



**VELCO** VERMONT'S TRANSMISSION RELIABILITY RESOURCE

# VELCO Strategic Planning 2013

June 6, 2013

6/12/2013

MOVING **POWER.** MOVING **FORWARD.**



# What we were trying to accomplish this year

- To gather more up-front input from associates, customers and other stakeholders.
- To make a clear-eyed assessment of our environment and developments in the industry.
- To create a simple, strong plan with “pull” energy.

## ***VELCO MISSION***

VELCO manages the safe, reliable, cost-effective transmission of electrical energy throughout Vermont. Our goal is to provide an optimal system of electric transmission facilities as part of an integrated regional network designed to meet both current and future energy needs.

## ***VELCO VALUES***

We produce high-quality work and provide honest, accurate judgment and advice.

We are good stewards of ratepayer dollars, our environment and our historic resources.

We strive to achieve cost-effective solutions—transmission or non-transmission—to ensure system reliability.

We create value for our owners, customers, regulators, the public and the region.

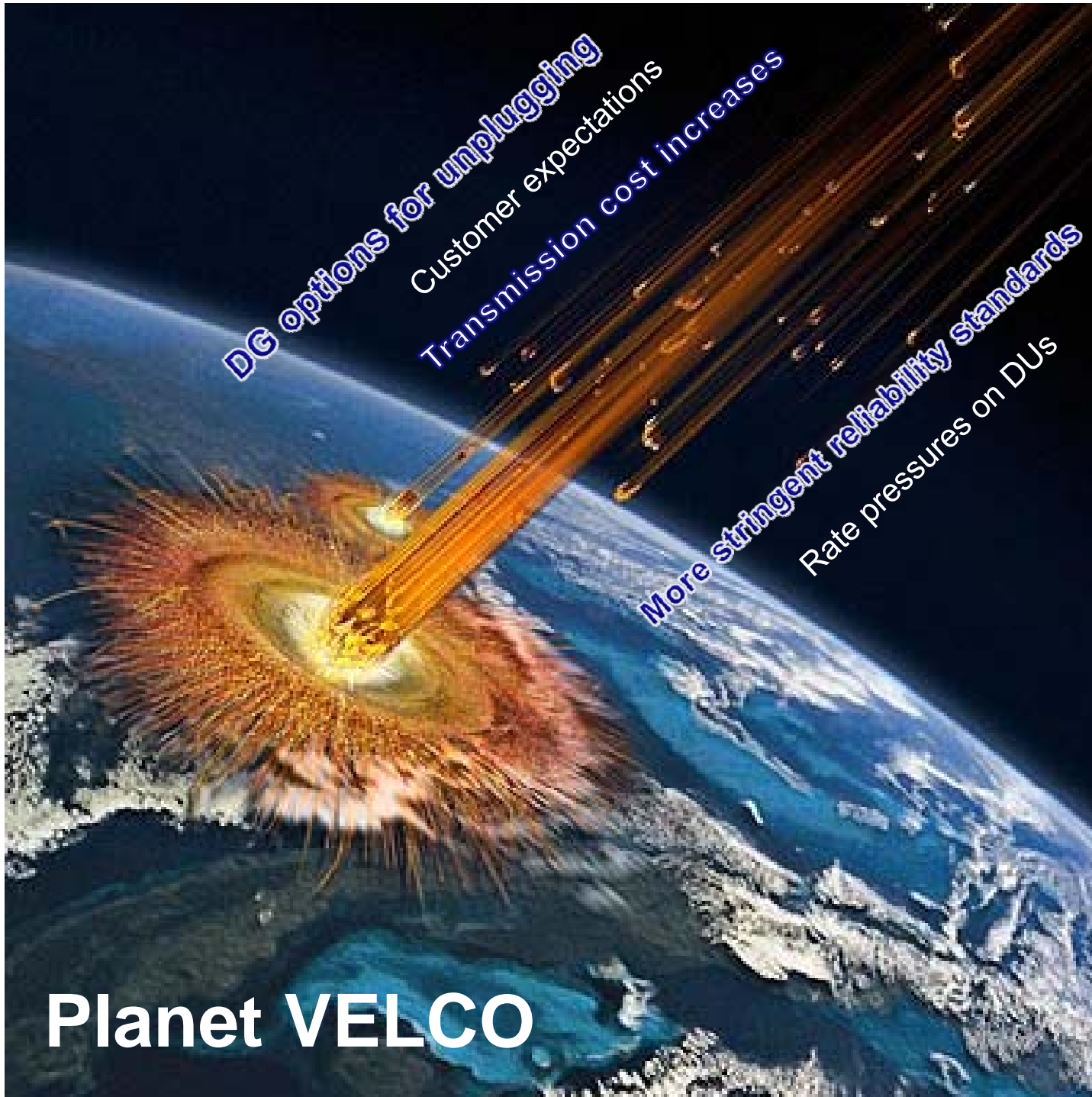
We nurture our associates' professional and personal growth and foster a culture of safety, integrity, open communication, teamwork and the ability to embrace change.

