Peak Reliability

2017 Performance Metrics Report

Jan. 26, 2018

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PEAKRELIABILITY
assuring the wide area view

Contents

Introduction

In its 2016-2020 Strategic Plan[1], Peak introduced five reliability pillars: (1) Drive Operational and Technological Excellence, 2) Demonstrate Strong "Cost-Benefit" Advantage, (3) Influence Industry Collaboration, Cooperation and Communication, (4) Promote Innovation for the Changing Environment and (5) Deepen Employee Engagement for a High-Performance Workforce.

To track performance to the Strategic Plan, 16 Measures of Success (MoS) were developed that tie to these pillars. The 16 MoS constitute Peak's Performance Metrics, and performance against each of these metrics in 2017 is described in this report.

The chart in Figure 1 below shows 2017 was quite a successful year for Peak, with most of the performance measurements ending the year in positive territory. Two metrics closed below the target line. Metric 1.1 – Decrease duration of Interconnection Reliability Limit (IROL) and stability limit exceedances, did not meet target due to two events in the year, culminating in an annual average score of 99.90%. Metric 3.2 scored below target due to lower than baseline attendance at the second RC User Group meeting in October. The first meeting held in May was quite well attended.

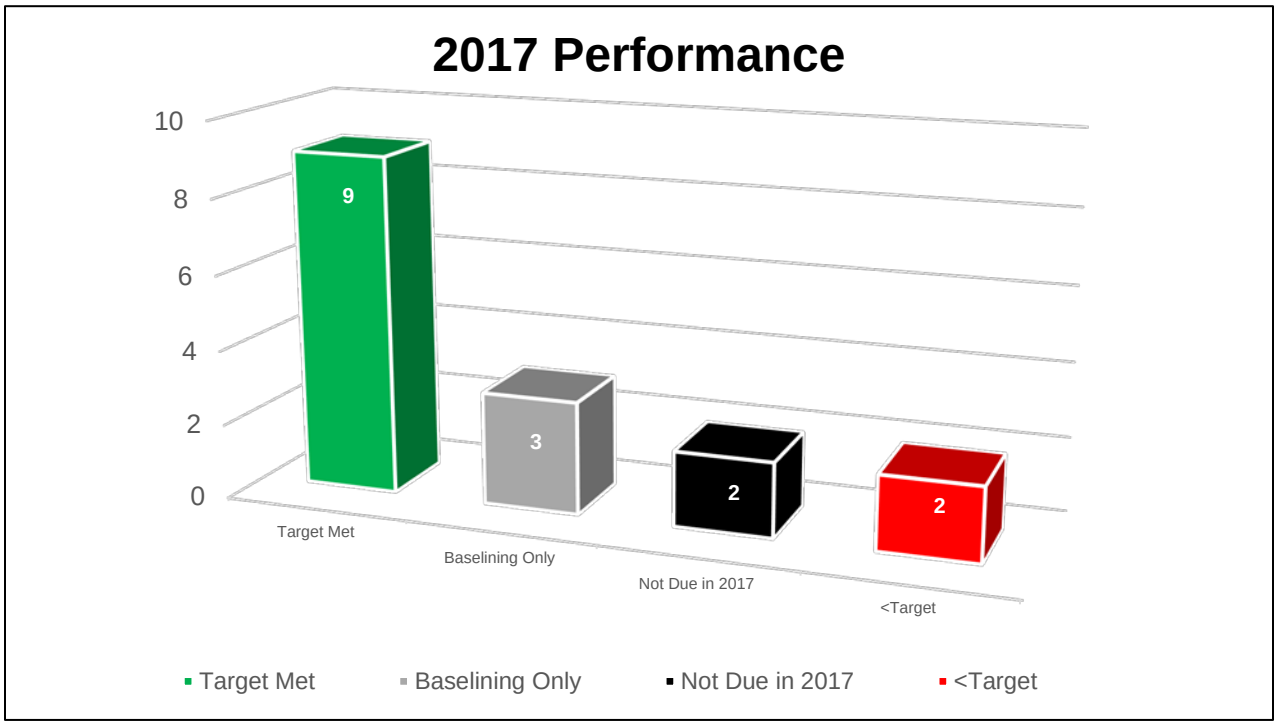

Figure 1: 2017 Metrics Performance

[1] The 2016-2020 Peak Reliability Strategic Plan

Pillar 1: Drive Operational and Technological Excellence

Metric 1.1: Decrease duration of Interconnection Reliability Operating Limit (IROL) and stability limit exceedances

