



Board Briefing

LES Strategic Planning

June 20, 2025

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01

Strategic Planning Journey



02

Program Updates



Task 5: Strategic Initiatives Development

Day 1:

- Reviewed the strategic initiative framework and criteria for effective Strategic Initiatives
- Examined best practice industry examples
- Discussed the desired level of detail for each initiative and its associated projects
- Introduced a common taxonomy of elements that make up the strategic plan
- Explored approaches to understanding the energy trilemma
- Conducted a capital portfolio review
- Breakout groups collaborated to develop and evaluate potential Strategic Initiatives

Day 2

- Began with a review of Day 1 results
- Developed project details and mapped projects to objectives and goals
- Evaluated projects and identified overarching strategic themes



LES Strategic Planning Workshops

Topic: Strategic Initiatives

Date: May 14 -15, 2025

Strategic Planning Taxonomy

Common terminology used through the strategic planning process

STRATEGIC OBJECTIVES

provide the structure for the Strategic Plan and bridge from the Vision to annual Goals & Initiatives execution.

STRATEGIC INITIATIVES are the major umbrella themes that LES will pursue to turn its long-term objectives into action. They translate the Strategic Plan into focused, cross-organizational execution.

1

OBJECTIVES

Where LES is going

2

GOALS

What LES must achieve to get there

3

INITIATIVES

How LES will get there

4

PROJECTS

Specific work that will get done within each initiative

STRATEGIC GOALS are statements in the Strategic Plan that translate each Strategic Objective into specific, measurable outcomes. They sit between the Strategic Objectives and the actionable Initiatives.

PROJECTS are the specific, time-bound efforts & investments that bring Strategic Initiatives to life e.g. construction projects, technology projects, process improvements, customer programs, etc.

Overview: Progress on the Strategic Plan

Our strategic framework provides overall direction and focus for development of the strategic plan.

VISION

Driving our energy future where people and power enable progress.

“People, Power, Progress”

MISSION

Powering our community through responsible stewardship of our shared resources.

2030 STRATEGIC OBJECTIVES UPDATED



CUSTOMER & COMMUNITY

Optimally deploy our resources to help meet all our customers' and community's evolving power needs.



INFRASTRUCTURE

Build and maintain a reliable, resilient, and adaptable grid and supporting systems.



FINANCIAL HEALTH

Ensure that LES can fund the activities required to achieve its Mission and Vision.



WORKFORCE READINESS

Attract, develop, and retain a talented workforce to boost organizational performance.



SUSTAINABILITY

Reduce carbon footprint and manage demand peaks to reduce reliance on fossil fuels while maintaining resource adequacy and fiscal responsibility.

VALUES UPDATED

Safety

Dependability

Integrity

Community

Curiosity

Excellence

Recap: Strategic Objectives

For each Strategic Objective, we have defined where we want to go as an organization by 2030.

STRATEGIC OBJECTIVES define the impact LES wants to make by 2030 and provide structure for the Strategic plan to articulate what we will focus on to achieve our Vision.



CUSTOMER & COMMUNITY

Optimally deploy our resources to help meet all our customers' and community's evolving power needs.

Dynamic products and services, minimize energy burden, enable community goals – all while delivering an exceptional customer experience.



INFRASTRUCTURE

Build and maintain a reliable, resilient, and adaptable grid and supporting systems.

An adaptable grid that delivers industry leading reliability, resiliency, and customer experience in an increasingly complex operating environment.



FINANCIAL HEALTH

Ensure that LES can fund the activities required to achieve its Mission and Vision.

Financial health through a strong bond rating, sufficient liquidity, and a transparent rate path to operate in an increasingly complex environment.



WORKFORCE READINESS

Attract, develop, and retain a talented workforce to boost organizational performance.

A culture of belonging, collaboration, and growth by investing in people, offering career fulfillment opportunities, and aligning with strategic priorities.



SUSTAINABILITY

Reduce carbon footprint and manage demand peaks to reduce reliance on fossil fuels while maintaining resource adequacy and fiscal responsibility.

Net zero CO² production from LES' generation portfolio by 2040 while managing our demand peaks and demonstrating environmental stewardship across our utility operations.

