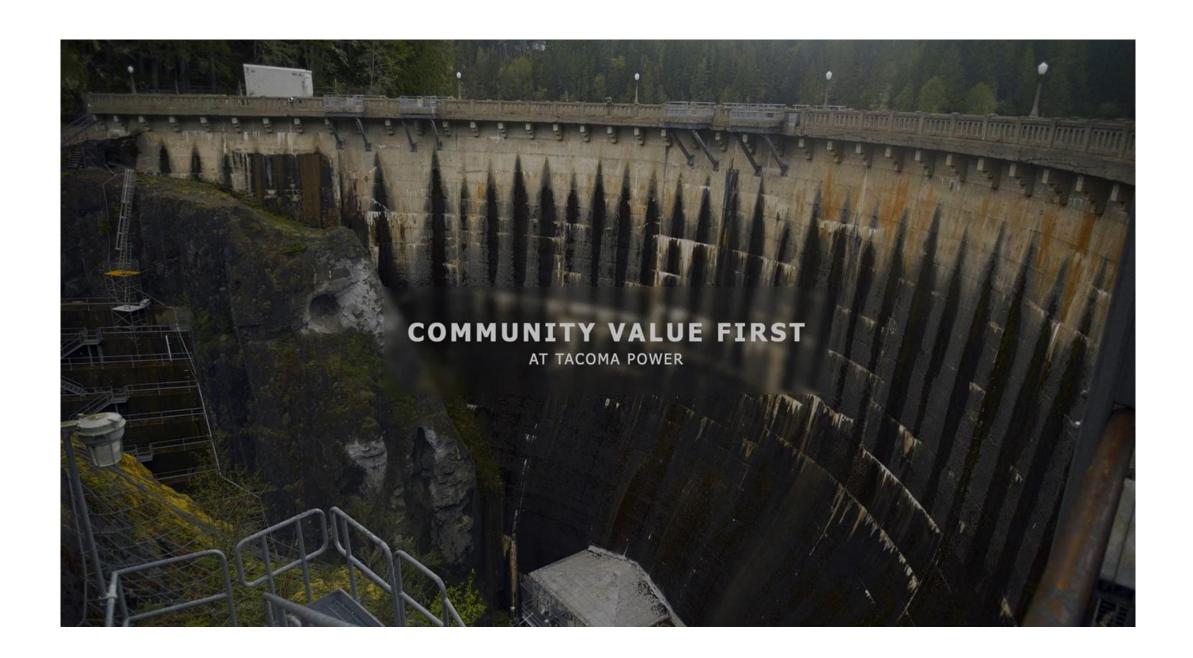
TACOMA PUBLIC UTILITIES





City Manger

City of Tacoma Departments (CED, EEO, ES, Finance, HR, IT, Legal, OEHR, OMB, PW)

Environmental Groups

Franchise Cities

Legislative Policy Makers

Nash Consulting

Organized Labor Business Managers

Pierce & Lewis County

Puyallup & Skokomish Tribes

Regional NGOs

TPU Departments (Customer Service, MSO/Public Affairs & Communications, Rail, Water)

Washington Dept Fish & Wildlife



Community Groups & Organizations (Boys & Girls Clubs, Center for Strong Families, United Way)

Large Customers (JBLM, Port of Tacoma, WestRock, Praxair)

Neighborhood Councils

Retail Customers (Key Account Executives, Low Income Customer Solutions)

Tacoma Public Schools

Supervisor Advisory Team T&D Core Values Team Women's LINC

Employee Focus Groups Strategy Initiative Managers

Data for a Strategic Plan



Interviews

Our Owners & Board
Our Peers & Community
Our Customers
Our People



Input

Participation and contributions from employees at all levels of the organization



Results

Feedback and comments from the 2018 & 2020 Employee Satisfaction Survey and Customer Satisfaction Survey



Accomplishments

Previous strategic plan and work successfully completed

SWOT Analysis

Strengths

Employees
High customer satisfaction & trust
Clean, flexible, reliable supply & delivery
Financial stability
Community focused

