

**Human Capital Management
4th Quarter FY 2006 Workforce Plan
Southeastern Power Administration (SEPA)**

- 1.** SEPA's mission is to market and deliver federal hydroelectric power at the lowest possible cost to public bodies and cooperatives in the southeastern United States in a professional, innovative, customer-oriented manner, while continuing to meet the challenges of an ever-changing electric utility environment through continuous improvements. This power is marketed from 23 hydroelectric projects operated by the U.S. Army Corps of Engineers.
- 2.** SEPA's business vision is to foster a well-trained, flexible workforce in an open and rewarding work place. SEPA's employees will practice integrity and honesty with all partners, nurture creativity, and achieve results in a rapidly changing electric utility industry.
- 3.** SEPA contributes to DOE's Strategic Goal #4, Energy Security by performing its power marketing mission through two subprogram activities: Program Direction and Purchase Power and Wheeling. SEPA markets and delivers all excess hydroelectric power from U.S. Army Corps of Engineers dams while balancing power needs with the diverse interest of other water resource users in a cost efficient manner to assure reliability of the power system and maximize the use of Federal assets to repay the investment (principal and interest) while supporting the President's Management Agenda. SEPA's contribution is also identified within SEPA's Strategic Plan, Five-Year Plan, FY07 Congressional Budget Request submission, and Program Assessment Rating Tool (PART), providing a direct link.
- 4.** SEPA's organizational structure is reflective of our congressional mandates and aligned with DOE programmatic missions and strategic plan. SEPA's Human Capital Management Strategy is included in our Strategic Plan that addresses organizational alignment; succession planning; recruitment, retention and development of talented employees; and establishment of a performance culture. SEPA's Five-Year Plan and SEPA's FY07 Congressional Budget Request submission reflect these objectives by incorporating our Human Capital Management Strategies for future budget allocations. The Congressional Budget submission supports funding for salaries and benefits for 42 FTEs. The salary estimate is derived from the current year budgeted salaries, plus cost-of-living adjustments, promotions, within-grade increases, DOE-cascading performance awards, retirement payouts for unused leave and overtime. Benefits are calculated based on a percentage of prior year actuals, as applied against FY 2006 calculated salaries. This will ensure that we retain diverse and qualified employees well into the future, despite an aging and non-mobile workforce. A SEPA-Wide Human Resources Survey was developed for all employees to complete and return to HR. An analysis of the results provided insight as to how SEPA is performing according to the measurable objectives/annual performance targets outlined in our Strategic Plan. During the 2nd and 3rd quarters of FY 2006, we were successful in recruiting an Information Technology Specialist in accordance with our succession plan. SEPA's accomplishment resulted in the selection of a Hispanic compensable disabled veteran. We also beat the 45-day hiring model established by OPM & DOE by 11 work days. The stability of SEPA's workforce and the remote geographical location contributes to our difficulty

in recruiting minority applicants. However, these outside recruiting efforts proved successful in acquiring new skills, as well as, contribute to our workforce diversity. We were also successful in recruiting an American Indian/Alaskan Native for a management position in November 2003. Selecting Officials are apprised of reachable diverse applicants when vacancies occur. Managers are aware of our agency diversity program including special emphasis programs, such as DOE's Hispanic Employment Program and DOE's Corporate Outreach and Recruitment Strategy. SEPA celebrates diversity with appropriate special emphasis days.

5. SEPA's organization includes three major divisions and the Office of the Administrator. The formal structure of our organization aligns individuals with similar responsibilities under the same supervisor. We have reduced our layers of management to 3 management/supervisory positions that report directly to the Administrator. We have 8 Team Leader positions among the divisions that lead all other employees within the team structure. Our supervisor/employee ratio is 1:13. We continue to maintain our lowest possible supervisor/employee ratio by having functional and cross-functional teams throughout the agency. We utilize job re-engineering efforts to assign employees many collateral assignments and more functional responsibilities when compared to larger organizations. The Oracle Financial Program is an example of coordination among employees in different functional and divisional areas. The system supports the entire agency and includes all aspects of the financial and purchasing arenas. SEPA was successful in training current in-house employees to implement the program versus paying contractors, resulting in a large costs savings. We have implemented the pay.gov on-line electronic financial service. Pay.gov is the Government-wide financial management tool management by the U.S. Department of Treasury. The program enables SEPA's customers to make on-line electronic payments. SEPA implemented a new procedure for processing daily customer checks. All payments are converted into an electronic funds transfer (EFT). The checks are copied and the account information is used to electronically debit the customer's account. SEPA is the first DOE agency to utilize this program under the E-Gov initiative. Managers are continually identifying changes in missions and functions that lead to critical staffing needs and skill imbalances. We are in the midst of a dynamic electric utility environment with deregulation and working with area utilities on establishment of Regional Transmission Organizations (RTO's). Also, rapid improvements in automation and utility operations require that we train for new skills and certification requirements and identify shortages to meet expanding requirements of the utility industry. Power System Operators are required to obtain and maintain North American Electric Reliability Council (NERC) certification to perform their duties and accomplish SEPA's mission. Specialized "realistic simulation and drills" training has been scheduled for employees to meet NERC requirements to mitigate blackouts. As the attached Critical Skills Gap Analysis Spreadsheet reflects, all Power System Operators are NERC certified. Additionally, all Contracting Officers have completed Contract Management certification requirements for their designated grade level. We are continually training our Information Technology Specialists as new and improved technology is available. We have identified one (1) IT position as needing IT Project Management Level 1 Certification. Our goal was to obtain the certification by the end of FY 2006. We have been successful in acquiring and completing training classes for Level 1 certification for the employee during the 4th quarter FY 2006. Therefore, meeting our goal.

