

30-Day Assessment, Priorities & Staffing Plan

Girish Balachandran, CEO

Don Eckert, Director of Administration & Finance

Executive Committee, March 27, 2018



SVCE Mission

- Reduce dependence on fossil fuels by providing carbon free, affordable and reliable energy and innovative programs for the SVCE community

DIRECTION



HIGH-LEVEL ASSESSMENT

- We're in good shape for several areas we control
- We need to catch-up with the 7-month hiatus in staffing
- We have significant regulatory and (maybe) legislative risk
- We need to add resources to the Decarbonization and Grid Innovation area

ASSESSMENT BY DEPARTMENT

- POWER SUPPLY
- FINANCE & ADMINISTRATION
- MARKETING & PUBLIC RELATIONS
- REGULATORY & LEGISLATIVE AFFAIRS

CURRENT ACTION

- Power Supply is BY FAR the greatest cost driver
 - Short-term
 - Fill staffing needs (IN PROCESS, offers made to two people in Power Supply, need to get Senior Regulatory Analyst and Legislative Associate filled)
 - Active involvement in regulatory processes (IN PROCESS and to be enhanced once hiring at SVCE and added resources at CalCCA)
 - Mid-term: Evaluate taking over some consultant functions

A large, stylized leaf graphic in a lighter shade of green, positioned on the left side of the slide. The leaf has a central vein and several smaller veins branching off, creating a sense of movement and growth.

BENDING THE CARBON CURVE

**Health and Wealth
for our community**

SILICON VALLEY DIFFERENTIATORS

- Differentiators
 - Platform for Innovation
 - Prototype
 - Proof of Concept
- Value
 - Disruptor – creates an expanded vision
 - Bold – accelerates change
 - Moves the needle – bends the curve

SCOPE

- Clean up electricity – DONE
- Clean up space and water heating – Natural Gas
- Clean up transportation - Gasoline

LEVERAGE PARTNERSHIPS

- Academia
- Large, innovative and established customers/companies
- Valley Start-Ups
- University Students
- Motivated, informed and committed community

HEALTH & WEALTH COMMUNITY & CUSTOMERS

- Bridge the Carbon Divide
 - Disadvantaged customers
- Carbon Free – Wealth and Health
- Lower cost