Threats

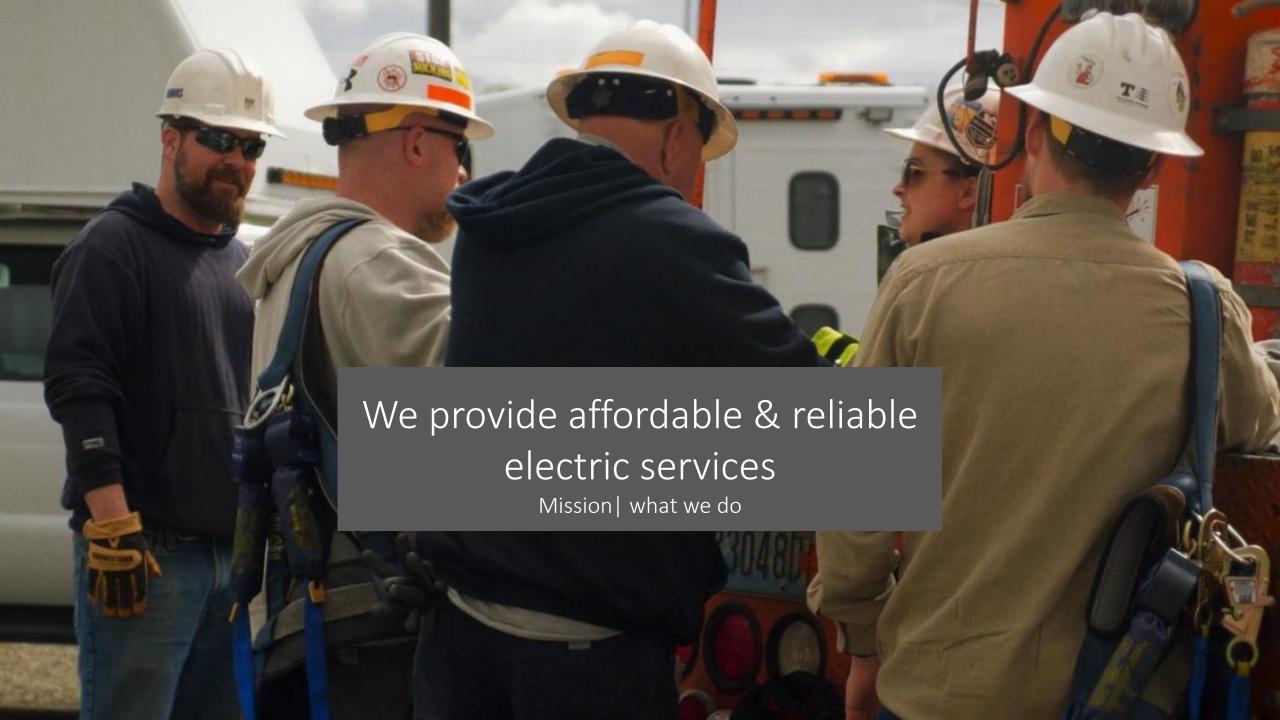
Affordability
Relationship with General Government*
Resiliency (Cyber & Physical)
Inability to keep up with new technology
Culture Impacts

Weaknesses

Too many priorities
Struggle with change
Diversity, Equity & Inclusion
Bureaucratic