2017 Performance: 99.90%

2017 Target
Weighted score = 100%

With the wide-area view of the Western Interconnection and an excellent set of advanced applications at the Reliability Coordinator System Operator's (RCSO) disposal, it is important that the RCSO proactively take the lead in certain situations to ensure Interconnection reliability. Metric 1.1 measures RCSO actions taken to mitigate Interconnection Reliability Operating Limit (IROL) and stability limit exceedances. The RCSO is responsible for proactively engaging with impacted entities, and working collaboratively to identify actions to be taken to keep these limit exceedances from lasting longer than the established allowable timeframe, which would constitute a NERC standard violation. RCSO actions and communications are scored as this metric is reviewed.

Exceedance events are audited using the following weighted grading:

- Recognition – 20%
- Evaluation – 30%
- Mitigation – 50%

Peak monitored System Operating Limit (SOL) exceedances on the TOP-007-WECC-1 Paths until their retirement on April 1, 2017. Effective April 1, 2017, Peak began monitoring IROL and stability limit exceedances for this metric.

Performance Summary

An annual score of 99.90% was reported for this metric, driven by two events, one in July and the other in October 2017, which scored below 100%.

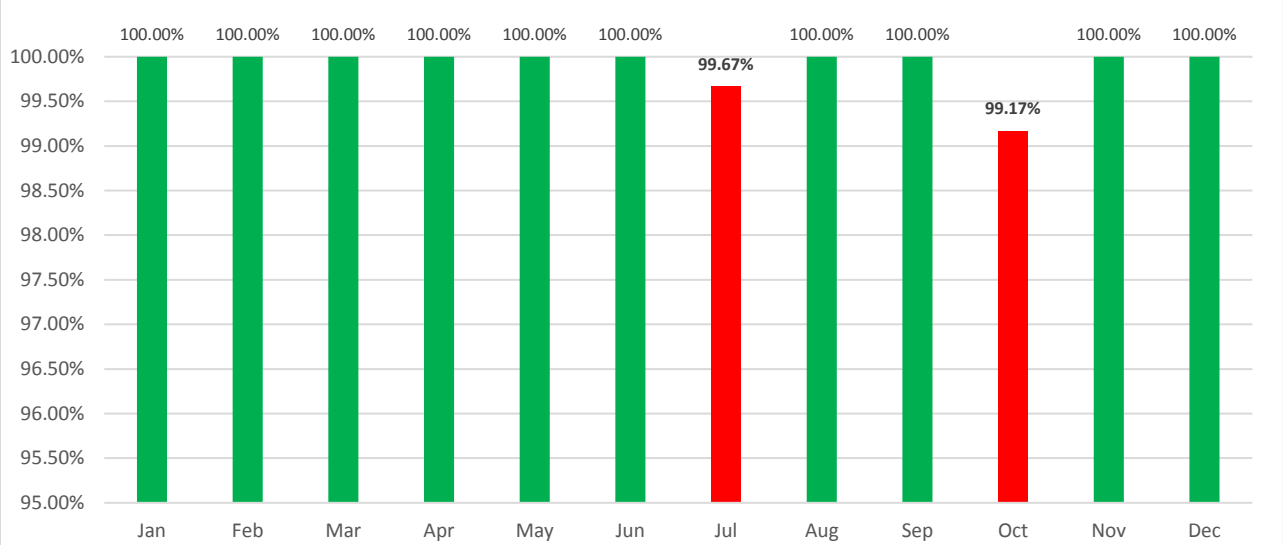

Figure 2: 2017 Response to IROL and Stability Limit Exceedances

Metric 1.2: Increase accuracy of Operational Planning Analyses by at least 10 percent