The ability to maintain the full FTE allocation and make use of all aspects of technology is most critical to fulfill SEPA's mission and program goals. SEPA's computer systems are continually reviewed for possible upgrades and how they may impact the budget, as we strive to meet cyber security requirements. SEPA is in the process of acquiring security clearances for our IT staff, in accordance with NERC requirements and classified information distribution requirements. All positions in the agency are fully utilized. We are working with other Power Marketing Administrations (PMAs) to secure a Financial Management Center of Excellence for accounting activities.

6. SEPA's Knowledge Management (KM) program goals are fairly simple because of the small size of our organization. However, we are aware that constant knowledge sharing is essential to ensure mission accomplishment and we fully support DOE's KM efforts. The key to effective KM is getting the right information to the right person when they need it. Employees are encouraged to make the best use of available information technology to perform their work and to collect and dispense knowledge to others. Employees use the Internet to access an array of information to accomplish mission requirements and to network with other agencies. We have provided subject matter expert information for use within the DOE KM portal. We are continually sharing information throughout SEPA, as well as, with other Power Marketing Administrations (PMAs), NERC, Southeastern Electric Reliability Council (SERC), and the Southeastern Federal Power Customers (SeFPC). A specific example of KM is the recruitment of a Senior Assistant Administrator that manages the Division of Power Resources and serves as a member of SEPA's Core Team. We were successful in filling the position 3 months prior to the current Assistant Administrator's retirement. During this time, the current Assistant Administrator had the ability to share extensive knowledge and expertise with the incoming Assistant Administrator. Other examples within the realm of KM are SEPA's partnership with the South Atlantic Division of the Corps of Engineers and preference customers located in the Georgia-Alabama-South Carolina area to form the Southeastern Federal Power Alliance; SEPA actively participates in Team Cumberland which includes representatives from the Great Lakes and Rivers Division of the Corps of Engineers, Tennessee Valley Authority, and preference customers in the Cumberland System; SEPA also participates in the PMA Information Technology (IT) Alliance; discussions regarding accounting and cost repayment issues and discussions among various subject matter experts; and we are a member of the Pennsylvania, New Jersey, Maryland (PJM) Regional Transmission Organization (RTO) and are trained to operate in their area.

7. Managerial skills and abilities are identified as a critical issue in our succession plan within the next several years because 4 out of 5 of SEPA's Core Team members are presently eligible for optional retirement. SEPA's Administrator will retire in September 2006. We worked with a sister PMA and DOE HQ to recruit this SES position. The announcement closed in April 2006 and the selection certificate was forwarded to the Deputy Secretary's office for further action. The selection will be effective October 2006. The Core Team addresses employee development, leadership potential and needs that can be met with DOE Administrative flexibilities. In accordance with the Program Guidance for DOE Skills Assessments, SEPA has completed the Leadership and Managerial Skills Assessments for every employee covered by the DOE Performance Management System for Managers and Supervisors, including SES. SEPA has also completed Skills Assessments for all of our Information Technology (IT) and Acquisition

positions. SEPA's Succession Planning Team incorporated KM program goals and used DOE's Workforce & Succession Planning Model to develop a SEPA Succession Planning Document to assist in identifying additional key functions, critical skills, and high potential candidates possessing those skills. The final document was approved by management, implemented, and distributed to all employees. Managers are aware that staff eligible for retirement within the next 5 years occupies a variety of positions including accountants, public utilities specialists, contract specialists, information technology specialists, power operations specialists, and clerical support. Several of these positions require extensive training for certification and/or qualification, i.e., GS-510, Accountants; GS-1102, Contract Specialists; and GS-1601, Power System Operators.

8. SEPA currently participates in the Department's Acquisition Career Development Program (ACDP) to ensure required certification for our contracting employees. All Contracting Officers (COs) have completed certification requirements for their designated grade level. During the 4th quarter, one CO completed the requirements for Level 2 certification, which ensures qualification for a higher grade level in the future. This change is reflected in our Critical Skills Gap Analysis spreadsheet for Level 1 and Level 2, GS-1102 Contract Management Certification. SEPA currently has two (2) COs certified at Level 2. However, with an anticipated retirement in 2008, we are noting a gap in the FY 2010 column for Level 1. COs have completed Critical Acquisition Training, along with our Contracting Officer Representatives (CORs) and purchase cardholders. The remaining Corporate Career Development & Leadership Activities may be utilized as part of our succession plan when our specialized needs are identified. SEPA also partners with other Power Marketing Administrations (PMAs) and Savannah River (SR) on various training and diversity initiatives. Examples include information technology; cyber security; budget issues, i.e. Program Assessment Rating Tool (PART); accounting systems; power system operations; and special emphasis programs.

9. SEPA's Performance Management System links to the DOE and SEPA Strategic Plans. The system cascades performance expectations from our Senior Executive Service (SES) performance plan to Manager performance plans which cascade the performance expectations to all employees throughout the agency. We have 100% of our employees covered under the system and all have received training covering the components of the appraisal system. Monetary performance awards are granted according to individual performance ratings.