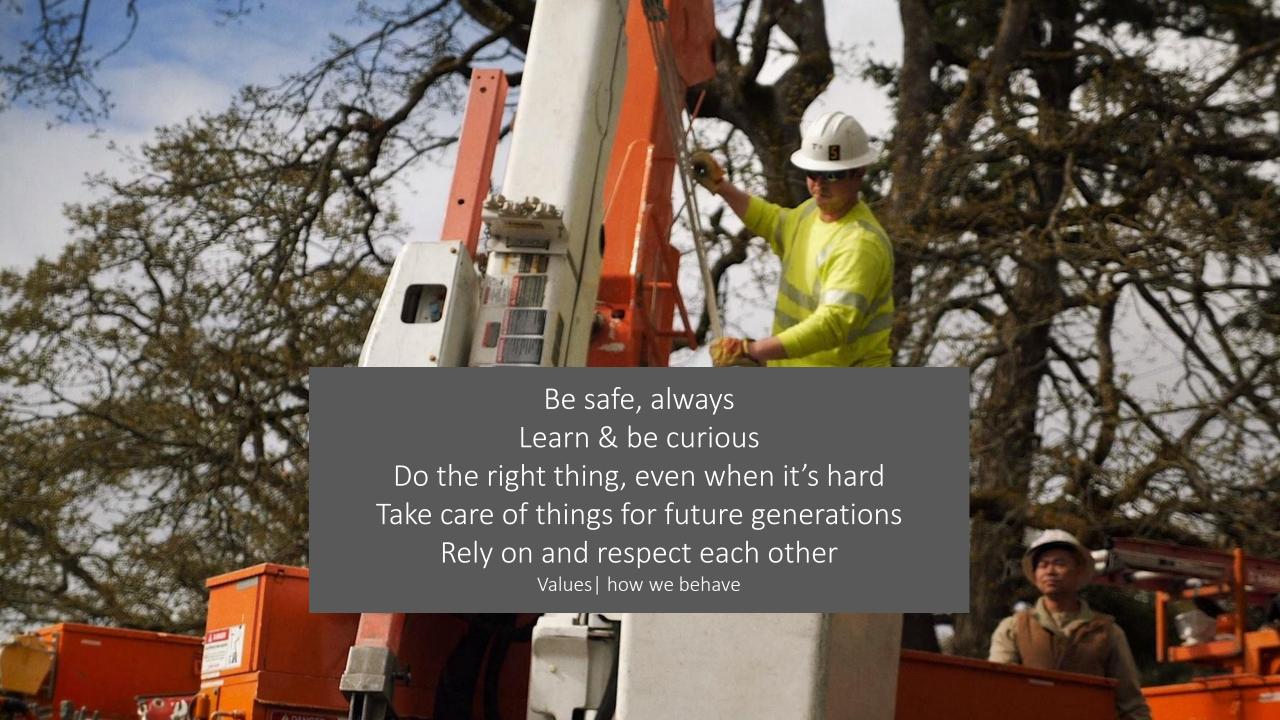
Opportunities

Become customer (people) focused
More Organization Focus & Priority
New Markets, New Loads
Embrace Technology & Mature Data Practices
Improve Efficiencies
Be Our Customer's Trusted Energy Provider











Strategic Themes & Goals













Strategy Management

How are we going to implement the plan?



Goals | Summit Mt. Rainier

OKRs | Steps we take to get to the summit

01, 2021

WorkBoard

Example: Equity Objective and Key Results

Establish Equity B	Baseline, Gain Insight, and Learn Together
Chris Robinson: Senior Le	adership Team
0 of 1 ▶	Create a DEI Checklist Implementation Team
0 of 1 ▶	Approved Scope and Schedule for Equity Checklist Implementation
0.5 of 4 ▶	Determine 4 equity metrics and set baselines for each metric
56%	Approved Workplan for Tacoma Power Equity Committee
Chris Robinson: Senior Lea	
Chris Robinson: Senior Lea	dership Team
0 of 4	Determine 4 equity metrics and set baselines for each metric
80% of 80%	80% of supervisors have participated in a facilitated equity roundtable by December 2020
98.36% of 100%	100% of Tacoma Power Supervisors and Managers complete the EEO training
2 of 7	Every Supervisor in each section has read and had a discussion with their supervisor/manager about Resolution #40622 and the
1 of 1	TPU Equity Strategic Directive
	Sign a MOU with Degrees of Change for the SEED program
1.5 of 4	





Strategic Goal | Equity

Advance our understanding and application of equity through continual learning, honest reflection, and meaningful action.

No barriers to equity access exist

Ensure equitable service delivery

Everyone feels valued & welcomed

Our workforce reflects society







Strategic Goal | Affordability

Be wise stewards of our resources to sustain affordability for our customers.

Develop a clear definition & measure for affordability

Maintain financial sustainability

Maximize the value of our power portfolio

Support the development of a strong & resilient economy





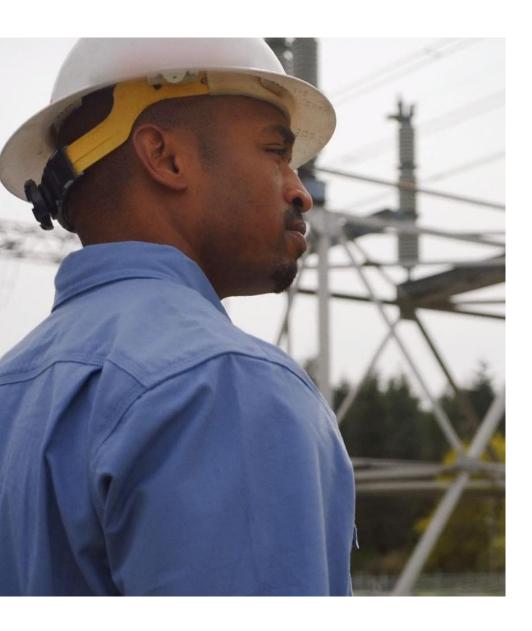
Strategic Goal | Environment

Lead efforts to restore a healthy planet through wise use of our renewable energy and sustainable fish and wildlife programs.

