



Memorandum from the Office of the Inspector General

January 22, 2021

Cynthia L. Herron

REQUEST FOR FINAL ACTION – EVALUATION 2020-15762-03 – ORGANIZATIONAL EFFECTIVENESS – COMMERCIAL ENERGY SOLUTIONS ENERGY SERVICES AND PROGRAMS

Attached is the subject final report for your review and final action. Your written comments, which addressed your management decision and actions planned or taken, have been included in the report. Please notify us when final action is complete. In accordance with the Inspector General Act of 1978, as amended, the Office of the Inspector General is required to report to Congress semiannually regarding evaluations that remain unresolved after 6 months from the date of report issuance.

If you have any questions or wish to discuss our findings, please contact Jessica L. Monroe, Senior Auditor, at (865) 633-7338 or Lisa H. Hammer, Director, Evaluations – Organizational Effectiveness, at (865) 633-7342. We appreciate the courtesy and cooperation received from your staff during the evaluation.

A handwritten signature in black ink that reads "David P. Wheeler".

David P. Wheeler
Assistant Inspector General
(Audits and Evaluations)

JLM:KDS

Attachment

cc (Attachment):

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OIG File No. 2020-15762-03



Office of the Inspector General

Evaluation Report

To the Vice President,
Energy Services and
Programs

ORGANIZATIONAL EFFECTIVENESS – COMMERCIAL ENERGY SOLUTIONS ENERGY SERVICES AND PROGRAMS

Auditor
Jessica L. Monroe

Evaluation 2020-15762-03
January 22, 2021

ABBREVIATIONS

| | |
|------|---------------------------------------|
| B&I | Business and Industry |
| CES | Commercial Energy Solutions |
| CD | Customer Delivery |
| ES&P | Energy Services and Programs |
| FY | Fiscal Year |
| LPC | Local Power Company |
| SHRM | Society for Human Resource Management |
| SM&S | Strategy, Marketing, and Support |
| TVA | Tennessee Valley Authority |
| VP | Vice President |

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Evaluation 2020-15762-03 – Organizational Effectiveness – Commercial Energy Solutions Energy Services and Programs

EXECUTIVE SUMMARY

Why the OIG Did This Evaluation

Organizational effectiveness, as defined in this evaluation, is the ability of an organization to achieve its mission and goals. Due to the importance of alignment between strategy, team engagement, and operational performance, the Office of the Inspector General is conducting organizational effectiveness evaluations of business units across the Tennessee Valley Authority (TVA). This evaluation focuses on Energy Services and Programs (ES&P), an organization within TVA’s Financial Services’ Commercial Energy Solutions.

ES&P’s mission is to develop and execute energy programs and services to make life better for the people of the Valley. ES&P develops TVA’s strategy, policy, and portfolio of initiatives for the management of TVA’s energy efficiency, demand response,ⁱ and electrificationⁱⁱ resources to meet identified system needs or targets set by the TVA Board of Directors. The objective of this evaluation was to identify factors that could impact ES&P’s organizational effectiveness. Specifically, we identified behavioral and operational factors that affect organizational effectiveness.

What the OIG Found

During the course of our evaluation, we identified behaviors that had a positive impact on ES&P. These included relationships with team members and most management. However, we also identified a behavioral risk related to relationships with management in one group. In addition, we identified risks to operations that could hinder ES&P’s effectiveness. These risks were related to interactions with business partners, frequency of program changes, and resource concerns in two groups. Ratings are reflected in the table below:

| | Low Risk | Medium Risk | High Risk |
|------------|----------|-------------|-----------|
| Behaviors | | X | |
| Operations | | | X |

ⁱ Demand response lowers rates through payment to industrial consumers for reducing demand during times of system need.

ⁱⁱ Electrification promotes smart energy technologies to generate efficient load and lower carbon footprints for consumers while increasing revenue for TVA and local power companies.



Evaluation 2020-15762-03 – Organizational Effectiveness – Commercial Energy Solutions Energy Services and Programs

EXECUTIVE SUMMARY

What the OIG Recommends

We recommend TVA management address concerns related to (1) relationships with management in one group, (2) interactions with business partners, (3) frequency of program changes, (4) resource concerns in two groups, and (5) concerns between certain groups.

TVA Management's Comments

TVA management described actions taken and planned to address our recommendations. See Appendix B for TVA management's complete response.

Auditor's Comments

We agree with management's planned actions and actions taken.

