

	Strengths	Weaknesses	Opportunities	Threats/Challenges
<b>Customers/ Ratepayers</b>	<ul style="list-style-type: none"> <li>• Strong support for public power – the City Light “brand” has goodwill, positive history associated with it*</li> <li>• Good reputation with the environmental community/ reputation for environmental leadership</li> <li>• City Light values being a customer-oriented utility.</li> <li>• Strategic plan communicates rate plans to customers and stakeholders</li> <li>• <b>Strategic Plan provides rate predictability</b></li> <li>• Commitment to social (RSJI) and environmental equity</li> <li>• <b>Monopoly position</b></li> <li>• <b>Relatively low rates</b></li> <li>• <b>Low occurrence of power outages</b></li> <li>• <b>Outage map available to customers</b></li> <li>• <b>Increase in UDP enrollment</b></li> <li>• <b>Immune from impact of customer-based renewables</b></li> </ul>	<ul style="list-style-type: none"> <li>• Utility does not control key aspects of customer service experience*</li> <li>• Business processes sometimes impede efficient and effective customer service</li> <li>• Web page is not meeting customer expectations</li> <li>• Limited options in the use of technology to communicate with customers in ways they want</li> <li>• Limited service and payment options for customers to choose from</li> <li>• Length of time for power hook-ups and lack of communication about hook-up status / <b>slow in responding to customers</b></li> <li>• <b>Occasional negative media coverage</b></li> <li>• <b>Rates are relatively high for some industrial customers compared to their options/competitors</b></li> <li>• <b>Web page is limited</b></li> <li>• <b>Few customer service engagement options</b></li> <li>• <b>Load forecast is often not accurate</b></li> <li>• <b>Actual rate experience is higher than the 6-year plan average</b></li> </ul>	<ul style="list-style-type: none"> <li>• <b>Better customer engagement can improve environmental/ social equity outcomes</b></li> <li>• <b>Partnership opportunities, particularly with high-tech companies</b></li> <li>• <b>Strong economy and business community</b></li> <li>• <b>Customer service needs can be better understood and addressed</b></li> <li>• Improved processes for new connections and metering could increase revenue recovery and customer satisfaction</li> <li>• Public support for innovation, preparing for the future</li> <li>• Become known throughout the country as a very high performing utility in the environmental sector</li> <li>• Customer education can result in better customer decisions</li> <li>• Customers value our strengths</li> <li>• Innovation in customer-facing areas</li> <li>• Economic growth could outpace load loss</li> <li>• RSJI program participation in project planning and implementation provides opportunities for better service for all customers</li> <li>• Seattle community commitment to equity and environment</li> <li>• <b>Customers not well informed about the fact that City Light is public power</b></li> <li>• <b>Outage map improvements</b></li> </ul>	<ul style="list-style-type: none"> <li>• <b>Declining sales and related reductions in revenue</b></li> <li>• Innovative efforts fail to keep up with customer expectations</li> <li>• Lack of federal and state legislative support for leveling the playing field for public power</li> <li>• Risk of rates increasing as service level declines</li> <li>• Large companies and even municipalities are doing their own renewable-based energy procurement</li> <li>• Changing, increasingly stringent environmental regulations</li> <li>• Uncertainty stemming from changes in federal and state elections--impact on environmental/regulatory policies</li> <li>• Seattle’s rising cost of living impacting who can live here, and creating uncertainty about community values (equity) that are important to the Utility</li> <li>• Increased customer/ stakeholder expectations for distributed grid, new technologies and more renewables clashing with limited Utility revenues</li> <li>• <b>Rate design*</b></li> </ul>

	Strengths	Weaknesses	Opportunities	Threats/Challenges
			<ul style="list-style-type: none"> <li>• Reducing time for power hook-ups</li> <li>• Align operations with City policy goals*</li> <li>• Improve communication about/access to customer programs</li> </ul>	