Leverage our clean energy supply & partnerships

Mitigate environmental impacts in an affordable way







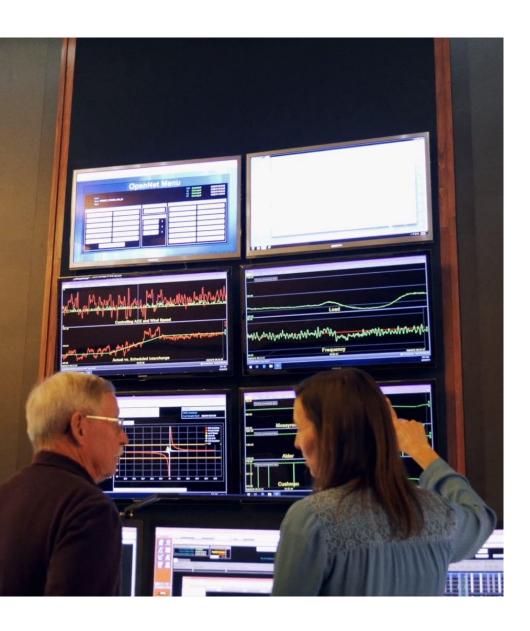
Strategic Goal | Resiliency

Measurably improve Tacoma Power's ability to respond to physical and cyber disasters.

Shortened outages & expedited detections

Enhanced resilience to major weather events

Standardized responses to service restorations





Strategic Goal | Customer

Better understand and act upon the wants and needs of our customers.

High customer satisfaction maintained

Solid customer loyalty confirmed

Positive customer sentiment sustained







Strategic Goal | Employee

Inspire and empower employees to do their best work and live their best lives.

Equitable access to development opportunities

Unified leadership pursuing continuous growth

Modern workplace & adaptable culture

Physical & psychological safety prioritized



One Page Strategic Plan

Strategic Direction in one place

Simple communication tool

Easy to Share



STRATEGY



OUR MISSION

We provide affordable and reliable electric services.

OUR VISION

Be an equitable 21st century utility where employees want to grow and customers want to stay.

OUR VALUES

Be safe, always • Learn and be curious • Do the right thing even when it's hard Take care of things for future generations • Rely on and respect each other

OUR STRATEGIC GOALS



Equity

Advance our understanding and application of equity through continual learning, honest reflection, and meaningful action.







Resiliency

Measurably improve Tacoma Power's ability to respond to physical and cyber disasters.



Employee

Inspire and empower employees to do their best work and live their best lives.



Environment

Lead efforts to restore a healthy planet through wise use of our renewable energy and sustainable fish and wildlife programs.

Communicating to our employees



Briefing Book

A more detailed look at how the strategy was developed and what each of the goals is meant to achieve.



The Exchange Site

Visit mytpwr.org to get a copy of the strategy map, learn more about Workboard, and other cool information.



Power Up

Monthly, learn about the work staff & colleagues are doing every day and how it aligns with our strategy and values.



In-person

Every month Tacoma Power Employees hear from Chris via Chris' Corner. Workgroup specific meetings are happening now.





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Customer

Better understand and act upon the wants and needs of our customers.



Employee

Inspire and empower employees to do their best work and live their best lives.



Affordability

Be wise stewards of our resources to sustain affordability for our customers.



Environment

Lead efforts to restore a healthy planet through wise use of our renewable energy and sustainable fish and wildlife programs.



WHY WE NEED YOU



I am extremely proud to share our refreshed Tacoma Power strategy with you. It is an example of collaboration and communication between leaders, employees, elected officials, and community stakeholders.

This strategy was made possible by the work, innovation, and modernization completed through the previous strategy.

This refreshed strategy carries forward elements of the last strategy and advances several new elements, while moving the marker forward for our short-term and long-term goals.

Our new strategy management philosophy will enable us to proactively plan for the future while empowering us to reactively respond to opportunities or unexpected events (like, say, a global pandemic). What has not and will never change are the three drivers at the heart of everything we do at Tacoma Power: **people, service,** and **community**.

As you read through the various aspects of this strategy, I hope you see the ways your role supports this work. Everyone and every role is important in making Tacoma Power able to fulfill our vision - **Be an equitable 21st century utility where employees want to grow and customers want to stay**.

I look forward to growing along with you.

Chris Hobinson





What comes to mind when you hear the term "strategy"?

Common answers include, "Executives in suits sitting in board rooms" or "something leadership does" or "a lot of work that never leads to actual change." But the most common answer is usually something like, 'Something that doesn't impact me."

But strategy is something that impacts - and requires - every employee at every level of the organization. Everyone within this organization should be able to find at least one aspect of their work that supports the strategy.

Identifying that point of connection is important because knowing you and all your colleagues are working towards a common goal supports high employee morale and job satisfaction. It supports transparency between leadership and employees, and ensures communication and alignment between efforts across various workgroups.

A strong strategy has multiple layers including a Mission (what we do) and a Vision (where we're going). It includes short-term and long-term goals, and breaks down those goals into smaller, consecutive steps.

A strong strategy requires regular review sessions and consistent updates on progress, and continuous communications on the process and progress.