BACKGROUND

Organizational effectiveness, as defined in this evaluation, is the ability of an organization to achieve its mission and goals. Due to the importance of alignment between strategy, team engagement, and operational performance, the Office of the Inspector General is conducting organizational effectiveness evaluations of business units across the Tennessee Valley Authority (TVA). This evaluation focuses on Energy Services and Programs (ES&P), an organization within TVA's Financial Services' Commercial Energy Solutions (CES).

ES&P's mission is to develop and execute energy programs and services to make life better for the people of the Valley. ES&P develops TVA's strategy, policy, and portfolio of initiatives for the management of TVA's energy efficiency, demand response,¹ and electrification² resources to meet identified system needs or targets set by the TVA Board of Directors. Further, ES&P's role supports TVA's 2019 Integrated Resource Plan that identified the need for energy efficiency savings and demand response. ES&P is comprised of three groups: (1) EnergyRight® for Home, (2) Strategy, Marketing, and Support (SM&S), and (3) EnergyRight® for Business and Industry (B&I).

- EnergyRight® for Home has programs aimed at making it easier for Valley residents to use energy wisely, save money, and reduce their carbon footprint. EnergyRight® for Home's eScore Program is designed to provide homeowners with smart energy advice and access to a network of specially trained contractors, including free inspection of any work performed. In addition, EnergyRight® for Home's program, Home Uplift, consists of free home upgrades to help low-income families increase energy efficiency and lower their energy bills. Their New Homes Program encourages builders to use electric instead of non-electric equipment in exchange for incentives. Finally, EnergyRight® for Home provides workshops to teach participants ways to better manage energy usage.
- SM&S is responsible for the demand response portfolio of programs, including (1) interruptible power, which suspends a portion of participating customers' load, with notice, during times of power system need; (2) Peak Power Partners, which connects TVA to hundreds of smaller commercial and industrial customers to provide demand response benefits through external program delivery partners; and (3) voltage optimization, which enables LPCs to lower peak demand and reduce energy consumption. In addition, SM&S conducts market research and develops marketing materials to advertise EnergyRight® programs, cobrands campaigns with LPCs, and promotes stories that demonstrate the impact of programs to consumers and

¹ Demand response lowers rates through payment to industrial consumers for reducing demand during times of system need.

² Electrification promotes smart energy technologies to generate efficient load and lower carbon footprints for consumers while increasing revenue for TVA and local power companies (LPC).

stakeholders. SM&S also provides business insights and reporting services and is responsible for ES&P's electric vehicles portfolio.

- EnergyRight® for B&I provides energy efficiency advice, tools, and training for schools, nonprofit organizations, local governments, and distressed businesses across the Valley. This group also provides the broader market with online resources, technical advice, access to contractors to make energy upgrades, and incentives for smart energy technologies to help the region recover from COVID-19. In addition, EnergyRight® for B&I is responsible for TVA's internal energy management.

ES&P depends on effective interactions with various TVA staff to execute these responsibilities and help meet goals set by top management, address Board initiatives, respond to stakeholder requests, support various TVA initiatives, and obtain data and information needed for its programs.³ While ES&P business partners include various TVA business units, Customer Delivery (CD), an organization within External Relations, is responsible for delivery of ES&P programs to TVA's customers.

As of May 2020, ES&P initiatives under development included (1) elevating electric transportation and utilizing electric technologies as a driver of community and business growth; (2) bringing energy efficiency to those in need; (3) increasing diversity of the Preferred Partner Network,⁴ and (4) exploring residential demand response. Other initiatives under development included growing closer to the LPCs through cobranding and to the consumer through tailored, helpful digital content. Metrics for fiscal year (FY) 2020 included, but were not limited to, program participation, annual energy added from electrification, annual energy saved by energy efficiency, and event performance for demand response programs.

From FY 2018 through FY 2020, ES&P's budget decreased by approximately \$17 million dollars and actual spend was under budget for each of those years. As of August 10, 2020, ES&P consisted of 47 individuals, including the Vice President (VP), 15 individuals in EnergyRight® for Home, 15 individuals in SM&S, 14 individuals in EnergyRight® for B&I, and 2 individuals reporting directly to the VP.

³ This information was included in a draft Standard Programs and Processes and ES&P personnel confirmed the accuracy of the statement.

⁴ According to an ES&P employee, the Preferred Partners Network is an exclusive network of approved commercial and industrial trade allies. Those members provide advice on energy-saving investments, install energy saving equipment, and guide participants through the process of applying for incentives throughout the TVA service area.

