



STRATEGIC PLAN



BENTON PUD

2022 - 2026 STRATEGIC PLAN



November 9, 2021

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Your Trusted Energy Partner

Benton PUD has been a trusted and foundational part of our community for more than seventy-five years. Throughout our history it has been the highly qualified and dedicated employees who have been the key to achieving our mission and purpose and to establishing Benton PUD as a respected and influential community and regional leader.

The 2022-2026 Strategic Plan carries on the long tradition of forward thinking and excellence at Benton PUD with an emphasis on continuous improvement in four core functional areas along with increased employee and community engagement.

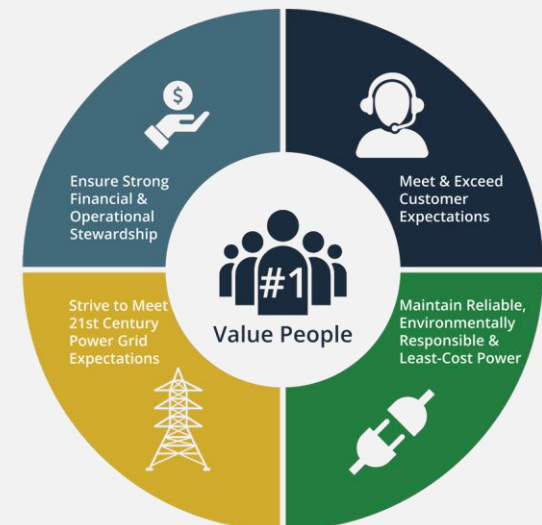
With the wide array of expected and unexpected opportunities and challenges coming our way, we believe it is critical to regroup ourselves and focus on what has gotten us this far. The most important part of our flashy new Strategic Target graphic is recognizing what's at the center of all we do. But valuing people cannot just be a slogan, it must be demonstrated through our words and actions.

This revamped version of Benton PUD's strategic plan continues to aim at the highest good in all we do and sets a course for actions intended to let all employees and our customers know they are valued and are part of something great. And of course, we remain anchored in our public power heritage and strong customer service focus which has defined us since day one and continues to be the reason for our existence.

It is an exciting time to be a part of the Benton PUD team as we chart some new territory and build on the winning strategies that have served our customers so well over the years.

Rick Dunn, General Manager

Strategic Target



Be EmPOWERed. Be involved. Make a difference. POWER UP!

We are experiencing unprecedented change in our industry. It seems not a day goes by that clean energy isn't in the news or being debated by politicians. No matter what path we take to cleaner energy, electricity will have a major role to play, and how you choose to engage individually can make a big difference overall.

While there is no doubt Benton PUD employees understand and are committed to our every day mission, purpose and values, the 2022-2026 Strategic Plan provides a road map for actions that stretch our current capabilities and are responsive to both opportunities and threats.

Our strategic plan focuses on five strategic goals with Value People at the center of all we do. These five goals are also the foundation of our new POWER UP incentive program, which is designed to engage, motivate, and reward employees for meeting high performance standards, growing personally and professionally, and providing ever-increasing value to our customers.

I invite all employees to review the plan, embrace our strategic goals and actions, and be personally committed to:



Learn

Take advantage of new opportunities and offerings to understand more about the electricity industry and the processes and people involved in the delivery of electric and broadband services.



Serve

Extend your influence as proud, confident, and credible Benton PUD ambassadors in the communities we serve.



Engage

Continue as a forward focused utility and leader in our region by evaluating and developing new and innovative ways to achieve increasing excellence in reliability, stewardship, and power supply.



Empower

Promote a culture of employee wellbeing and vitality through involvement in safety and wellness programs.

Rick Dunn, General Manager

GUIDING PRINCIPLES & STRATEGIC PLANNING PROCESS



MISSION

We contribute high value to our community and customers by providing energy and related services using reliable and efficient delivery systems.



PURPOSE

To improve the quality of life in our community through leadership, cooperation and stewardship.



VALUES

Safety
Integrity
Mutual Respect
Forward Focus
Excellence
Teamwork

GUIDING PRINCIPLES



STRATEGIC PLANNING PROCESS



Safety

"We place high value on public and employee safety and each individual is committed to the prevention, education and awareness of hazardous conditions that could lead to accidents or injuries."



Integrity

"We are honest, trustworthy, ethical and demonstrate this by taking responsibility for our actions."



Mutual Respect

"We value each individual for who they are, understanding and appreciating their opinion and input."



Forward Focus

"We anticipate the future, seeking better and more innovative ways to serve our customers."



Excellence

"We take pride in doing quality work and meeting our commitments."



