

# Proposed Strategic Priorities and Objectives

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## *1. Ensure Future Financial Security*

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**Objective:** Effectuate changes needed to be made to equitably stabilize rates, provide for financial flexibility, and to ensure stable financial positioning for the long-term future of SCL and its customers.

*Tasks:*

- Rate Restructuring and Policies - Evaluate and modify rate structures and customer policies with attention and prioritization to: cost-causation, energy equity, demand-based rates, time-of-use / real-time power pricing mechanisms.
- Financial Planning and Policies - Evaluate and modify financial plans and policies with a focus on the long-term sustainability of: capital and debt load goals and policies, cash reserves goals and policies, and equity-based programs' goals and policies.
- Revenue Stream Enhancement - Research and develop plans and policies to capitalize on consumer-driven power trends as a revenue center for SCL. Focus efforts on trends such as partnerships with the private sector on asset deployment opportunities, financing assistance for consumer device purchases, servicing options for consumer devices, and convenience or custom service options for customers.
- Emergency Financial Operations - Evaluate and develop minimum operating cost plans to be deployed in the event of an operational financial crisis. Plans should allow for Seattle City Light to continue to provide essential power services and should be scalable to meet the particular crises being endured.
- Financial Flexibility - Evaluate and develop creative flexible financing products and rate levers / options that are available to implement quickly in an effort to mitigate financial concerns or capitalize on financial opportunities quickly and efficiently.
- Cost Control and Optimization - Evaluate and identify programs, policies and procedures that can be eliminated, suspended or modified if not providing customer value.

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## 2. Prepare the Grid for Tomorrow's Energy Use

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**Objective:** Implement innovative grid modifications necessary to meet customer needs, address current and future security requirements, and adapt to emerging grid utilization demands being placed upon it.

*Tasks:*

- Grid Resiliency - Evaluate and modify the grid by hardening, sectionalizing and / or islanding SCL for resiliency, asset-optimization and operations protection.
- Enhancing Cyber Security, Compliance, and Planning - Evaluate, invest in, and fortify the physical and cyber assets of SCL, by focusing on IT/OT integration, security and compliance partnerships, preparedness plans, education, and current and future physical and cyber asset protection.
- Electrification Integration - Evaluate and modify the grid to enable and promote electrification, focusing on implementing vehicle to grid transitions, EV infrastructure build-out, public and private electrification partnerships, and City of Seattle electrification goals.
- Optimize Integration of Distributed Energy Resources - Evaluate, invest in and modify the grid to enable micro-grids, virtual power plants, DERs and storage integration across the SCL footprint and implement a distributed energy resource management system. Optimize the grid operationally and economically while lowering access barriers for communities historically most harmed by economic, racial and environmental injustice.

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### *3. Evolve to Meet Transformational Changes in the Utility and Customer Relationship*

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**Objective:** Provide excellent customer service while being pre-emptively prepared for transformative changes in electricity production, electricity consumption, consumer trends, and other innovative industry changes.

*Tasks:*

- Telling our Story - Increase customer and external community communications by promoting the environmental sustainability of SCL's hydro-electric generation, SCL's priority of making itself free of climate pollutants, SCL's robust low-income support programs, and SCL's commitment to outage and power restoration responses.
- Customer Choices – Research, identify, create and conduct strategic customer education programs which advise consumer-driven technology investments in DER's, distributed storage, and micro-grid applications, while enabling 360-degree feedback on new technology desires from the customer.
- Advocating for Us - Increase state and federal advocacy activities to support increased funding, improved communication and education on cyber security and regulations, grid modernization, and climate initiatives.

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## 4. Optimize Operations

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**Objective:** Modify business operations to optimize the value and operating efficiency of the utility while reducing cost of service and retaining and attracting an exemplary workforce.

*Tasks:*

- Energy Resource Valuation - Conduct an in-depth useful life and economic value analysis of all current energy resources. Modify future resource plans by prioritizing all existing and future resources options based on least cost, resource diversification, carbon-free status, storage, grid resource / storage optimization, and consumer energy investments.
- Workforce Optimization - Conduct an evaluation of the appropriate staffing levels and operational needs of SCL in current and future operating scenarios. Develop flexible transition plans on how to achieve the most efficient operating levels in future staffing scenarios.
- Maximize Coordination and Integration of IT Solutions - Evaluate the effectiveness, cost, and efficiency of current information technology infrastructure. Evaluate solutions while prioritizing the employee user experience.
- Preparing Operations for Climate Impacts - Evaluate the operational impacts SCL will face as climate change accelerates. Develop plans to ensure safe, environmentally sound, reliable continuity of service at the lowest cost.
- Enhancing and Preparing the Workforce - Conduct an in-depth evaluation on each current position at SCL for business need, skill gaps and future employment needs. Create succession and recruitment plans from current use to defined future use, while considering outsourcing and automation / mechanization. Evaluate employees' skills against succession position requirements and create education plans for reasonably assumable future job classifications.
- Regional Operational Leadership - Position SCL as a regional leader in an operations cooperation group with other utilities where mutual short- and long-term goals and plans are discussed, shared, examined and implemented jointly.