OBJECTIVE, SCOPE, AND METHODOLOGY

The objective of this evaluation was to identify factors that could impact ES&P's organizational effectiveness. We assessed operations as of September 2020 and culture at the time of our interviews and fieldwork, which occurred between September 8, 2020, and September 16, 2020. To complete the evaluation, we:

- Reviewed (1) Financial Services' FY 2020 through FY 2022 business plan, (2) Financial Services' FY 2020 Risk Portfolio, and (3) internal documents provided by ES&P to gain an understanding of initiatives and/or risks within ES&P.
- Reviewed TVA values and competencies as of September 2020. See Appendix A for an understanding of cultural factors deemed important to TVA.
- Reviewed the EnergyRight® 2019 Highlights report and other documentation to gain an understanding of processes and programs.
- Examined FY 2018 through FY 2020 financial information to gain an understanding of expenditures used in support of the work environment.
- Conducted individual interviews with 44 individuals,⁵ including management, and analyzed the results to identify themes related to factors that could affect organizational effectiveness.
- Interviewed a nonstatistical sample of 77 individuals from other TVA organizations that work with ES&P personnel and 1 individual responsible for supporting ES&P. We analyzed results to identify factors affecting organizational effectiveness from a business partner perspective.
- Assessed the overall effectiveness of ES&P in behavioral and operational aspects based on TVA's Business Operating Model.

This evaluation was performed in accordance with the Council of the Inspectors General on Integrity and Efficiency's *Quality Standards for Inspection and Evaluation*.

OBSERVATIONS

During the course of our evaluation, we identified behaviors that had a positive impact on ES&P. These included relationships with team members and most management. However, we also identified a behavioral risk related to relationships with management in one group. In addition, we identified risks to operations that could hinder ES&P's effectiveness. These risks were related to interactions with business partners, frequency of program changes, and resource concerns in two groups.

⁵ Three interns included in the August 10, 2020, headcount had internships that ended before we began our interviews.

BEHAVIORAL FACTORS

According to the Society for Human Resource Management (SHRM),⁶ employee engagement relates to the level of an employee's connection and commitment to the organization. In addition, SHRM specifies drivers of employee engagement, including commitment of leaders, trust in leadership and positive relationships with supervisors. TVA, in its Business Operating Model, states that engagement is one component of effective execution. TVA has also developed competencies intended to define common characteristics that set the tone for how work is to be performed in the organization. Defined behaviors are associated with the competencies to provide guidance as to how employees can demonstrate their commitment to TVA values. While individuals generally expressed having positive relationships with others in ES&P and with most management, many individuals in one group expressed concerns regarding management in their group.

Positive Relationships With Team Members

TVA is committed to fostering teamwork and expects employees to earn the trust of others through open, honest, and respectful words. Most individuals in ES&P commented positively on interactions with others in their group and most trusted their coworkers to do their jobs well. Examples provided by those commenting positively included being helpful, supportive, collaborative, working well together, and/or having good communication.

Relationship With Management

TVA expects leaders to inspire trust and engagement by building a positive environment that motivates others to achieve and exceed organizational goals and aspirations. We asked individuals within ES&P about interactions with their first-line, middle, and upper management. Responses from individuals indicate leadership is a positive driver of engagement for most individuals in ES&P.

Positive Interactions With Most Management

Most individuals commented positively on communication with all levels of management. Examples of positive communication included providing feedback and/or having one-on-one meetings. In addition, a few individuals mentioned discussions with the VP or the use of cascading communications emails, which are sent to all employees after every management team meeting. These emails provide highlights of the meeting, such as updates on the employee engagement team, management participation on CES teams, and updates on financial performance and ES&P programs.

Most individuals who commented stated they trusted and would feel comfortable reporting concerns to all levels of management. Further, many individuals commented positively on first-line and middle management with regard to accountability.⁷ Specific positive comments included management follow up with

⁶ SHRM is a membership organization for Human Resource professionals.

⁷ The majority of individuals did not comment on accountability from upper management.

employees on performance, providing constructive feedback, or using Microsoft Projects⁸ to aid with accountability.

Most individuals who commented were positive on recognition from all levels of management. Specific examples included the use of the Power Up program,⁹ good work being recognized in meetings or staff calls, gift cards or performance rewards, and specific praise being provided by management. In addition, when asked what worked well, several individuals commented positively on management being supportive, guiding and empowering the team, or caring for team members.