# Constants

***VELCO: TRUSTED PARTNER IN GRID SOLUTIONS.***

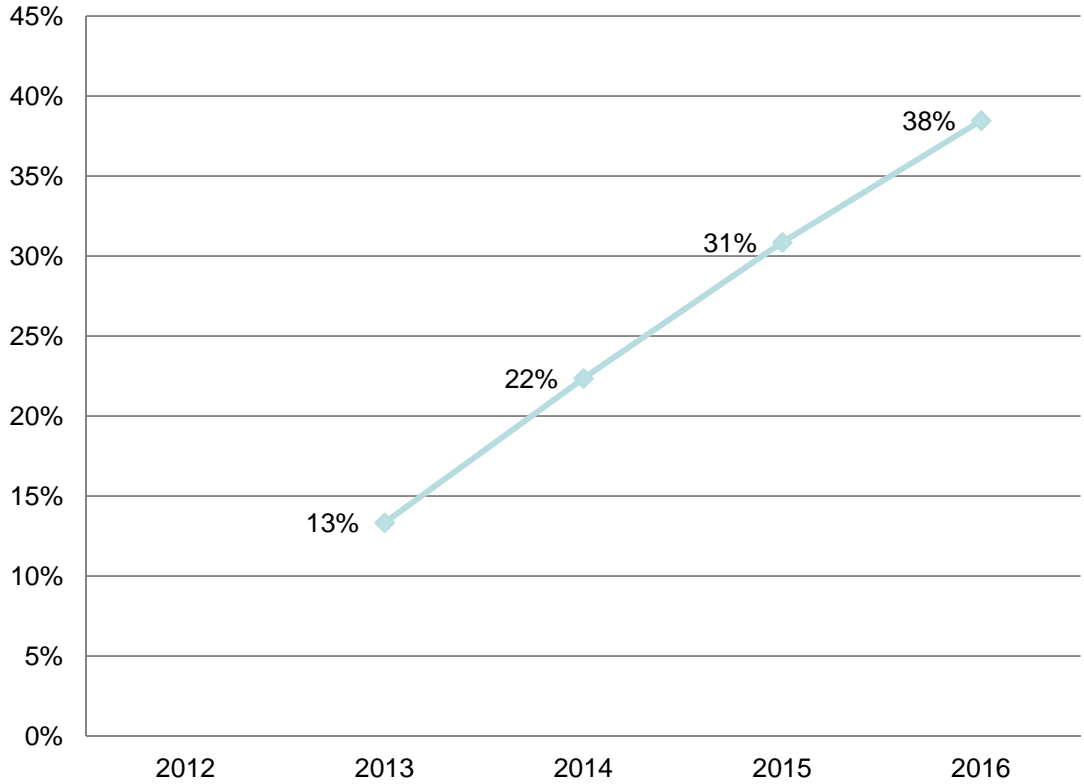
## 2014 planning process starting points

- Extensive input from VELCO staff, board members, customers & other stakeholders
- Industry leaders' & experts' focus on the new normal & how electric industry will adapt to disruptive change
  - Dr. Faruqui presentation
  - ISO-NE strategic plan
- Models of how other companies are transforming their organizational cultures to adapt to rapid change
  - Netflix presentation
  - Ongoing work with the Coaching Center of Vermont



It's clear that we and our customers are confronting challenges that require new thinking and commitment of the whole company.

# Estimated cumulative increase in New England transmission costs 2013-2016



Transmission costs are projected to increase from \$75 to \$115 per kW-year over this period based on approved investments.

*Source: ISO-NE*

## Draft 2014/2015 initiatives

### **Make VELCO lean.**

Cut cost by questioning every dollar we spend.

Invest time only in what produces results.

Use tools—processes & technology—to unleash us to create value for our customers & eliminate errors in critical work.

### **Fight for electricity customers at ISO-NE.**

Wage all-out campaign to flatten the regional transmission cost curve, enlisting all possible allies.

### **Transform VELCO's workplace to meet the challenges of change.**

Create an environment of empowerment, freedom & responsibility.

Debate passionately, then act with shared commitment.

Paint a clear, consistent vision that guides sound decisions.

Align people & structure with current & future customer needs.

Define & live what it means to be a trusted partner.