2017 Performance: 74.71%

2017 Target
Baselining only – no target set for 2017

This metric measures the accuracy of Peak's Operational Planning Analysis (OPA) performed one business day prior to the operating day. Every day, Peak reviews accuracy of the OPA by measuring two specific items:

1. Accuracy of the case inputs (such as generation and load) – Peak compares the OPA-determined generation and load with the actual generation and load observed in real-time for the studied time point. This measure results in a percent value that represents the percent difference between real-time and studied values.
2. Accuracy of OPA process and results by reviewing impacts observed in real-time operations due to planned outages and comparing those impacts to issues identified in the OPA – The intent is to identify planned outage-triggered issues that occur in real-time operations that were not identified through the OPA process, and to ensure necessary communications are occurring to resolve and prepare for the issue. This measure results in a score of 0 - 3, where a point is given for each of the following if done properly: 1) OPA-identified issue, 2) engineer implemented all of the inputs to the study properly, and 3) engineer resolved the issue through coordination and documentation.

These two items above are aggregated into a single value to allow for a daily, monthly and annual score. The case inputs (generation and load) receive one-third of the weighted score while the OPA process and results are the remaining two-thirds.

Scores for these metrics are calculated each day Monday – Friday, with weekend/holiday scores calculated on the first business day following the weekend/holiday. Daily reviews are performed and results documented in the daily metrics report.

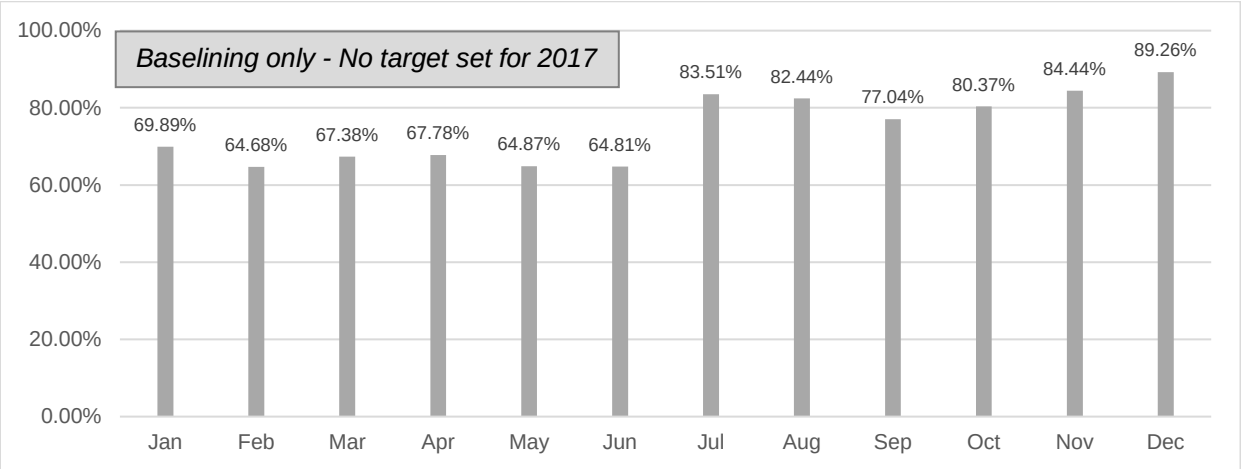

Figure 3: 2017 Accuracy of Operational Planning Analysis

Metric 1.3: Zero Compliance Violations[2]

2017 Performance: Zero Compliance Violations

2017 Target
Zero Compliance Violations

A compliance violation is a failure to meet a NERC Reliability Standard Requirement by a party responsible to comply with the Requirement. Violation(s) of a FERC-approved NERC Standard Requirement(s) by Peak Reliability may lead to monetary penalties, non-monetary sanctions or Remedial Action Directives. Penalties levied for the violation of a NERC Standard bear a reasonable relation to the seriousness of the violation. NERC and WECC review the Violation Risk Factors associated with the violation(s) as part of their assessment. As such, this metric takes Violation Risk Factors (VRF) and Violation Severity Levels (VSL) into account.