Author Napoleon Hill said, "A goal is a dream with a deadline." Our strategy is our way of dreaming and then ensuring that dream comes true.





If you want to achieve anything great, you need a plan. In 2016, we started this journey with our first strategic plan. We celebrated pivotal accomplishments, and now we are **building on those successes**.

Successes have been technical, operational, and cultural. They include deploying the Advanced Meter Program, deciding to join the Energy Imbalance Market, launching the Strategic Asset Management and Project Management Offices, and facilitating people-centered efforts City-wide including Safety, LEAD, and Outward Mindset.

So if all that was so great, why update the strategy? Because a lot has changed! We have a new Utility Director, new Board members, a new set of Board Directives, and new members of the Tacoma Power Senior Leadership Team (SLT).

Not to mention our business environment had already evolved from the time when we started developing this plan, only to evolve further still in light of various crises that changed the way we do our work and serve our customers.

The SLT and a large work group of employee stakeholders from across the utility spent hundreds of hours over the past year researching, reviewing data, interviewing, and listening carefully to our communities.

In other words, we relied on input from people like you. People who know the work. People on the front-lines who care deeply about our customers and community.

The result? A practical, simple plan to guide Tacoma Power into the near-term future.



Our Strategy Journey

Why is strategy important?

If you want to achieve anything great, you need a plan to get there. Strategy is the vehicle for the vision and provides the system and rigor to take the organization forward.



Align



Adapt













Leadership Team

of the 2016 Plan







Evolving business environment







Digitalization





Democratization Decentralization

Where we've been 2016 Strategic Plan



How we're approaching it this time





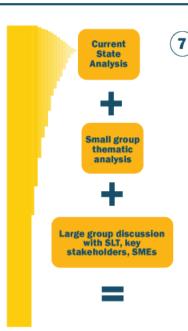


People-centric



Keep it simple! Inclusive and collaborative Base in research and data Create a prioritized, measurable, and resourced 3-5 year plan





Draft strategic objectives

Focused to our top six priorities

Advance our understanding and application of equity through continual learning, honest reflection, and meaningful action.

> Be wise stewards of our resources to sustain affordability for our customers.

Better understand and act upon the wants and needs of our customers.

> Measurably improve Tacoma Power's ability to respond to physical and cyber disasters by utilizing metrics and technologies.

Lead efforts to restore a healthy planet through wise use of our renewable energy and sustainable fish and wildlife programs.

> Inspire and empower employees to do their best work and live their best lives.



Next steps







Refreshing a strategy is a good sign. It means progress has been made and a new Next Step needs to be established. A refreshed strategy is not putting aside the work done to date; rather it is building upon the foundation of the work already completed. It is a continuous journey. An summarized version of our journey to refresh this plan can be seen in the diagram to the left (see page 7).

When the Tacoma Power Senior Leadership Team (SLT) began the process of refreshing our strategy, they began by asking the question: **Who do we impact?** (see page 10).

In order for any plan to be successful, it requires collaboration and communication. We provide services to various individuals and groups in the City of Tacoma and parts of Pierce County.

To be effective, we need to understand the specific needs, requests, and expectations of those we serve.

Then SLT members interviewed stakeholders representing our people, our owners and board, our peers and community, and our customers.

After being gifted with direct feedback and input from our stakeholders, senior leaders turned to other rich sources of feedback: recent Customer and Employee Satisfaction Surveys (CSAT and ESAT, respectively).

At the same time they were gathering this feedback, the SLT reached out to Subject Matter Experts (SMEs) inside and outside of our organization. Several internal SMEs participated in the process of conducting a **S.W.O.T. analysis** to identify our Strengths, Weaknesses, Opportunities, and Threats (see page 9).

After gathering all of the information, feedback, requests, and experiences, the SLT began to brainstorm what our next steps would be and how to get there.



The Strengths and Weaknesses are **internal factors** based on the present state of the organization. The Opportunities and Threats are **external factors**, typically outside of our control.

Being able to identify and prioritize these elements allows us to capitalize on opportunities and mitigate potential threats ahead of us. We leverage our strengths to do this and continue to address our weaknesses so they do not interfere with our strategy.