What we will do

What we will achieve

What's New: Strategic Goals

We have developed fifteen (draft) enterprise-level goals to drive performance across the organization.

GOALS translate Strategic Objectives into specific, measurable outcomes. They sit between the Strategic Objectives and actionable Initiatives.



CUSTOMER & COMMUNITY

Experience: Deliver exceptional customer experience.

Education: Empower customers to be “informed energy users”.

Service: Partner with our customers to manage their energy goals.



INFRASTRUCTURE

Resiliency: Achieve industry leading reliability and resiliency across all systems.

Capacity: Provide -optimal grid and system capacity.

“Future ready” the grid and supporting systems to proactively address increased volatility (G, T, D, IT).



FINANCIAL HEALTH

Liquidity: Achieve 'optimal' liquidity by YE 2027.

Bond Rating: Maintain AA Bond rating.

Rate Path: Maintain transparent rate path.



WORKFORCE READINESS

Retain: Retain talented staff throughout the organization.

Develop: Develop and support employees through career advancement and leadership development.

Attract: Attract and onboard top talent through an efficient hiring process, career fulfilment opportunities, and competitive total compensation offerings.



SUSTAINABILITY

Net-Zero: Net-Zero CO² emissions from LES generation portfolio by 2040.

Environmental Stewardship: Prioritize sustainable utility operations practices and customer education to protect and preserve natural resources and reduce harm to ecosystems.

Demand Management: Evaluate and deploy existing and emerging solutions to flatten load peaks and mitigate the need for new generation.

What's new: Draft Strategic Initiatives

We are in the process of refining six (draft) Strategic Initiatives

STRATEGIC INITIATIVES are efforts LES will pursue to turn its 2030 objectives into action. They translate the strategic framework into focused, cross-organizational execution.



