Implement outage Long Range Planning, effectively managing outage costs, durations and goals, to support sustainable regional commitment
   - f. Foster public support for Columbia Generating Station's clean, carbon-free nuclear energy

3. **Capacity**
   - a. Implement and execute high-pressure turbine project in refueling and maintenance outage
   - b. Implement and execute moisture separator reheater project in refueling and maintenance outage
   - c. 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**
   - a. Conduct benchmarking to identify costs; vendors utilized; and overall lessons learned by plants that have recently gone through a Subsequent License Renewal
   - b. Conduct a readiness assessment to define overall project scope; plan and schedule development; duration and cost estimates; and high-level equipment impact
   - c. Foster public support for Columbia Generating Station’s clean, carbon-free nuclear energy

### Strategic Measures

<table>
<thead>
<tr>
<th>Strategic Outcome #2</th>
<th>PROTECT AND OPTIMIZE OUR ASSETS - NUCLEAR</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>KPIs</strong></td>
<td><strong>≤ $27.40/MWh</strong></td>
</tr>
<tr>
<td><strong>PRODUCTION COST OF POWER</strong></td>
<td><strong>≤ $35.73/MWh</strong></td>
</tr>
<tr>
<td><strong>GENERATING COST OF POWER</strong></td>
<td><strong>≥ 20 MWe</strong></td>
</tr>
<tr>
<td><strong>INCREASED MEGAWATT CAPACITY</strong></td>
<td><strong>MEET MAJOR MILESTONES</strong></td>
</tr>
</tbody>
</table>

*Escalated to FY24 $*

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

<table>
<thead>
<tr>
<th>9 Canyon Continued Operation</th>
<th>9 Canyon Cost of Power</th>
<th>Packwood Cost of Power</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>O&amp;M</strong> Meet Annual O&amp;M Budget</td>
<td>≥ 98% Adjusted Availability</td>
<td><strong>O&amp;M</strong> Meet Annual O&amp;M Budget</td>
</tr>
<tr>
<td><strong>Capital</strong> Meet Annual Capital Budget</td>
<td><strong>Capital</strong> Meet Annual Capital Budget</td>
<td><strong>Capital</strong> Meet Annual Capital Budget</td>
</tr>
</tbody>
</table>

### 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
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 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

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**PROTECT AND OPTIMIZE OUR ASSETS - NON-NUCLEAR**

We are counted on by the region for reliability, economic value and resilience.
Strategic Goals: FY 2021 – 2025

1. Develop and sustain an aligned and engaged workforce by 2024
2. Enhance professional workforce development by 2024
3. Improve and sustain leadership development ensuring all leaders are effective, knowledgeable and proficient by 2024

Strategic Measures

<table>
<thead>
<tr>
<th>ENGAGEMENT</th>
<th>WORKFORCE DEVELOPMENT</th>
<th>LEADERSHIP DEVELOPMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>≥ 65%</td>
<td>≥ 82%</td>
<td>≥ 70%</td>
</tr>
<tr>
<td>COLLABORATION</td>
<td>TRAINING</td>
<td>Leadership positions filled internally</td>
</tr>
<tr>
<td>Favorable perception of being asked for input regarding changes that affect their work</td>
<td>Maintain employees’ perception of having the training to do job well</td>
<td></td>
</tr>
<tr>
<td>≥ 75%</td>
<td>≥ 80%</td>
<td>≥ 75%</td>
</tr>
<tr>
<td>COMMUNICATION</td>
<td>GROWTH OPPORTUNITIES</td>
<td>SUCCESSION PLANNING</td>
</tr>
<tr>
<td>Favorable perception that EN communicates well with all employees about what is going on</td>
<td>Improve employees’ perception of their work provides opportunities to learn and grow</td>
<td>Critical leadership positions filled through succession planning</td>
</tr>
<tr>
<td>≤ 4%</td>
<td></td>
<td>≥ 85%</td>
</tr>
<tr>
<td>TURNOVER</td>
<td>SUPERVISOR ENGAGEMENT</td>
<td>Sustain employees’ favorable perception in the Supervisor dimension</td>
</tr>
<tr>
<td>Maximize Employee Retention Rate</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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

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

ENGAGEMENT
- ≥ 65% COLLABORATION
  Favorable perception of being asked for input regarding changes that affect their work

COMMUNICATION
- ≥ 75%
  Favorable perception that EN communicates well with all employees about what is going on

TURNOVER
- ≤ 4%
  Maximize Employee Retention Rate

LEADERSHIP DEVELOPMENT
- ≥ 82% TRAINING
  Maintain employees’ perception of having the training to do job well

GROWTH OPPORTUNITIES
- ≥ 80%
  Improve employees’ perception of their work provides opportunities to learn and grow

SUPERVISOR ENGAGEMENT
- ≥ 85%
  Sustain employees’ favorable perception in the Supervisor dimension

 notoriously difficult to predict

Senior Sponsor: Steve Lorence      Owners: Rebeka Seemann
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 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 Measures

<table>
<thead>
<tr>
<th>NEW NUCLEAR</th>
<th>GROWTH</th>
</tr>
</thead>
<tbody>
<tr>
<td>≥ 25%</td>
<td>≥ 20%</td>
</tr>
</tbody>
</table>

- MEET MAJOR MILESTONES
- BUSINESS DEVELOPMENT FUND REVENUE GROWTH*
- BUSINESS DEVELOPMENT FUND OPERATING PROJECT MARGIN GROWTH*
- INCREASE IN ESD’S PORTION OF EN TOTAL REVENUE* (2-year average)

*Baselines start from the approved FY20 budget.

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 Measures

<table>
<thead>
<tr>
<th>Waste</th>
<th>Electrical Efficiency</th>
</tr>
</thead>
<tbody>
<tr>
<td>MEET SMALL QUANTITY GENERATOR (SQG) STATUS*</td>
<td>≥ 150 MWh INCREASE ELECTRICAL EFFICIENCY</td>
</tr>
</tbody>
</table>

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.

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.

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.

**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.
Executive Board:
Sets Long-term Direction

Senior Leadership & Staff Contributions:
Develops measures, initiatives and action plans to drive towards meeting the board's long-term direction
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 roadblocks 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 EXCELLENCE MODEL

The Model

The Energy Northwest Excellence Model is a model for changing and sustaining workforce 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

1,000+ Employees who are ACEMAN

10+ Years Using the model

100% Effective

Enablers of Excellence

The Right People

Energy Northwest Excellence
Safe, Reliable, Predictable

Organizational Excellence
Effective Leaders
Predictable Accountability
Configurable 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

The Right Process

The Right Coaching