
Provo Power

Strategic Plan 2020-2025



Contents

- 03 Introduction: A Proud History and Bright Tomorrow**
- 04 Preserving the Benefits of Community-Owned Utilities**
- 05 Strategic Planning Process**
- 06 Vision, Mission, and Values**
- 07 Strengths, Weaknesses, Opportunities, and Threats**
- 09 Strategic Priorities and Actions**
- 11 Conclusion: Focused on a Future of Excellence**
- 12 Acknowledgements**

Introduction: A Proud History and Bright Tomorrow

Provo Power provides reliable electricity with superior customer service at competitive rates to the residents and businesses in Provo, Utah. The utility operates and maintains over 35,000 meters, 380 miles of distribution lines, 48 miles of high voltage distribution lines, and 18 substation transformers.

With more than 60 employees and approximately 45 line trucks, bucket trucks, pickup trucks, and other heavy equipment, Provo Power is the largest municipally-owned electric utility in Utah. One of six members receiving wholesale power supply and other services from the Utah Municipal Power Agency (UMPA), Provo Power takes pride in offering the most reliable electrical service in the state and is working to be the top provider in the nation.

The utility deployed recently an Advanced Metering Infrastructure (AMI) network featuring technological advances that offer many benefits to customers. The AMI network connects meters in every home and business in the community with 2-way communications for measuring electrical consumption. Customers may now monitor their own electrical consumption and use this data to promote energy conservation and cost savings. In addition, the AMI network enables Provo Power to monitor the status of the

distribution system and deploy crews and effect repairs quickly and efficiently.

Provo Power is a major proponent of solar and other renewable energy sources, including the provision of Solar Generation/ Net Metering. For a homeowner investing in solar panels, the utility reimburses the customer for any excess power that their solar system contributes to the electric grid, while collecting payment for the electric power the home uses when the rooftop solar system is offline.



Preserving the Benefits of Community-Owned Utilities

Powering Provo since 1940



Throughout much of the 1930s, the citizens of Provo fought an epic legal battle for the community to own its power plant and electric distribution system. The effects of the Great Depression were keenly felt in Provo. Citizens saw municipal ownership as the key to providing proper service to customers and job security for local workers. Ultimately, the community prevailed. Provo began excavation on a new power plant and purchased the

local distribution system from Utah Power & Light. On April 1, 1940, Provo Power went on-line.

For nearly eighty years, Provo Power has delivered electric utility services that are community owned, customer focused, locally controlled, and operated on a not-for-profit basis. This structure means that Provo Power tailors its utility operations and services to the needs and preferences of the local community. The benefits of living and working in the community include utility rate stability, support for local jobs, policies that are in line with community priorities, and financial support for local government functions. Because it's community-owned, Provo Power provides reliable customer service, affordable rates, and economic development opportunities while being held accountable by friends and neighbors. Above all, Provo Power maintains its commitment to providing innovative, competitively priced, reliable, safe, and environmentally responsible electric service. The utility strives to provide best-in-class operations and serve as a trusted resource for utility services and community support.



Strategic Planning Process

The leadership of Provo Power recognizes that in order to serve the community successfully far into the future, the utility must invest in new technologies, promote renewable energy resources, maintain a qualified workforce, and develop the flexibility and vision to adapt to a fast-changing electric utility marketplace.

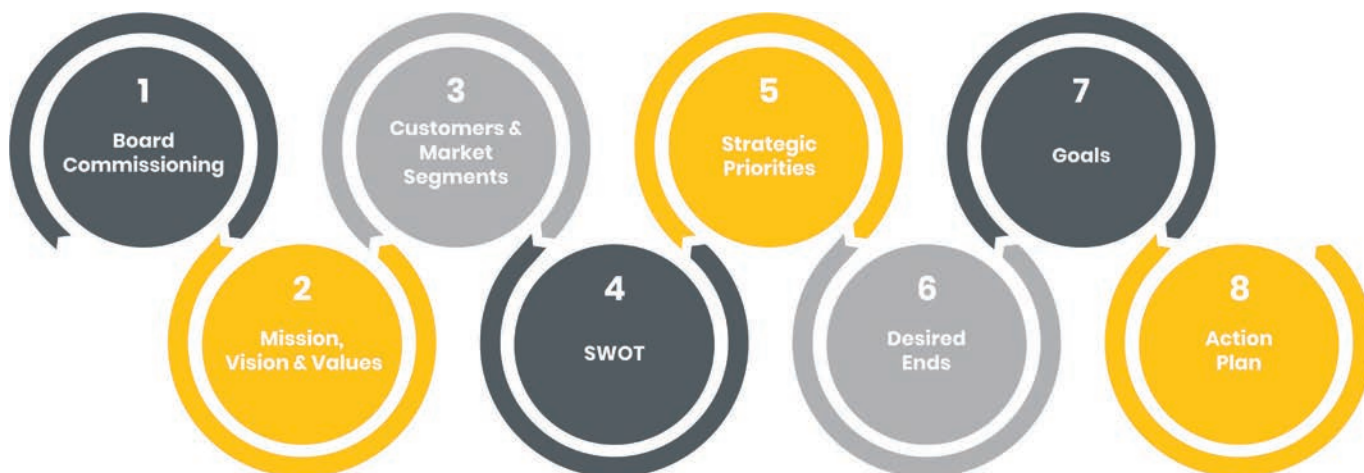
Provo Power selected Hometown Connections, Inc., a leading provider of management consulting services to community-owned utilities and municipalities, to facilitate development of a comprehensive strategic plan with city leaders and staff.