Relationship Concerns With Management in One Group

TVA's leadership competencies convey a focus on leaders communicating honestly and effectively with individuals and groups, being open to feedback and change, and providing honest and critical feedback. While most individuals in ES&P provided positive comments about management, many individuals in one group had concerns with management in their group. These concerns were related to being unreceptive to feedback, not sharing information, being unwilling to listen to input, micromanagement, and accountability. We discussed the specifics of these issues with the VP of ES&P and Senior VP of CES.

OPERATIONAL FACTORS

Based on our interviews, we identified risks to operations that could impede ES&P's effectiveness. Both individuals in ES&P and business partners identified risks related to interactions that impedes their ability to complete their mission. Specifically, some individuals within ES&P indicated concerns with interactions with one business partner. Business partners discussed concerns with the quality of communication, feedback, and timeliness of ES&P and discussed needed improvements related to coordination or collaboration. In addition, individuals in ES&P and business partners indicated concerns with the frequency of program changes. Finally, while most individuals commented positively on having the resources to accomplish their work, some resource concerns were expressed in two groups.

Interactions With Business Partners

TVA is committed to developing effective partnerships to achieve results and creating value for stakeholders. As previously discussed, ES&P depends on effective interactions with various TVA staff to execute their responsibilities. Feedback from ES&P personnel and business partners indicated impediments to effective interactions.

⁸ Microsoft Projects is a project management software.

⁹ The Power Up program is used throughout Financial Services and allows employees and management to nominate coworkers in Financial Services or individuals in other TVA business units who demonstrate TVA values in helping achieve its mission.

Feedback From ES&P Personnel

When asked about interactions with business units outside of ES&P, some individuals indicated concerns with one business partner: CD. As previously described, CD is responsible for delivery of ES&P programs to customers. Several individuals indicated concerns with collaboration with CD. For example, several individuals expressed concerns such as CD not selling ES&P programs well, not consistently sharing messages from customers about EnergyRight® programs, or wanting a role in ES&P programs decisions, which is viewed by individuals in ES&P as outside of the role of CD. A few individuals commented on internal inconsistencies between managers in CD, which could, for example, affect ES&P's ability to roll out an initiative. In addition, a few individuals expressed concerns with behaviors of some CD personnel and indicated ES&P is unable to provide feedback or hold CD accountable. Finally, several individuals expressed concerns with CD and ES&P having differing goals or focuses.

Feedback From Business Partners

We interviewed individuals from business units outside of ES&P to determine their opinions related to ES&P products and services, quality of feedback and communication, and timeliness. We also asked business partners to provide an area of improvement for ES&P. Some business partners indicated communication concerns with ES&P, and several individuals cited communication as an area for improvement. In CD, some individuals indicated ES&P does not listen to or value their input, with a couple of individuals indicating ES&P asks for feedback as a "check the box" exercise. Several business partners also commented on concerns with timeliness, including delays in providing or lack of information sharing, or responsiveness from ES&P.

Some individuals commented on the need for better coordination or collaboration with ES&P. Several individuals indicated a desire for earlier involvement with ES&P processes, and a few individuals in CD wanted to be involved in program changes or design. A few individuals wanted more understanding of ES&P's vision, goals, strategy, or direction. In addition, some individuals in CD indicated the need for better alignment between the two groups. In a communication from November 2020, it was announced that 16 technical program managers and one manager from CD and Industrial Services would move to ES&P, which could change perceptions related to alignment.

Frequency of Program Changes

Some individuals in ES&P commented on concerns with changes to programs or products. Specific concerns included ES&P having frequent changes to program offerings and pausing, or canceling programs. Several individuals commented on the negative impacts to customer relationships due to these program changes. In addition, several individuals indicated their perception that leadership may make changes without understanding the value of the programs or the impact on customer relationships.

While many business partners provided positive comments related to ES&P's products or services, some business partners also echoed concerns related to program changes. Specifically, several individuals in CD described concerns with program changes, such as delays in program initiation, changes in program direction, and changes to incentives offered to customers. For example, ES&P planned to cancel the New Homes program and communicated this cancellation to LPC customers; however, the program was reinstated when customers complained. Further, a few business partners in other organizations expressed concerns related to the number of program changes, the lack of programs for business and industry, or the frequency of program changes.