Disclosure of a violation through self-reporting, or as the result of a compliance self-analysis following a Bulk Power System event, and voluntary Mitigating Activities, is one of the adjustment factors that provides an opportunity for NERC or WECC to adjust penalty amounts. If a self-report accurately identifies a violation of a NERC Reliability Standard, an identification of the same violation in subsequent compliance audits or spot checks would not subject Peak to an escalated penalty.

Peak maintains a robust internal compliance program and strong culture of compliance. Peak's internal compliance program requires complete Compliance Assessments be performed for all significant system events as well as routine spot checks throughout the organization. These Compliance Assessments represent a cornerstone of Peak's internal compliance program and reflect the strong culture of compliance at Peak.

Performance Summary

Target met. There were no confirmed Compliance Violations in 2017.

[2] Violations are counted for this metric upon confirmation, and performance may be updated as VSL/VRF are finalized.

Metric 1.4: Zero Category 3, 4 or 5 events (where the Reliability Coordination function at Peak negatively contributes to an event)

2017 Performance: Zero Category 3, 4 or 5 events

2017 Target
Zero Category 3, 4 or 5 events

As the final authority for the reliability of the RC Area in the Western Interconnection, Peak has the responsibility to ensure the system is being operated in a manner that prevents widespread cascading in the event of an N-1 scenario. Peak is able to maintain situational awareness through the use of the West-wide System Model (WSM) and advanced applications. Using these tools, the RC should not contribute to, or be the cause of a Category 3, 4 or 5 event.

The NERC ERO Event Analysis Process defines Category 3, 4 and 5 events as they pertain to the Western Interconnection as:

- Category 3: An Event That Results in One or More of the Following:
  - Unintended loss of load or generation of 2,000 MW
  - Unintended system separation that results in an island of 5,000 MW to 10,000 MW
- Category 4: An Event that Results in One or More of the Following:
  - Unintended loss of load or generation from 5,001 MW to 9,999 MW
  - Unintended system separation that results in an island of more than 10,000 MW
- Category 5: An Event that Results in One or More of the Following:
  - Unintended loss of load of 10,000 MW or more
  - Unintended loss of generation of 10,000 MW or more

In the event a Category 3, 4 or 5 event occurs within the Peak footprint, Peak follows its Event Analysis Process to determine if RC performance negatively contributed to the event.

Performance Summary

Target met. There were no Category 3, 4 or 5 events reported in 2017 where the RC performance negatively contributed to the event.

Metric 1.5: Increase Operational Excellence Days (OED) 15 percent in first year over the baseline

2017 Performance: 74 OED

2017 Target
Baselining only – no target set for 2017

Several metrics are tracked on a daily basis that are associated with both human and tool performance in Peak's Operations, Engineering and IT departments. Each department metric has its own maximum score which may have multiple parts that are weighted differently based on their impact on reliability. The department metric scores are totaled and calculated against the maximum possible score to establish the OED metric score.

Because the OED metric score is a percentage value there is flexibility to add individual department metrics that were not initially tracked, or to remove individual department metrics that are subsequently proven to not be viable. There may also be instances where points are added or subtracted from the daily total based on events that are not currently tracked.

The three departments meet each day at a "daily scorecard" meeting to:

- review each department's metrics
- establish the OED metric score
- discuss the lessons learned from the previous day(s)

Mitigation plans are discussed and assignments made accordingly to ensure a culture of continuous improvement is maintained.