Strengths

- Employees
- High customer satisfaction and trust
- Clean, flexible, reliable supply and delivery
- Financially stable
- Community focused

Weaknesses

- Too many priorities
- Struggle with change
- Legacy of institutional racism and other forms of oppression
- Bureaucratic
- Slow to adapt to change

Opportunities

- Become more customer (people) focused
- Modernization of the utility
- New markets, new loads
- Diversity, equity, and inclusion for customers and employees
- Reinventing the workplace
- Environmental leadership, messaging, and communication
- Better change management

Threats

- Affordability with increasing power supply costs
- Economic uncertainty
- Slow to adapt to change
- Public dissatisfaction with hydro based power supply

City Manger

City of Tacoma Departments (CED, EEO, ES, Finance, HR, IT, Legal, OEHR, OMB, PW)

Environmental Groups

Franchise Cities

Legislative Policy Makers

Nash Consulting

Organized Labor Business Managers

Pierce & Lewis County

Puyallup & Skokomish Tribes

Regional NGOs

TPU Departments (Customer Service, MSO/Public Affairs & Communications, Rail, Water)

Washington Dept Fish & Wildlife



Supervisor Advisory Team T&D Core Values Team Women's LINC Employee Focus Groups Strategy Initiative Managers Community Groups & Organizations (Boys & Girls Clubs, Center for Strong Families, United Way)

Large Customers (JBLM, Port of Tacoma, WestRock, Praxair)

Neighborhood Councils

Retail Customers (Key Account Executives, Low Income Customer Solutions)

Tacoma Public Schools



Strategies should be a living, changing organisms. They should never be a stagnant document getting dusty on a shelf or forgotten in a computer file.

To effectively reach strategic goals, the strategy must become part of the organization's culture, woven into its very fabric.

In order to be a living thing, a strategy must be layered. Each layer must focus on different points between the present and the future.

First, the overarching directive for the organization must be set. That layer is the **Guiding Principle** (what we're about).

Next, the starting point needs to be known. Why does your organization exist? That layer is the **Mission** (what we do.)

Then, the desired destination must be set. Before a journey can be planned, the destination must be decided. That layer is the **Vision** (where we're going).

Now comes the critical part: you. Employees at all levels of the organization, in all roles across the organization, are essential for driving us towards the Vision. Every Tacoma Power employee is guided and motivated by the same actions, so we are all pulling in the same direction. That layer is comprised of the **Values** (how we behave).

With so many competing priorities and demands, we must know what to focus on in order to achieve the Vision. That layer is comprised of the **Strategic Goals** (our priorities in the next three to five years).

Finally, we need to set smart goals that are specific, motivating, attainable, relevant, and trackable. These goals are how we will move closer to our destination. That layer is comprised of **Objectives and Key Results (OKRs)**.

Objectives are aligned to one of our six strategic goals (equity, customer, affordability, reliability, employee, or environment) and set the destination for the next quarter.

Key Results break down the Objective into the outcomes that will indicate progress over the next three months.

Every Tacoma Power employee should be able to look at the different aspects of the strategy and identify how their work supports the direction of the organization.















Equity

Advance our understanding and application of equity through continual learning, honest reflection, and meaningful action.

Objective Champion: Chris Robinson



Customer

Better understand and act upon the wants and needs of our customers.

Objective Champion: Joe Tellez



Affordability

Be wise stewards of our resources to sustain affordability for our customers.

Objective Champion: Clay Norris



Resiliency

Measurably improve Tacoma Power's ability to respond to physical and cyber disasters.

Objective Champion: Joe Wilson



Employee

Inspire and empower employees to do their best work and live their best lives.