The utility hosted a series of workshops with employees, management, board members, and community leaders to develop its vision, mission, and

values; review organizational strengths, weaknesses, opportunities, and threats; identify key strategic issues for the next five years; develop objectives to achieve the strategic goals; and identify success measures to track the progress of the strategic plan.

To obtain input from customers and the community about the Strategic Plan, Provo Power met with approximately 60 citizens representing the majority

of the neighborhoods in Provo and conducted a survey during the Public Power Fair. The feedback collected was positive and reinforced that the strategic priorities Provo Power is focusing on for the upcoming years is important to customers and the community.



Vision, Mission, and Values

Central to Provo Power's planning for the future is ensuring all efforts align with its enduring vision, mission, and values.



Vision Statement

Provo Power shall be at the forefront in providing reliable energy services to enhance the quality of life for our community.

Mission Statement

We provide reliable energy services through investing in employees, infrastructure, technology, and community outreach. We are proactive stewards of the environment while maintaining our fiscal responsibility to the citizens of Provo.



Core Values

Customer Care: We strive to provide sound solutions through innovation, education, and continuous improvement to care for our customers' needs and expectations.

Financial Sustainability: We set an equitable rate structure that allows us to invest wisely in infrastructure, operations, and technology, while contributing to the City's financial health.

Valued Workforce: We care for our employees and their development. We provide advancement opportunities, are concerned for their personal and family wellness, and strive to create a respectful and positive work environment where employees are committed to empowering Provo.

Trusted Community Resource: We are the community resource for energy related services, information, and education.

Safety: We are committed to protecting our employees and the public through a proactive safety culture.

Innovation: We use advanced infrastructure and technology to enhance our operations to provide reliable energy services to our community while being environmental stewards.

Strengths, Weaknesses, Opportunities, and Threats

A foundational element of the strategic plan is identifying Provo Power's strengths in the marketplace, its vulnerabilities, and its opportunities. The following lists the highlights of the SWOT analysis conducted.



Strengths

- Outstanding reliability, ranking in the top 25% of all power companies in the U.S.
- Cost competitiveness and high quality customer service.
- Effective budgeting and contributions to the city general fund.
- Strong, experienced leadership with good working relationship with elected officials.
- Focus on employee safety, competitive wages and benefits, and positive work environment.
- Growing population and supportive citizens.
- Diverse power supply portfolio with potential to increase use of renewable resources.
- Net Metering program for rooftop solar.
- New building and sound capital improvement program.
- State-of-the-art technology, including integrated advanced metering, geographic information systems, outage management, and distribution automation systems.



Weaknesses

- Susceptibility to cyber and physical security threats.
- Insufficient regulatory influence at the state and federal levels.
- Environmental concerns, including ability to adapt to renewable resources, the impact of pricing on renewables, and the long-term effect of customers seeking alternative energy sources.
- The city's economic growth is limited by lack of space to expand geographically
- Aging infrastructure.
- Rate structures are less dynamic than are offered by other utilities.
- Lack of public awareness of the services that Provo Power provides.
- Low number of residents opting in to receiving statements by email, tying utility to printing and mailing costs.
- Sharing customer service and billing with water and other city utilities makes it difficult to highlight the performance and services of Provo Power.
- Understanding of the future of energy and maintaining the flexibility to pivot as industry changes demand.
- Customers looking to pay online and take advantage of their AMI data must use two different log-in systems.

Strengths, Weaknesses, Opportunities, and Threats



Opportunities

- A new plant in West Valley with UMPA which is a great source of power and revenue.
- Combining AML system with meter data management to support time-of-use rates and incentives for customers to use power at non-peak hours.
- Promoting renewable resources and moving to cleaner/green power as demand expands for electric vehicles, heat pumps, and battery storage.
- Improved reliability and efficiency through investment in new technologies, system automation.



