



PUBLIC UTILITY BOARD POLICY

Category: Strategic Directive Date of Adoption: January 8, 2020 Revision Date:	Title: INNOVATION Policy Number: SD-6 Resolution No.: U-11131
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I. Purpose

Tacoma Public Utilities faces complex challenges including aging infrastructure, shifting workforce dynamics, uncertain sources of supply, changing regulatory requirements, dynamically changing markets and rising customer expectations. TPU is committed to fostering a culture of innovation to meet these challenges today and into the future. Innovation refers to fresh thinking that creates value for customers, including:

- Improved processes, policies and ways of doing business
- New or enhanced products and services
- New technologies and infrastructure

An innovative culture will enable an environment of creativity, experimentation and incubation to achieve new approaches to serve our customers, manage assets, finance investments and realize superior utility performance with the added benefit of enhancing sustainability.

II. Values

1. TPU will strive to become a driver for utility innovation and not just a consumer of innovative products. We support our employees’ freedom to pursue innovative processes, procedures, products, programs, and operational technologies that provide value propositions for our customers and communities in order for TPU to remain competitive long term.
2. The Public Utility Board and senior management encourage measured risk taking while balancing opportunity and benefits to ensure that new ideas are pursued with strict discipline through analysis, sound technical data and good management oversight.
3. The Public Utility Board encourages highly collaborative projects and initiatives including those with external agencies, experts, academic institutions, and corporations to support the development of innovative solutions.

4. TPU believes stakeholder engagement is essential to the development of sustainable products and services. TPU will incorporate customer feedback when appropriate into the design and development of new ideas or projects through research and outreach to ensure solutions address needs.

III. Outcomes

1. Employees are empowered to surface new ideas or propose new solutions that positively impact how we operate and deliver services.
2. Development of innovative solutions is supported with financial resource investment including providing space within the daily activities of staff and the engagement of subject matter experts.
3. Innovation is supported through formal organizational structures. These may or may not be permanent teams, and shall be made up of employees from relevant work areas that work collaboratively on strategic initiatives with leadership oversight.
4. Innovative ideas and progress are regularly recognized and rewarded.
5. Innovative efforts include engaging stakeholders at the appropriate time in the development process, enabling broad participation while leveraging internal professional resources to help guide development and implementation of new ideas.
6. A safe environment exists for testing progressively mature, innovative concepts that have potential to enhance our customers' lives and how we perform our work. New ideas are regularly tested and evaluated in a scaled and relevant manner. We support further development of concepts that work well, and have the courage to modify or eliminate ones that are not meeting their intended outcome.

IV. Measurement

1. Assess TPU Innovation Culture and identify barriers to innovation.
2. Report to the Utility Board on organizational work groups who are focused on innovation, research and development, modernization projects, etc.
3. Ability to meet current and future challenges with innovative solutions and internal resources.
4. Individual work groups track and report progress.
5. Agree on simple metrics that can be tracked and reported. These metrics should map directly to an established value profile.

V. Reporting

Frequency: Annually

Reporting Method: To Be Developed.