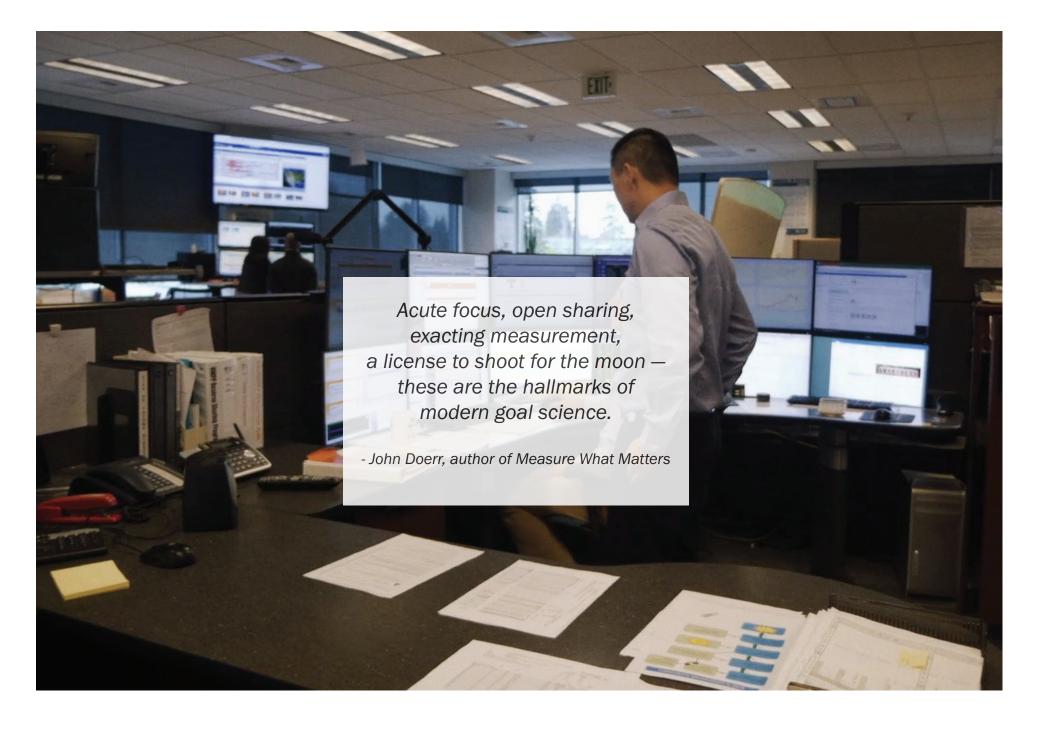
Objective Champion: Rachel Allen



Environment

Lead efforts to restore a healthy planet through wise use of our renewable energy and sustainable fish and wildlife programs.

Objective Champion: Chris Mattson





Every strategic plan needs a shared method for people to successfully implement it and measure success.

Our 2020 Strategic Plan uses **Strategic Goals**, or areas of focus, as the foundation for quarterly **Objectives and Key Results (OKRs)**.

Done well, OKRs can help us measure progress, achieve transparency and accountability around goals, and keep us on track towards our shared vision. OKRs are audacious goals. Not quite impossible, but challenging us to stretch each quarter.

Strategic Goals are areas of focus over three to five years, and **Objectives** define what part of the Strategic Goal we will focus on in the next quarter. **Key Results** are the outcomes that tell us when we've achieved our Objective. They break

down the Objective into a series of results that are focused on the next three months. Author John Doerr goes into more detail on how this works in the book, *Measure What Matters*.

There is no perfect way to measure strategy, but OKRs are a powerful tool that will keep senior leadership and the workforce aligned.

The Power Senior Leadership Team, Objective Champions, and Key Results Managers will implement Tacoma Power's OKRs and refresh them each quarter to track progress.

For more about OKRs, how they work, and ways they help teams and organizations come together around shared goals, visit <a href="https://doi.org/10.2016/nc.20



Advance our understanding and application of equity through continual learning, honest reflection, and meaningful action.

- 1. **No barriers to equitable access exist.** Barriers to physical locations, professional opportunities, and to a feeling of belonging have been purposefully and thoughtfully removed.
- 2. **Ensure equitable service delivery.** All services we provide are delivered in an equitable manner all of the time.
- 3. **Everyone feels valued and welcomed.** Employees, customers, and community members feel they belong and can show up as their whole, authentic self because we respect diversity.
- 4. **Our workforce reflects society.** Equitable hiring, development, and promotional practices ensure diversity and equity at every level of the organization.



Better understand and act upon the wants and needs of our customers.

- 1. **High customer satisfaction maintained.** Customers routinely score Tacoma Power in the 90th percentile in customer sentiment/satisfaction among similar sized electric utilities.
- 2. **Solid customer loyalty confirmed.** Customers report they would choose Tacoma Power for the value provided over another electric service provider if offered.
- 3. **Positive customer sentiment sustained.** Customers consistently report positive sentiment in Tacoma Power's efforts in providing affordable rates, financial assistance, and equitable energy services (especially during times of uncertainty and economic downturns).



Be wise stewards of our resources to sustain affordability for our customers.

- 1. **Develop a clear definition and measure for affordability.** Employees have clarity on what it means to be affordable and Tacoma Power has an action plan to increase affordability for our customers.
- 2. **Maintain financial sustainability.** Rates are kept consistently low through good stewardship, innovation, and analytic principles.
- 3. **Maximize the value of our power portfolio.** Enter the Energy Imbalance Market and leverage our renewable, carbon-free power portfolio to pursue emerging market opportunities.
- 4. **Support the development of a strong and resilient economy.** We will support economic development by attracting new businesses and providing affordable services for our customers.



Measurably improve Tacoma Power's ability to respond to physical and cyber disasters.

- 1. **Shortened outages and expedited detections.** Provide employees with technologies enabling targeted issue detection resulting in quick responses and abbreviated service outages.
- 2. **Enhanced resilience to major weather events.** Construct a distribution system able to withstand increasingly extreme weather events, specifically wild fires and high winds.
- 3. **Standardized responses to service restorations.** Prepare responders with a systematic approach to restorations in order to increase employee safety and ensure a consistent customer experience.