Threats

- Heavy reliance on power generated by natural gas places utility at financial risk if wholesale costs go up.
- Expanding use of alternative energy sources and micro grids, driving customers to purchase less from Provo Power and limiting transfers to the city general fund.
- Cyber criminals threatening the city with ransomware attack, service interruption.
- Expense of warding off cyber-attacks.
- Regulatory demands from state or federal agencies.
- Departure of senior employees and managers due to retirement.



Strategic Priorities and Actions

To take advantage of its organizational strengths and address opportunities for growth and improvement, Provo Power identified five strategic priorities to serve as the framework for its strategic plan and created detailed actions for each priority.

Workforce

We have a workplace culture that attracts and retains professional, competent, and dedicated employees.

Actions

1. Attract employees by creating partnerships with local schools and universities.
2. Create a program where employees are recognized for exceptional work.
3. Create a think tank to discuss and implement energy services for future innovation.
4. Develop comprehensive training program for each division in department.
5. Develop employee orientation program for Provo Power.

Technology

We use technology to be the most reliable energy services provider in the nation.

Actions

1. Implement faulted circuit indicators that support remote communications and integration.
2. Replace electromechanical relays with solid state programmable relays.
3. Install switches that support source automation and Supervisory Control and Data Acquisition (SCADA) integration.
4. Upgrade existing SCADA infrastructure.
5. Integrate AMI data with SCADA and Outage Management System (OMS).
6. Implement cybersecurity protocols for operations.

Communication and Outreach

We will obtain our customers' trust through effective outreach programs and open communication.

Actions

- Develop a communications plan for outage notifications.
- Develop community programs & outreach.
- Improve partnership with Customer Service.
- Review and update websites.

Strategic Priorities and Actions



Infrastructure

We are committed to the continuous improvement of our equipment and infrastructure to provide the most reliable energy services to our customers.

Actions

1. Implement and update the Capital Improvement Plan (CIP).
2. Improve routine maintenance program and efforts.
3. Encourage inclusion of renewable resources in our power supply portfolio.

Fiscal Viability

We have competitive and flexible rates that adequately fund our budgetary priorities and insulate us from changes in the energy market.

Actions

1. Develop practices with the Finance Department to facilitate transparency with the Energy Board and the public.
2. Align annual rates and budgets to ensure a reasonable rate of return that will enable Provo Power to achieve its goals.
3. Perform cost of service studies every 3 years to ensure our rate structure spreads costs equitably across customer classes.

Conclusion: Focused on a Future of Excellence

Using the 2020-2025 Strategic Plan as its guide, Provo Power will evaluate technology advancements and infrastructure improvements, customer service programs, human resources policies, and financial management strategies that will enable Provo Power to chart a course for a successful long-term future. Provo Power will use the plan to develop specific tactics for operational planning, employee engagement, new customer initiatives, and a capital improvement program. Provo Power

will also follow the plan's guidelines when monitoring regulatory and industry changes, exploring growth opportunities, and setting internal goals. The framework of the plan will support Provo Power's core focus on continued delivery of reliable and competitive utility services. The Provo Power governing board and staff will review on a regular basis the progress of the plan implementation.



Acknowledgements

The strategic planning process captured the “voice” of the Provo community through the presence of the Advisory Team. The Advisory Team provided guidance on the strategic direction, identified roadblocks and gave input during the planning process. Provo Power thanks the members of the Advisory Team for their efforts and participation:

- **Bill Hultersum**, President & CEO, United Way of Utah County, former Energy Board Member
- **Cheryl Taylor**, Energy Board Member
- **Julie Radle**, Assistant Director, Honors Program-Brigham Young University, Energy Board Member
- **Ned Hill**, Former Dean of Marriott School of Business-Brigham Young University, Energy Board Chair
- **Gary Winterton**, Provo City Council Member, Energy Board Member
- **Gary McGinn**, Community and Neighborhood Services Director, Provo City
- **Austin Taylor**, Parking and Sustainability Coordinator-Community and Neighborhood Services, Provo City

Comprised of Provo Power’s management and staff representatives, the Planning Team (PT) developed the components of the Strategic Plan and are leading the implementation of the strategic and action plans. The PT is ultimately responsible for executing the actions necessary to move forward the strategic priorities defined.

Provo Power thanks the members of the PT for their dedication and participation in developing the 2020-2025 Strategic Plan and for leading the efforts to achieve Provo Power’s vision and mission:

- | | | |
|-------------------------|---------------------------|-----------------------|
| • Travis Ball | • Scott Bunker | • Titus Bills |
| • Charlie Fuller | • Kat Linford | • Randy Barney |
| • Chaz Addis | • Peggy Andersen | • Rebecca Hunt |
| • Brett Davis | • Alfonso Cardenas | |
| • Ryan Spencer | • Tad Smallcomb | |



PROVO POWER

251 W. 800 N.

Provo, UT 84601

(801) 852-6000

www.provopower.org