Individual department metrics include, but are not limited to:

- Operations
  - RCSO Communication during Operating Instructions
  - RCSO Action to IROL and stability limit exceedance
- Engineering
  - State Estimator solution availability
  - State Estimator solution accuracy
  - Day ahead study accuracy
- Information Technology
  - Bulk Electric System (BES) Critical Cyber Systems availability
  - Non BES and Internet Applications availability

Performance Summary

The daily score for an OED for the first six months was set at >93%. Starting July 1, the Next Day Study Input/Case Setup Score was modified from a Mean Absolute Percentage Error (MAPE) calculation to a Mean Arctangent Absolute Percentage Error (MAAPE) calculation, which provides a more meaningful score to that sub-metric. Because of this, the OED score was raised from >93% to >95.74% to be consistent with our yearly goals for the OED metric.

Peak reported a total of 18 OEDs in Q1, 15 OEDs in Q2, 13 OEDs in Q3 and a record 28 OEDs in Q4, bringing the total for the year to 74 OEDs.

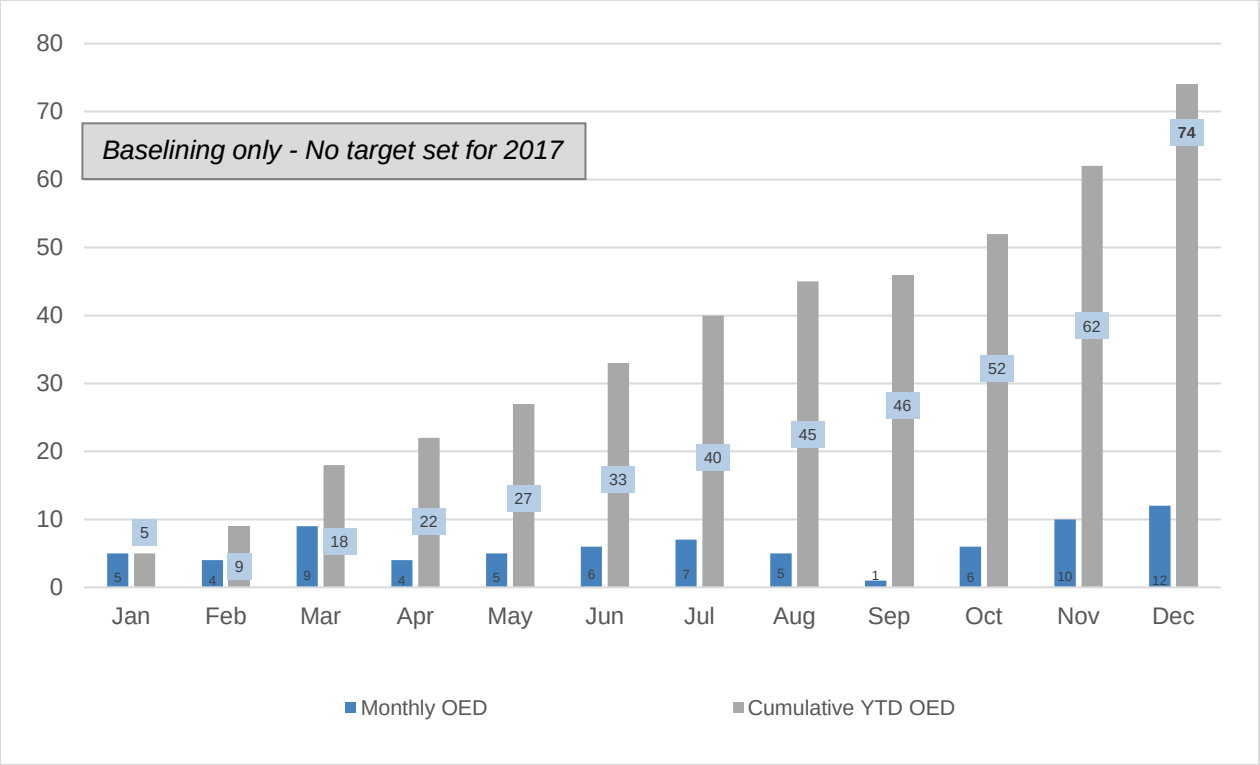

Figure 4: 2017 Monthly and Cumulative Year-to-Date Operational Excellence Days

The number of OEDs in 2017 will establish the baseline for the five-year metric to increase “operational excellence” days 15 percent over baseline in first year.