03

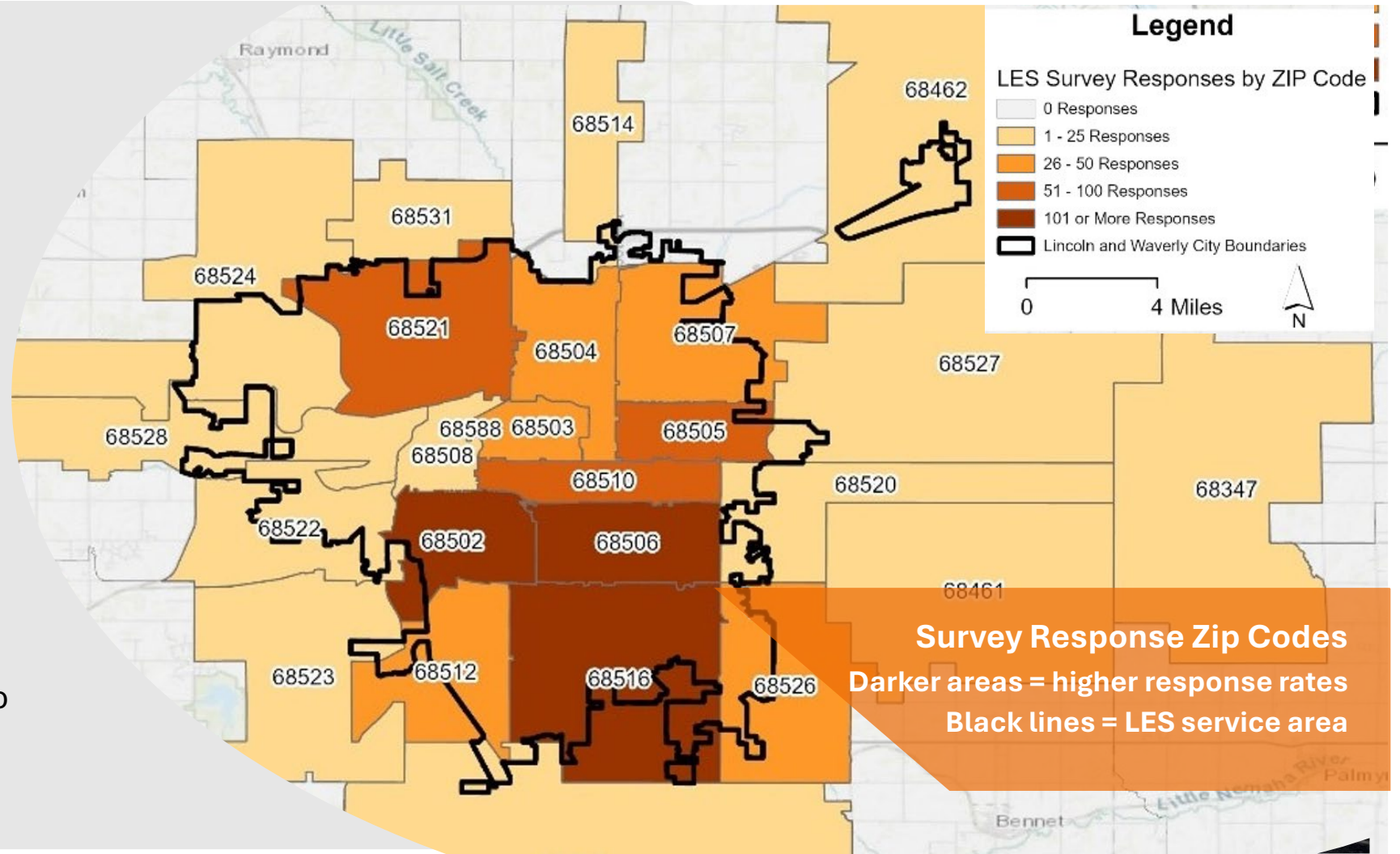
External Engagement Update



Community Engagement

Community Survey

- Open from March 1 - April 30.
- Conducted digitally.
- Promoted through a variety of tactics, including news releases, emails, LES lobby materials, bill messaging, online advertising, radio ads, QR codes in libraries and community centers, LES.com and social media.
- **1,131** responses collected.
- Respondents chose whether to provide demographic information.





Community Engagement

Community Meetings

- Seven 90-minute meetings between April 7 and April 16.
- Held across the LES service area at various times, sessions were a mix of in-person, virtual and hybrid.
- Promoted through a variety of tactics, including a targeted email series, LES.com, organic and paid social posts, personal asks and residential and commercial e-newsletters.
- 90 meeting attendees, including local leaders, residential customers, key accounts and local nonprofits.