Teamwork

"We work together as an interdependent group of multi-talented people committed to common goals for individual and organizational success."

OUR STRATEGIC GOALS



VALUE PEOPLE

Demonstrate mutual respect and regard for the inherent value of all people through our words and actions.



STRIVE TO MEET 21ST CENTURY GRID EXPECTATIONS

Continuously improve electric service reliability and value.



ENSURE STRONG FINANCIAL & OPERATIONAL STEWARDSHIP

Deliver financial and operational outcomes that demonstrate diligent and consistent adherence to industry best practices; applicable codes, standards, and regulations; and established District policies, guidelines and procedures.



MEET & EXCEED CUSTOMER EXPECTATIONS

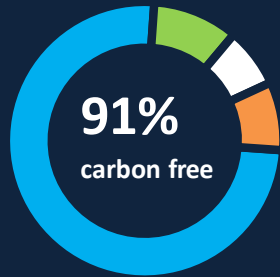
Empower customers with technology, processes and people that help make their lives better.



ENSURE A RELIABLE, ENVIRONMENTALLY RESPONSIBLE & LEAST-COST POWER SUPPLY

Balance environmental and economic tradeoffs and risks to achieve a power supply portfolio which helps ensure the health, safety and well-being of our customers.

WHO WE ARE BY THE NUMBERS



Hydro	75%
Nuclear	10%
Wind	7%
Other	8%

Residential	39%
Commercial	30%
Irrigation	27%
Industrial	4%



98
Miles of 115 kV
Transmission Lines

56,289
Connections

655
Miles of
Underground
Service
Wires

39
Substations
21 Rural Subs
17 Urban Subs
1 Wind Farm

965
Miles of Underground
Distribution Lines

Broadband
788 Fiber & Fixed Wireless Customers
516 Miles of Fiber
12 Wireless Sites
Annual Revenues (in millions) \$2.9

Service Area
939 Sq. Miles
in Benton County

630
Customer Installed Solar

10,400
Pad Mount
Transformers

273
Miles of Overhead
Service Wires

9,292
Overhead
Transformers

780
Miles of Overhead
Distribution Lines

25,489
Poles

2021





VALUE PEOPLE

ACTIONS

1. Implement a multi-phased approach to an enterprise physical security plan to mitigate risks to property and safety of employees.
2. Evaluate, measure, and align employee incentive programs with our strategic goals.
3. Market and grow the EmPOWERed program to achieve a high level of employee participation and community interest, while establishing connections with our schools to promote and raise awareness of the electric industry.

DRIVERS OF ACTION

1. Emerging experience gaps in the electric utility industry are increasing competition for skilled personnel in journey-level trades, technical and leadership positions.
2. Online education and training platforms are providing increased opportunities for more efficient and widespread employee development.
3. Many new generation employees are valuing diverse, challenging, and flexible job opportunities over “secure” long-term employment which could increase employee turnover and erode institutional knowledge important to providing reliable and high value electric and broadband services.
4. Employer and employee paradigm shifts have occurred relative to flexible work schedules and telecommuting in the wake of the COVID-19 pandemic.
5. Increasing recognition of employer provided wellness programs and opportunities as significant contributors to employee physical and mental health which translates to better job performance and satisfaction.
6. Highly publicized events related to workplace violence have increased expectations of employers to plan for and mitigate worst case scenarios.
7. Racial equity and social justice movements are influencing corporate policies and practices through federal and state regulations as well as influential non-governmental organizations.
8. A tension exists between electricity as an essential and valued service and the inherent hazards it poses to employees and the general public.





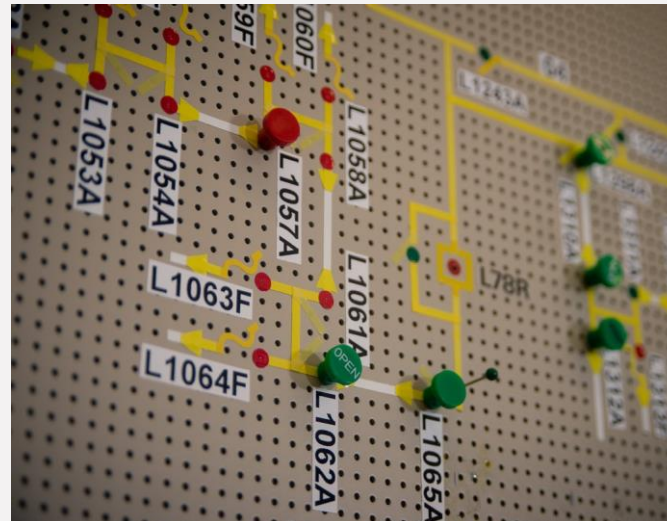
STRIVE TO MEET 21ST CENTURY GRID EXPECTATIONS

ACTIONS

1. Evaluate next generation Supervisory Control and Data Acquisition (SCADA) communications network to ensure continuous improvement of operational visibility on our transmission and distribution electricity delivery systems.
2. Complete Transmission Reliability Improvement Projects (TRIP).
3. Engage with Bonneville Power Administration (BPA) to ensure completion of Tri-Cities transmission systems reinforcement programs and work to develop integrated communications to provide real-time status of the District's regional transmission interconnections.