<b>Employees</b>	<ul style="list-style-type: none"> <li>• <i>Safety, health and wellness is valued by the organization</i></li> <li>• <i>Dedicated, committed and engaged employees</i></li> <li>• Skilled, knowledgeable, experienced employees</li> <li>• Commitment to civic and community mission</li> <li>• Employees focused on customer service</li> <li>• <i>Utility invests in its workforce</i></li> <li>• Diverse executive management team</li> <li>• <i>Pursuit of innovation</i></li> <li>• <i>Supportive work environment</i></li> <li>• <i>Management is quantifying employee hiring and promotion data with a goal of a diverse workforce that mirrors the make-up of our community</i></li> <li>• <i>Diverse workforce as compared to other utilities—this strength will also position SCL well for the future</i></li> </ul>	<ul style="list-style-type: none"> <li>• <b>Insufficient succession planning</b> <ul style="list-style-type: none"> <li>○ <b>Retirements-- loss of knowledge base</b></li> </ul> </li> <li>• <b>Need for more standardized work processes</b></li> <li>• <b>Lack of mature change management processes and skillsets</b></li> <li>• <i>Overly risk averse culture</i></li> <li>• <i>Change averse culture</i></li> <li>• <i>Lack of entry level positions / limited growth opportunities</i></li> <li>• <i>Need for more enterprise-wide processes</i></li> <li>• <i>Need for easily accessible enterprise-wide data</i></li> <li>• <i>Weak skills in understanding and using data</i></li> <li>• <i>Narrow-banding of job descriptions and siloed employees—limited flexibility in staffing</i></li> <li>• <i>Lack of internal communications—we are too siloed</i></li> <li>• <i>Lack of shared vision</i></li> <li>• <i>Weak performance review process (mentoring, feedback)</i></li> </ul>	<ul style="list-style-type: none"> <li>• Booming economy brings in highly skilled work force</li> <li>• Connections to higher education / industry can help with bringing in workforce</li> <li>• Partnerships with other utilities to adopt best practices and achieve economies</li> <li>• Innovation</li> <li>• Improve wage equity, employment opportunities through community outreach initiatives, esp. to diverse communities</li> <li>• New technologies can improve safer work practices, opportunities and efficiencies</li> <li>• <i>Focus on bottlenecks and silos that hamper customer experience</i></li> <li>• <i>Utility of the future initiative can address how employees do their work, reducing silos</i></li> <li>• <i>Think about flexibility that can attract/keep/engage millennials into the workforce</i></li> <li>• <i>Improve communications</i></li> </ul>	<ul style="list-style-type: none"> <li>• Competition/difficulty in hiring due to local booming economy and increasing cost of living</li> <li>• City requirements: *                     <ul style="list-style-type: none"> <li>○ City's personnel system not tailored to meet SCL needs to be competitive in attracting and retaining high quality workforce</li> <li>○ Lack of flexibility/rigidity of workforce classification system</li> <li>○ City centralizes management of collective bargaining</li> <li>○ <i>One-size fits all centralized policies do not work well for the Utility.</i></li> </ul> </li> </ul>

	Strengths	Weaknesses	Opportunities	Threats/Challenges
		<ul style="list-style-type: none"> <li>• <i>Visibility of leadership team/poor top-down communication</i></li> <li>• <i>Utility sometimes not responsive to ideas and new suggestions</i></li> <li>• Utility has more people of color in lower paid positions</li> </ul>		
<b>Assets</b>	<ul style="list-style-type: none"> <li>• Decades of experience in conservation/energy efficiency programs (longest running programs in nation)</li> <li>• Large and diverse real estate holdings in land scarce service territory</li> <li>• Low cost, environmentally friendly power portfolio—carbon free</li> <li>• Distribution system</li> <li>• Robust capital investment program/strong asset base</li> <li>• Hydroelectric facilities</li> <li>• <i>Favorable access to capital markets*</i></li> <li>• <i>Improvements in automation, smart metering</i></li> <li>• <i>Dam safety programs</i></li> </ul>	<ul style="list-style-type: none"> <li>• Technology and innovation—are we falling behind the curve?                             <ul style="list-style-type: none"> <li>○ Several aspects of our operations are slow/antiquated compared to industry standards—e.g., customer portal service connections, solar production meter, digital signatures.