A couple of individuals in CD indicated program changes impact relationships with customers and undermine the trust LPCs have in TVA or create a perception that TVA promised something they could not deliver. For example, an individual expressed that several customers indicated TVA offered these programs as a way to get LPCs to sign the long-term power contract with TVA and then took programs away after the contract was signed. Changes, delays, and reversal of decisions on programs may send inconsistent messages to customers on the value and longevity of ES&P programs and negatively impact customer participation in programs. While TVA uses a customer survey to obtain customer feedback, the FY 2020 survey did not contain any specific questions that would give ES&P information on how their program changes are affecting customers and perceptions of TVA. The customer survey could be a tool to judge impacts and perceptions of customers of ES&P program changes.

Resource Concerns

While most individuals commented positively on having the necessary resources to accomplish their work, some resource concerns were expressed in two groups. Specifically, some individuals in one group indicated concerns with the workload level and/or staffing with a few of these individuals indicating negative impacts to morale. In addition, some individuals in another group expressed concerns related to individuals not being adequately trained to perform their roles. We discussed the specifics of these concerns with the VP of ES&P and Senior VP of CES.

CONCLUSION

ES&P effectiveness plays an important role in TVA achieving the energy efficiency and demand response goals outlined in the Integrated Resource Plan. Interviews with individuals revealed positive relationships with team members and most management; however, a risk was identified related to relationships with management in one group. In addition, we identified risks to operations that could hinder ES&P's effectiveness. These concerns were related to interactions with business partners, frequency of program changes, and resource concerns in two groups. Effective interactions with business partners impacts ES&P's ability to meet goals. Strong relationships, effective communication and collaboration, and alignment between ES&P and CD are important due to ES&P's dependence on CD to deliver programs. Finally, because most LPCs participate in one or

more ES&P programs, customer perceptions of these programs can impact TVA's reputation as a trusted partner who serves the needs of the Valley. Addressing these concerns can increase employees' commitment to the organization, aid ES&P in execution of their work, and positively influence LPC's perceptions of TVA.

RECOMMENDATIONS

We recommend the VP, ES&P:

1. Address concerns related to relationships with management in one group.

TVA Management's Comments – ES&P discussed the specific feedback with the individuals and outlined a plan for improvement. ES&P will continue to assess and monitor this area. See Appendix B for TVA management's complete response.

Auditor's Response – We agree with management's actions planned and taken.

2. Address business partner concerns related to communication, timeliness, and collaboration.

TVA Management's Comments – The announcement in November 2020 that several positions were moving to ES&P will allow for better alignment of programming and delivery and emphasize shared goals around program strategy, the marketing plan, and the brand uplift. In addition, ES&P will reach out to the other groups identified and seek additional feedback around opportunities to improve communication, timelines, and collaboration. Identified improvement opportunities will be documented by the end of the third quarter of FY 2021. See Appendix B for TVA management's complete response.

Auditor's Response – We agree with management's actions planned and taken.

3. Evaluate the process for making program changes and identify ways to reduce the impact and frequency of those changes.

TVA Management's Comments – ES&P will make efforts to keep program changes to a minimum and will continue to work, as needed, to engage customers and internal partner organizations throughout any program designs and/or changes. As program changes are made, ES&P will continue to identify revenue and cost impacts, changes to load profiles, rate of return, and customer and market impacts, and make this information available as decisions on program changes are made. See Appendix B for TVA management's complete response.

Auditor's Response – We agree with management's planned actions.

4. Evaluate concerns related to staffing and training and take actions as appropriate.

TVA Management's Comments – ES&P will survey employees to identify gaps in training. In regards to staffing, ES&P will review workloads in each group and identify areas where further cross training among employees may be needed. Plans to resolve identified gaps will be documented by the end of the third quarter of FY 2021. See Appendix B for TVA management's complete response.

Auditor's Response – We agree with management's planned actions.

5. Work with the VP, CD, to evaluate and address concerns between the groups.

TVA Management's Comments – The announcement in November 2020 that several positions were moving to ES&P will allow for better alignment of programming and delivery and emphasize shared goals around program strategy, the marketing plan, and the brand uplift. ES&P will work closely with CD to ensure alignment and will continue to have regularly scheduled discussions with CD to ensure any concerns are identified and addressed. See Appendix B for TVA management's complete response.