Inspire and empower employees to do their best work and live their best lives.

- 1. **Equitable access to development opportunities.** Provide employees extensive opportunities to gain a rich breadth of organizational and industry knowledge in support of their growth and engagement.
- 2. **Unified leadership pursuing continuous growth.** Empower leaders with clear expectations and provide them resources to develop a rich skillset to meet those expectations.
- 3. **Modern workplace and adaptable culture.** Equip a modern workforce with tools and technology to enhance productivity and collaboration while encouraging change, flexibility, and work-life balance.
- 4. **Physical and psychological safety prioritized.** Employees have access to people, supplies, training and resources to ensure their safety within their working environments. Ensure employees feel confident and comfortable bringing concerns to leadership without fear of repercussions or dismissiveness.



Lead efforts to restore a healthy planet through wise use of our renewable energy and sustainable fish and wildlife programs.

- 1. Leverage our clean energy supply and partnerships. Become recognized as an influencer and regional leader in climate action by transforming energy usage, powering a renewable electric grid, and reducing carbon in the local and regional economy.
- 2. **Mitigate environmental impacts in an affordable way.** Work together with policy makers and stakeholders to take action on strategies that balance achieving fish, wildlife, and environmental goals with providing affordable electric services.



Stay up to date on strategy progress!

Go to <u>MyTPWR.org/Strategy</u> for the most up-to-date information. First time visitors to the Exchange site will need to create a password.

On the Exchange strategy page, you will find:

- A printable strategy map
- An interactive strategy map
- The recording of Chris' Corner where Chris and the Power Senior Leadership Team roll out the strategy
- Links to the Community Value First video series

The Exchange site has the Stories page that contains a weekly written blog and video of the week. Senior leaders and strategy stakeholders will share on those channels as well.

Updates will be published in the Power Up monthly newsletter.

Also, updates will be communicated via in-person communication channels like the monthly Chris' Corner session, your workgroup meetings, one-on-one meetings with your leaders, etc.

If you are interested in being involved in the strategic efforts, reach out to your lead, supervisor, or manager. If you would prefer to reach out directly to the strategic managers, contact Travis Metcalfe (<u>TMetcalfe@cityoftacoma.org</u>) or Haley Saul (<u>HSaul@cityoftacoma.org</u>).

You can also reach out to the Power Internal Communications team at PowerComms@cityoftacoma.org.

HOW WE ALL CONNECT

Instructions:

Jot down some key aspects of your role or your work, then identify the strategic elements that you support.

My role / work:

Guiding Principle | what we're about

Community Value First

Mission | what we do

We provide affordable and reliable electric services

Vision | where we're going

Be an equitable 21st century century utility where employees want to grow and customers want to stay

Values | how we behave

Be safe, always
Learn and be curious
Doe the right thing, even when it's hard
Take care of things for future generations
Rely on and respect each other

Strategic Themes & Goals | our priorities

Equity
Customer
Affordability
Resiliency
Employee
Environment

This strategy is possible through the efforts and contributions of the following people:

Alex Abplanalp Jeromy Adams Rachel Allen

Francine Artis

Don Ashmore

Pat Bacon

Cheryl Bidleman

Matt Bleich

Andrew Braeger

Alex Brotherston

Sheryl Brown

Gary Buchanan

Michael Catsi

Andy Cherullo

Terry Coggins

Scott Dewhirst

Dan Drennan

Erin Erben

Ozan Ferrin

Utilities Director Jackie Flowers

Bill Fosbre

Dr. John Gaines

Tenzin Gyaltsen

Steve Hatcher

Cecily Hutton

Harley Johnson

Ray Johnson

Katie Johnston

Daniel Key

Dale King

Kurtis Kingsolver

Jayson Lelli

Christine Lewis

Todd Lloyd

Cam LeHouillier Holly Lucht Alissa McClain

Chris Mattson

Alice Massara

Travis Metcalfe

Bonnie Meyer

Mia Navarro

Dr. Ahlmahz Negash

Clay Norris

Sarah Nystrom

Christian Paige

City Manager Elizabeth Pauli

Andre' Pedeferri

Andy Plitkins

Diane Powers

Lisa Rennie

Chris Robinson

Jeff Robinson

Courtney Rose

Joy Sage

Jim Sant

Haley Saul

Lis Saunders

Tyler Swartz

Joe Tellez

Joe Wilson

Lisa Woods

LaTasha Wortham

Local 483

Nash Consulting

Public Affairs & Communications Office Power SAT Leadership Team

Tacoma Public Utilities Board

Women's LINC members