</li> </ul> </li> <li>• Data systems inadequate—both customer and internal facing</li> <li>• Workspace doesn't promote organizational values of collaboration and creativity</li> <li>• Nascent project management processes and project coordination processes</li> <li>• Do not have strong management of or information on asset inventory/condition assessments</li> <li>• Lack of asset standardization</li> </ul>	<ul style="list-style-type: none"> <li>• Load building through green electrification</li> <li>• Energy Imbalance Markets create opportunities for new revenue and modernized leadership</li> <li>• Competitive rates allow room for strategic investments</li> <li>• Robust transmission system facilities mean Utility can accommodate future growth</li> <li>• <i>Increased safety regulations</i></li> <li>• <i>Use data management systems to make better decisions</i></li> <li>• <i>Increase revenue over time by participating in additional renewable and clean energy markets like the EIM</i></li> <li>• <i>Electrification of transportation sector</i></li> <li>• <i>AMI—use data to predict overloads and identify fraud</i></li> </ul>	<ul style="list-style-type: none"> <li>• <b>Climate change – increases risk to assets and power production</b></li> <li>• Being perceived as a deep pocket by city, federal and state regulatory authorities</li> <li>• Lack of cost-effective energy storage at scale</li> <li>• Increased federal and state safety regulations                             <ul style="list-style-type: none"> <li>• <i>Cyber security threats and threats to physical assets, combined with increasing regulatory structure associated with grid reliability and resiliency</i></li> </ul> </li> <li>• <i>Uncertainty about future of Bonneville Power Administration contracts</i></li> <li>• <i>Variability in net wholesale revenues</i></li> <li>• <i>Increased requirements for future asset construction following Denny Substation</i></li> </ul>

<p><b>Municipal Enterprise/ Internal Systems</b></p>	<ul style="list-style-type: none"> <li>• Strong support for public power – the City Light “brand” has goodwill, positive history associated with it*</li> <li>• Current strategic plan and commitment to planning</li> <li>• Ability to operate Utility to meet many values, not just cost (triple-bottom line)</li> <li>• Favorable access to capital markets*</li> <li>• Utility Discount Program</li> <li>• Investment in energy efficiency</li> <li>• Community engagement in Utility policies</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Declining revenue and competition among priorities /inability to grow or shrink operations where needed</b></li> <li>• <b>Municipal utility model— centralized services, elected policy makers and executive have non-utility priorities; routine issues can stagnate</b></li> <li>• <b>Difficulty of changing rate structure</b></li> <li>• Utility does not control key aspects of customer service experience*</li> <li>• <b>Unfunded mandates imposed on Utility by City policies</b></li> </ul>	<ul style="list-style-type: none"> <li>• <b>Move outside municipal business model, existing revenue lines</b></li> <li>• Oversight groups value our strengths</li> <li>• Improving relationships with oversight groups</li> <li>• Oversight group values of equity and openness</li> <li>• <i>Align operations with City policy goals*</i></li> <li>• <i>Award employees for exceptional performance in construction efforts and emergency response</i></li> <li>• Continued environmental stewardship</li> <li>• <i>Increase awareness of the value of public power</i></li> <li>• <i>Synergies with other municipal efforts such as electrification of transportation and energy codes</i></li> </ul>	<ul style="list-style-type: none"> <li>• <b>Public reward system promotes risk averse behavior</b></li> <li>• <b>Declining revenue and a rate model that does not effectively mitigate these losses.</b></li> <li>• <b>City requirements:*</b> <ul style="list-style-type: none"> <li>○ <b>City’s personnel system not tailored to meet SCL needs to be competitive in attracting and retaining high quality workforce</b></li> <li>○ <b>Lack of flexibility/rigidity of workforce classification system</b></li> <li>○ <b>City centralizes management of collective bargaining</b></li> </ul> </li> <li>• Volatility of policy direction</li> <li>• Unfunded city-policy mandates reduce control over budget</li> <li>• <i>Rate design*</i></li> <li>• <i>Requirements to use central city services not tailored to needs of Utility</i></li> <li>• <i>Central administration policy can be diverted by other priorities—little attention to the Utility</i></li> <li>• <i>Too much process</i></li> </ul>
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