DRIVERS OF ACTION

1. "Always on electricity" expectations drive the need for redundancy and resiliency in design and operation of transmission and distribution systems.
2. High levels of customer adoption of advanced technologies in their personal lives increases the standard by which electric utilities are measured in their use of technology to anticipate and keep problems from happening, which requires instant and regular customer communications be available when problems arise.
3. Federal and state policies and incentives continue to promote customer-owned generation (primarily solar) requiring utilities to accommodate bi-directional power flow on their distribution systems in planning and operating procedures.
4. Increasing demand for integrated and automated operations between bulk electric system operators (the Bonneville Power Administration) and distribution utilities in order to meet ever increasing reliability expectations, bi-directional power flows and the ability to respond to "grid level" emergencies safely and rapidly.
5. The prevalence and availability of utility automation and communication technologies is increasing the standard for "prudent utility practice" and the potential liability that would come if high levels of operational visibility are not in place.





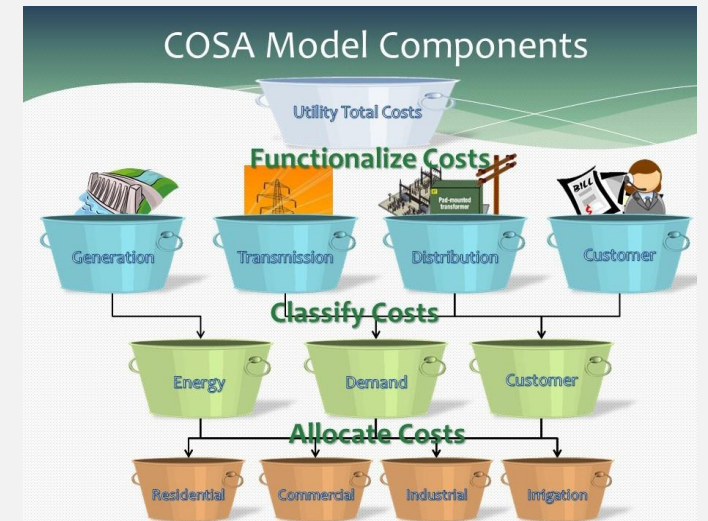
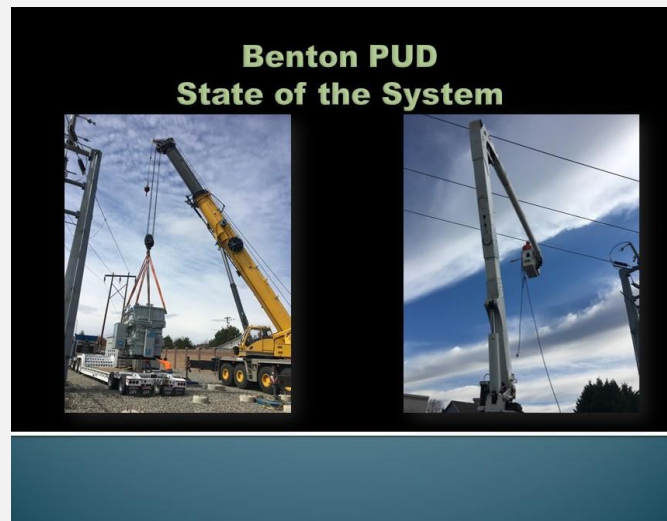
ENSURE STRONG FINANCIAL & OPERATIONAL STEWARDSHIP

ACTIONS

1. Provide semi-annual State of System reports to increase accountability for operational stewardship.
2. Update and continuously improve cost of service analysis and develop rate structures utilizing sound cost causation principles consistent with industry and Commission approved rate design standards which includes considering a time of day based residential demand charge.