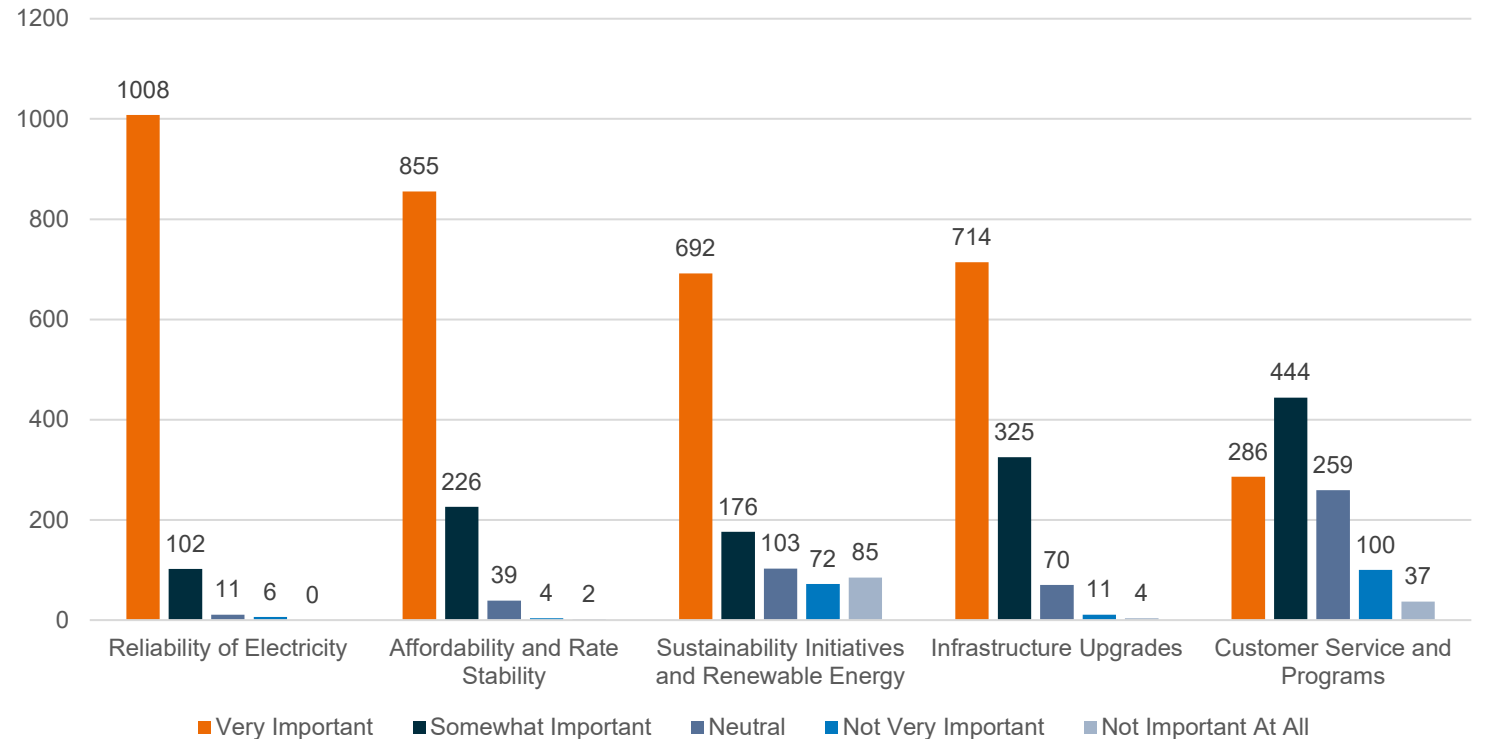
Results

SURVEY

All types of businesses and residential customers, including homeowners, renters and landowners, followed the overall pattern of importance for each area.

1. Reliability of electricity (676 respondents ranked this most important)
2. Affordability and rate stability (233)
3. Sustainability initiatives and renewable energy (189)
4. Infrastructure upgrades (24)
5. Customer service and programs (8)

Importance of Investment Areas*



*Some survey respondents are included in more than one category due to overlap between residential, business customers and employees.



Results

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Top survey response themes included:

- Affordability
- Burying power lines
- Climate change/sustainability
- Renewable energy sources
- Cybersecurity
- DEI
- Remaining public power
- Customer assistance/education
- Community investment
- Managing growth
- Minimizing environmental impacts

General tone of survey responses:

- 90% of comments were neutral.
- Approx. 3% of comments were positive.
 - Positive comments: LES current and past operations practices.
- Approx. 7% of comments were negative.
 - Negative comments: LES spending, investment in renewable energy, current rates.

**Some survey respondents are included in more than one category due to overlap between residential, business customers and employees.*

Key Findings/Takeaways

COMMUNITY MEETINGS

Strategic Objectives

Attendees were presented with five strategic objective areas of the Strategic Plan, including an objective and intent for each, and asked to provide feedback on each one.

Perspectives varied, and all data was provided to PA Consulting and the LES Executive Leadership Team to inform decisions through this process.

Discussion related to Strategic Objectives



Customer & Community

Communication with the community.
Energy burden.
Defining “community goals.”
What “dynamic” means.



Workforce Readiness

LES' ownership of this area.



Financial Health

Transparency around how rates are calculated.
Community's desire to keep rates low.
Responsible stewardship.



Infrastructure

Define the “grid.”
Inclusion of adaptability.



Generation Resource Planning

Have the needed resources for the community in LES' service area.
Regulatory environment of public power.
Decentralization.
Balancing reliability and affordability.
Cost of power and keeping costs affordable.

04

Next Steps & Discussion



Strategic Planning Program

Next steps

Finalize Strategic Plan Elements

- Strategic Initiative details
- Performance indicators
- Implementation Plan document (includes strategic planning playbook)

Develop Strategic Plan

- **6/9 – 7/03** develop Strategic Plan and Board Presentation
- **7/7-7/16** Board materials will be published in advance of the Board Adoption meeting on 7/18

Program Updates

- **7/18** Board Adoption Presentation