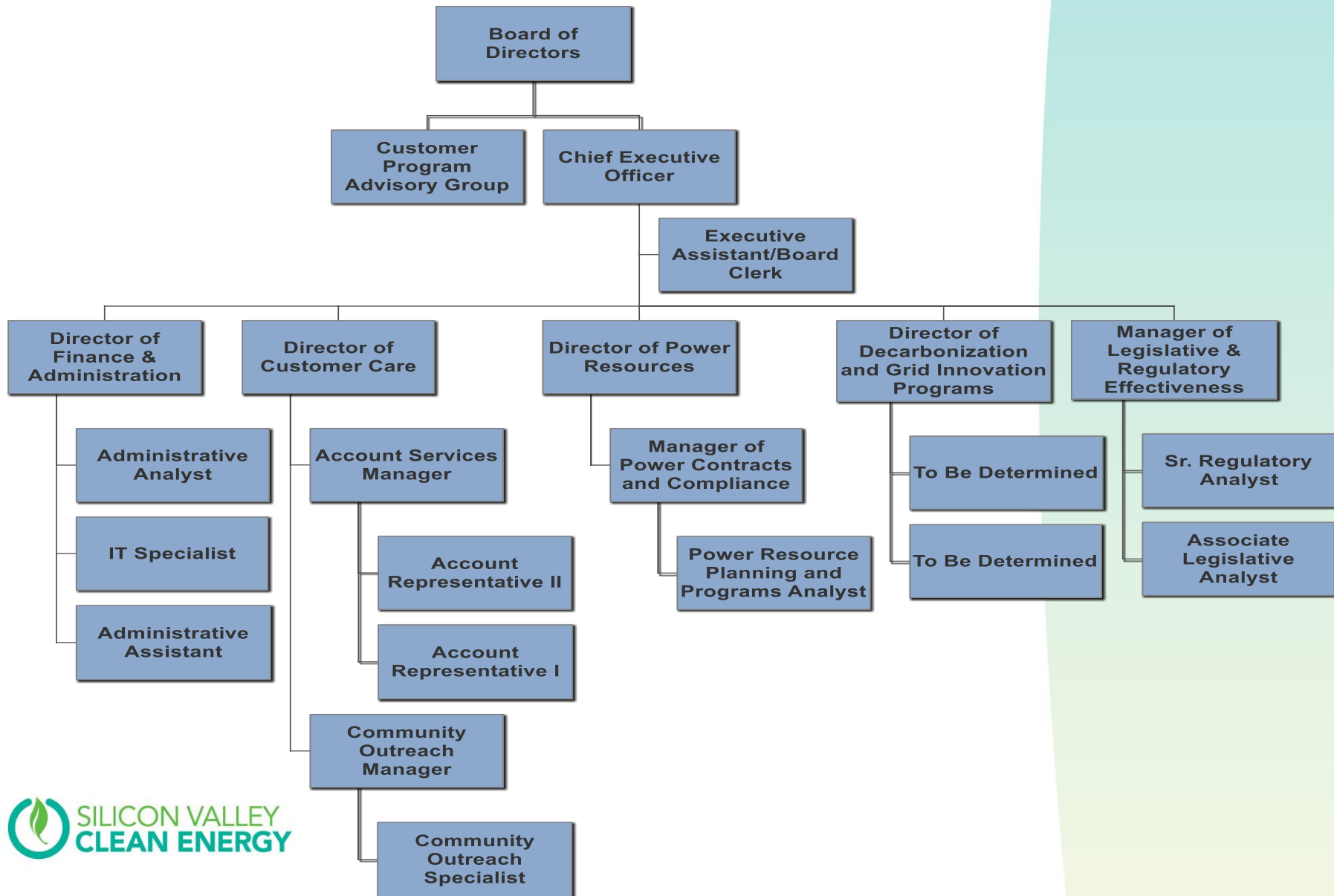
RECOMMENDATION

- Delete/Defer Positions – **savings of \$0.7 million**
 - General Counsel & Director of Governmental Affairs
 - Finance Manager
 - Administrative Analyst – HR
 - Power Resource Planning and Programs Analyst
- Reclassification of Title – No Fiscal Impact
 - Director of Marketing & Public Affairs to Director of Customer Care
 - Administrative Analyst to IT Specialist
 - Manager of Legislative & Regulatory Affairs – Change “Affairs” to “Effectiveness”
 - Power Contracts & Compliance Specialist – Change “Specialist” to “Manager”

RECOMMENDATION

- New Positions (4)
 - Director of Decarbonization & Grid Innovation Programs
 - (2) “To Be Determined” Positions to support this function
 - Sr. Regulatory Analyst
 - Additional resource to protect SVCE against CPUC risks
- No fiscal impact. SVCE remains at 21 positions

PROPOSED T/O CHART



MEDIUM TERM (1-2 YEARS)

- People are SVCE's best Capital
- "Get the Right People on the Bus"
 - Focus on bringing the right people in first and then adapt the organizational fit, as necessary
 - Recruit smart and passionate talent
 - Be flexible in the approach
 - Consider "half-time"
- SVCE grows to ~25 FTE's

A large, stylized leaf graphic in a lighter shade of green, positioned on the left side of the slide. The leaf has a central vein and several smaller veins branching off, creating a sense of movement and growth.

Compensation & Benefits

COMPENSATION STRATEGY

STRATEGIES	SO THAT.....	FUTURE IMPLICATIONS
<p>Establish market-based compensation programs</p> <p>Implement common frameworks for position evaluation and performance management.</p>	<p>We are able to respond to our relevant markets</p> <p>We balance all types of rewards within a total package.</p> <p>We drive consistency of practices, set appropriate review and monitoring systems</p>	<p>Moving toward market alignment allows us to make competitive talent choices</p> <p>Predictable pay practices will driver internal credibility to help us attract and retain talent</p> <p>Moving to more strategic approach to compensation</p> <p>A sustained excellent workforce and Agency.</p>

BENEFITS STRATEGY

STRATEGIES	SO THAT.....	FUTURE IMPLICATIONS
<p>Control costs and create value for employees through plan design</p> <p>Focus on giving employees choices and alternatives</p> <p>Understand that Silicon Valley is a difficult place to recruit.</p> <p>Align benefits with relevant markets</p>	<p>We establish benefits that are market competitive and sustainable</p> <p>We communicate clearly on choice, value and accountability</p>	<p>Able to recruit and retain</p> <p>Stablization of cost curve</p> <p>Emphasize employee responsibility</p>

TALENT MANAGEMENT

STRATEGIES	SO THAT.....	FUTURE IMPLICATIONS
Acknowledge the critical nature of Talent Management current state, outlook and challenges	SVCE creates an environment where organizational opportunity meets readiness of individuals	We're prepared for the impact of the changes in the talent landscape
Establish discipline and best practices around a culture of talent management	SVCE improves our status as a preferred employer by becoming competitive in the marketplace	We're prepared to compete for top talent
Establish diversity as a key pillar to our talent management strategy	SVCE develops leaders and provides subject matter experts	We attract and retain the best and brightest talent and help them become successful
Provide tools, systems, processes and best practices that prepare us for internal and external environmental changes	SVCE leverages our internal talent pool	We've identified career opportunities for talent for the future, with bench strength
Facilitate conversation and development to prepare future leaders	<p>SVCE measure, recognizes and rewards high performance results</p> <p>SVCE adapts to new tools and technology</p> <p>SVCE strategically defines our workforce</p>	The employee's lifecycle experience is efficient, positive, consistent, as well as integrated into SVCE culture

Next Steps

- April 11 Board Meeting
 - Present 30-day assessment to Board
 - Recommend approval of Staffing Plan
- After April 11
 - Hire employees ASAP, if approved by Board
- April 24 Executive Committee Meeting
 - Present Compensation and Benefits Update