Auditor's Response – We agree with management's planned actions.

| TVA Values | |
|-------------------|--|
| Safety | We share a professional and personal commitment to protect the safety of our employees, our contractors, our customers, and those in the communities that we serve. |
| Service | We are privileged to be able to make life better for the people of the Valley by creating value for our customers, employees, and other stakeholders. We do this by being a good steward of the resources that have been entrusted to us and a good neighbor in the communities in which we operate. |
| Integrity | We conduct our business according to the highest ethical standards and seek to earn the trust of others through words and actions that are open, honest, and respectful. |
| Accountability | We take personal responsibility for our actions, our decisions, and the effectiveness of our results, which must be achieved in alignment with our company values. |
| Collaboration | We are committed to fostering teamwork, developing effective partnerships, and valuing diversity as we work together to achieve results. |

TVA Leadership Competencies

Accountability and Driving for Results
Continuous Improvement
Leveraging Diversity
Adaptability
Effective Communication
Leadership Courage
Vision, Innovation, and Strategic Execution
Business Acumen
Building Organizational Talent
Inspiring Trust and Engagement



Tennessee Valley Authority, 26 Century Boulevard, Nashville, Tennessee 37214

January 20, 2021

David Wheeler, ET 3C-K

**RESPONSE TO REQUEST FOR COMMENTS – DRAFT EVALUATION 2020-15762-03 –
ORGANIZATIONAL EFFECTIVENESS – COMMERCIAL ENERGY SOLUTIONS ENERGY
SERVICES AND PROGRAMS**

This is in response to the recommendations provided in your recent draft evaluation of organizational effectiveness with TVA's Energy Services & Programs (ES&P) business unit.

ES&P management sincerely appreciates the courtesy and professionalism displayed by Lisa Hammer and Jessica Monroe in conducting this evaluation. Our ES&P culture and organizational effectiveness are of the utmost importance and we appreciate the time, effort, and focus your staff took in understanding our organization and making these recommendations. We are pleased to hear that there are positive relationships with team members and that most individuals commented positively on communication with management. We have had a concentrated focus on these areas for the past few years, so it's good to see the progress.

We also agree with the five recommendations to improve organizational effectiveness and respond to your recommendations as follows:

Recommendation 1: Address concerns related to relationships with management in one group.

ES&P Response: We have discussed the specific and direct feedback with the individuals and have outlined a plan for improvement. We have also partnered a mentor with one individual to work on improvement opportunities identified from the feedback. We will continue to assess and monitor this area closely.

Recommendation 2: Address business partner concerns related to communication, timeliness, and collaboration.

ES&P Response: As your report references, an announcement was made during November 2020 that several positions were moving from another organization to ES&P that address business partner concerns. These changes will allow us to better align programming and delivery and place emphasis on shared goals around program strategy, the marketing plan, and brand uplift. We will also reach out to the other groups identified and seek additional feedback around opportunities to improve communication, timelines and collaboration. Identified improvement opportunities will be documented by the end of Q3FY21.

Recommendation 3: Evaluate the process for making program changes and identify ways to reduce the impact and frequency of those changes.

ES&P Response: We certainly understand that frequent program changes or canceling programs have a disruption in the market and cause concerns for customers. We make every effort to keep program changes to a minimum; however, due to unknown budget impacts related to COVID-19, we did have to make some difficult program decisions this past year. We will continue to work with the TVPPA Energy Program Advisory Group (EPAG), other LPC working groups as appropriate (i.e. EV Working Group), and individual LPCs, as needed, to engage customers throughout any program design and/or changes. We will also continue to work with internal partner organizations to engage them within our existing process for designing new programs or making program changes. As we make any needed program changes, we will continue to identify revenue and cost impacts, changes to load profiles, rate of return, customer and market impacts, and make this information available as decisions on program changes are made.

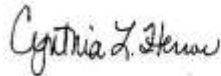
Recommendation 4: Evaluate concerns related to staffing and training and take actions as appropriate.

ES&P Response: ES&P will survey all ES&P employees to identify gaps in training. We have purposely not staffed up in certain areas as IT solutions are putting automation in place. We will review workloads in each group and identify areas where further cross training among employees may be needed. Plans to resolve identified gaps will be documented by the end of Q3FY21.

Recommendation 5: Evaluate and address concerns between ES&P and CD.

ES&P Response: As your report references, an announcement was made during November 2020 that several positions were moving from another organization to ES&P that address business partner concerns. These changes will allow us to better align programming and delivery and place emphasis on shared goals around program strategy, the marketing plan, and brand uplift. As we move to a new organizational structure, we are working closely with CD to be sure we are in alignment. We will continue to have regularly scheduled discussions with CD to be sure any concerns are identified and addressed.

Thank you for the opportunity to review and respond. Please let me know if you have any questions.



Cynthia L. Herron
Vice President
Energy Services & Programs

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OIG File No. 2020-15762-03