DRIVERS OF ACTION

1. Persistent, evolving and increasing cyber security threats.
2. Ever increasing accumulation, availability, and accuracy of data for data-driven decision making.
3. Increasing legal liability associated with power line operations precipitated by wildfire risk and consequences.
4. Increasing State of Washington regulation of consumer owned utilities.
5. Safety, operational and financial challenges associated with increasing demands for joint use of power poles and utility right-of-way for advanced wireless deployments.
6. Increasing competition in the local broadband market causing a commoditization of rates resulting in declining revenues over time.
7. Electric utility Residential rate structures have historically not been precisely aligned with cost causation, resulting in disproportionate recovery of fixed costs through variable energy charges. This misalignment is becoming more of an issue as clean energy policies with strong preferences for intermittent and variable wind and solar power are increasing fixed costs. Utilities must pay to secure dependable generation resources needed to meet peak electricity demand driven largely by residential customers.





MEET & EXCEED CUSTOMER EXPECTATIONS

ACTIONS

1. Increase the volume of customer feedback through convenient and timely methods to improve District processes and help ensure accountability to our customer owners.
2. Evaluate new offerings that can be implemented to enhance our customer's experience by creating more services available on demand including notifications, account changes, and payment channels.

DRIVERS OF ACTION

1. Increasing customer preferences for fast and automated low-level engagement with service providers.
2. Value of public utility business model eroding over time with questionable brand recognition or loyalty.
3. Prevalence of instant communications technology platforms and customer demands to access information anywhere, at any time, on any device.
4. Diminishing energy savings opportunities through traditional measures and increasing demand for rate-based options and incentives.
5. Politically charged and often ideological messaging in the media and academia promoting a low-cost, clean and renewable energy future is driving misinformation and an expressed interest by the general public to gain a better understanding of the implications of clean energy policies.





ENSURE A RELIABLE, ENVIRONMENTALLY RESPONSIBLE & LEAST-COST POWER SUPPLY

ACTIONS

1. Develop a power supply portfolio strategy that meets customer growth forecasts, is responsive to the economic development objectives of our community partners, and addresses state and federal clean energy regulations.
2. Advocate for the preservation of the Federal Columbia River Power System and advancement of nuclear technology through active public engagement and education. Continue to heighten awareness of customers and policymakers to the tradeoffs associated with aggressive state and federal clean energy policies.
3. Fully subscribed Federal Columbia River Power System and erosion of firm hydro generation capability due to increased spill for salmon recovery.
4. Coal power retirements and associated loss of dispatchable capacity increasing the risk of blackouts in the northwest and creating significant uncertainty in the District's ability to meet seasonal energy deficits, particularly in the summer months.
5. Clean energy policies with strong preferences for wind and solar power despite their inherent variability, intermittency, and limited value in meeting resource adequacy requirements.
6. Grid scale energy storage considered necessary and inevitable due to deepening dependence on wind and solar power.
7. Many utilities and trade associations are skeptical of the assumptions, methodology and results of the most recent Northwest Power and Conservation Council (NWPPCC) loss-of-load probability analysis which has taken an about face and is now indicating the regional grid will have adequate generation resources by 2025.
8. Anti-fossil fuel ideology and clean energy policies chilling (or eliminating) new investments in dispatchable natural gas power.
9. Northwest Power Pool (NWPP) efforts to develop enforceable resource adequacy standards and gain voluntary participation, including from load serving entities.
10. Customer load control (demand response) as a solution to utility capacity deficits.
11. Eroding support for hydro power and continued pressure from environmental, tribal, and state governmental interests to remove dams as a means for salmon recovery.
12. Increasing calls and support for a western U.S. or northwest regional transmission organization (RTO) or independent system operator (ISO).
13. Tri-Cities economic development focus on nuclear power and energy storage through myTri2030 and TRIDEC Mid-Columbia Energy Initiative (MCEI).
14. BPA post-2028 contract development and negotiations including possible augmentation of the BPA Tier 1 system annual energy capability will continue through 2025 when utilities are anticipated to sign new long-term contracts which may or may not result in all of the District's load being served at the lowest BPA rate.
15. BPA's New Large Single Load (NLSL) policy limiting spot-load growth to 10 average megawatts combined with Washington's Clean Energy Transformation Act (CETA) carbon-free generation requirements severely constrains the District's ability to provide firm and low-cost energy usually demanded by electricity intensive industry which continues to express an interest in bringing jobs to the Tri-Cities area.
14. Uncertainty regarding the availability and increasing cost of new dependable generation resources in the northwest and throughout the western U.S. is driving high forward power market prices and increasing risk of higher rates needed to serve growing electricity demand.
15. Washington State clean energy policy requires utilities to identify vulnerable low-income populations and expand low-income assistance programs.
16. Clean energy policies are accelerating the implementation of electric vehicle and building electrification and conversion from natural gas appliances to electric.