

Client Spotlight

Energy Northwest

Times have changed for Energy Northwest, a public agency in the state of Washington that had a disastrous decade in the 80s, barely survived the early 90s, and is beginning this decade with success and excitement about the future.

“It’s a bad day when you get to work and Mike Wallace is waiting at the front door,” John Britton, the communications officer says.” And, that’s exactly what happened in 1983, when Energy Northwest was known as the Washington Public Power Supply System and its failures were highlighted on the television program 60 Minutes.

“It probably can’t get much worse than that,” Britton says.

The agency, representing more than 100 small public utilities scattered throughout the Pacific Northwest, tried to build five nuclear power plants at one time. The organization expanded too fast, relying on poor planning and energy demand forecasting, and spent billions of dollars. The dream soured in 1983 when the project sponsors bailed out and the agency defaulted on \$2.25 billion of municipal bonds.

One plant of five survived the chaos. It began operating in 1984, but even into the early 90s, it wasn’t very successful.

The first of two major workforce reductions took place in the 80s, when staffing was cut from 3,000 to 1,800 employees. That wasn’t enough, and the layoffs would continue in the 90s. By 1998, slightly more than 1,000 employees would remain.

Energy Northwest has just one customer, the Bonneville Power Administration (BPA), which serves 9 million people in Washington, Oregon, Idaho, western Montana, and parts of Wyoming, Utah, Nevada, and northern California. Energy Northwest supplies approximately 12 percent of the electricity BPA sells to other agencies.

“The BPA puts us to a ‘market test’ that is measured in cost per kilowatt-hour of electricity,” Britton explains, proudly reporting that since 1994, the cost has been reduced from 3.5 cents per kilowatt-hour to 2.2 cents. (The cost per kilowatt-hour is determined by dividing how much it costs to operate the plant by how much electricity is produced.) Today one record run (days of operations without interruption) follows another, and Energy Northwest’s record of worker radiation exposure has gone from one of the worst in the nuclear industry to one of the best.

“We’ve become an asset to our region instead of a liability, and we’re giving consumers reliable and affordable power in return for their considerable investment in us-and that feels good,” Britton says.

CHALLENGE: Suffering from the aftermath of explosive growth coupled with poor planning and forecasting, this organization was reeling. Even after massive layoffs it was still facing a shutdown.

SOLUTION: Created an integrated leadership development program to drive behaviors and performance, and to create systems and structures for improvement.

RESULTS: The organization has gone from a state of impending closure to creating success in a niche market. Costs for each kilowatt-hour have been reduced from 3.5 cents to 2.2 cents in just 4 years. And safety records have gone from one of the worst to one of the best in the industry.

“From being afraid of being closed down, to feeling successful in a niche market is great,” Britton says, “and now we can grow from that foundation to meet the world’s changing needs, whether they be with natural gas-fired plants, wind farms, hydro plants, or renewable energy systems.”

• **Listen to a recent conversation among Academy graduates:**

• These managers and supervisors are discussing what they gained from Energy Northwest’s Leadership Academy and its curriculum, which has been built upon the foundation of programs from The Ken Blanchard Companies, particularly Situational Leadership® II and The Leadership Bridge (SLII®/MBTI®).

• This is a much different conversation than those of the late 80s and early 90s when most employees were either losing their jobs-or worried about losing them.

• **Mike Humphreys:** I have a framework and structure to talk about something as squishy as leadership. Our organization is going to have to continue to change in order to train and retrain our workforce, deal with deregulation, and expand into broader businesses. We are still in the midst of our journey, but the Leadership Academy is the important tool to get us to the future.

• **John Britton:** We’ve overcome our morale problems from the past decades, and the Leadership Academy gives our staff a sense of job security because it demonstrates that management is serious about developing its employees. I’ve gained insight into myself as well as others. What I’ve learned is easy to apply and it works!

• **Doug Culver:** I can see situations from both the employee’s and the management’s points of view.

• **Kathy Martin:** I realize I need to behave differently with people, depending on the task as well as the personalities involved.

• **Gary Weimer:** I used to try to force everyone into my way of thinking, but now I am trying to accommodate others and recognize what they bring to the table.

• **John Hanson:** I think we are not only doing better at setting expectations but also at coaching and mentoring people about how they can meet those expectations.