



# STRATEGIC PLAN EFFICIENCIES

Energy Committee

June 11, 2014

[www.seattle.gov/light/strategic-plan](http://www.seattle.gov/light/strategic-plan)

## WHAT WILL WE COVER TODAY?

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- **Provide background on major efficiencies in the Plan**
- **Discuss the first year of implementation**
- **Discuss 2014 and beyond**

# Background

How did the efficiency targets originate?

## DEVELOPMENT OF EFFICIENCIES

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- Long history of continuous operational improvement studies
- Strategic Plan Development
  - Efficiencies in plan based on benchmarking report from a third-party energy consulting firm
  - Thirty-six potential operational changes were explored to see if they could produce additional efficiencies.
  - Seattle City Light identified opportunities that can save a total of \$15 million in the next six years from revising practices in transmission, distribution, and generation

## FINALIZED STRATEGIC PLAN EFFICIENCIES

- **\$15m Generation and T&D benchmark savings**
- **\$3m in support service savings added**
- **Three Year implementation period to full savings**
  - **2013 \$6.9M**
  - **2014 \$14.5M**
  - **2015 and beyond \$18M**

Efficiencies	Proposed Annual Savings by 2015
Revised transmission, distribution, and generation practices	\$15,000,000
Modified cost allocation and service level agreements	\$360,000
Improved work process (billing, credit/collection, procurement, fleet management, street use permitting, project mgt, online security)	\$2,640,000
<b>TOTAL</b>	<b>\$18,000,000</b>

# 2013 Efficiency Results

What did we achieve?

# 2013 EFFICIENCY RESULTS

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**Target = \$6.9 million**

**Actual = \$9.9 million**

- \$5.2 million from previously identified
- \$4.3 million from new one-time efficiencies
- \$0.4 million from new on-going efficiencies

# EFFICIENCIES – 2013

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## Examples of new efficiencies

- NW Refund Case - Settlements from counterparties (\$1.3M )
- BPA Refund\* - Refund of power factor penalties charged by Bonneville Power Administration (\$0.4M )
- Internal Slice Solution\* - Internally developed solution for the BPA power Slice modeling (\$0.6M)

*\*On-going savings*

# 2014 and Beyond

Future savings to be delivered

# 2014 AND FUTURE

- Exceeded efficiencies planned for 2013
- Expected to deliver all efficiency savings targets through 2018
- Continue to realize other new efficiencies in order to hit target



**Questions?**