Pillar 2: Demonstrate Strong "Cost Benefit" Advantage

Metric 2.1: Maintain flat charge for RC function (RCF) in 2017 and less than 4 percent annual increase thereafter

2017 Performance: Zero percent increase in charges for the RC function

2017 Target
0% increase in charges for the RC function

Metric 2.1 is the measure of the total amount Peak invoices (charges) each year for its activities as Reliability Coordinator. This encompasses the amounts billed under the Reliability Coordinator Funding Agreement (RC Funding Agreement) as well as amounts billed to International entities under other contracts for provision of "substantially similar" services as defined in the RC Funding Agreement. The purpose of this metric is to provide a level of certainty to Peak's Funding Parties and a level of expectation to Peak during its budget preparation.

Performance Summary

Target met. Peak charged $44,594,311 for performance of the Reliability Coordinator function in both 2016 and 2017. Peak has the same level of funding for 2018.

Metric 2.2: Preserve or expand the West-wide view (i.e., footprint)

2017 Performance: No change to the Peak footprint

2017 Target
WWV2017 $\geq$ WWV2016

One of Peak's unique attributes is its wide-area view and operational responsibility for Peak's RC Area in the Western Interconnection. The value of this wide-area view is that Peak can see power system issues that originate in one part of the system yet impact geographically dispersed locations throughout the Western Interconnection. RCSOs and engineers can perform studies of real-time or expected operating conditions and come up with the most effective mitigation strategies considering the impact to the entire Western Interconnection. It is critical to Peak's value proposition that the wide-area view of the Western Interconnection is retained.

Success is measured through the retention or expansion of Peak's footprint and/or the West-wide system model as of Jan. 1, 2017. In the event of the loss of any part of Peak's footprint this metric would not be met. Reporting is based on the following:

- Retention of Peak's RC Area and of the full Western Interconnection view
- Contraction of the Peak RC Area and retention of the full Western Interconnection view
- Expansion of Peak's RC Area and retention of the full Western Interconnection view

This metric is highly dependent on Balancing Authorities (BA) and Transmission Operators (TOP) and their respective motivations for leaving or joining Peak's RC footprint. Much of this is out of Peak's control and may be driven by entity financial or political factors.

Performance Summary

Target met. While Peak did not experience any changes to its footprint in 2017, Peak was made aware of a pending notice from CAISO in December and was formally notified about it in January 2018.

Metric 2.3: Increase and maintain participation in Reliability Services by at least 40 percent

2017 Target
10% increase in RSP, i.e., two additional service participants in 2017

2017 Performance: 41 percent increase in Reliability Services Participation (RSP)

This metric measures increase in the number of Reliability Services provided to BAs and TOPs. Peak started 2017 with 17 participants in Reliability Services, specifically as part of Peak's Hosted Advanced Applications (HAA) (17 HAA users). A 40 percent increase over five years translates to seven additional services provided to BAs and TOPs.

Peak is working on additional Reliability Services, such as expanding Peak's Dispatcher Training Simulator. Any new recipient of existing services or a new service created by Peak and received by a reliability entity will count as +1 toward this metric. Any loss of an entity previously taking these Peak services will count as -1 toward this metric. If Peak and the recipient mutually agree to discontinue service or if the service has a finite lifespan it will not count against this metric.

Performance Summary

Target was exceeded. Seven new customers have joined HAA since the beginning of the year. As of Dec. 31, 2017, the total number of HAA customers stood at 24 (a 41 percent increase compared to 17 customers in 2016).

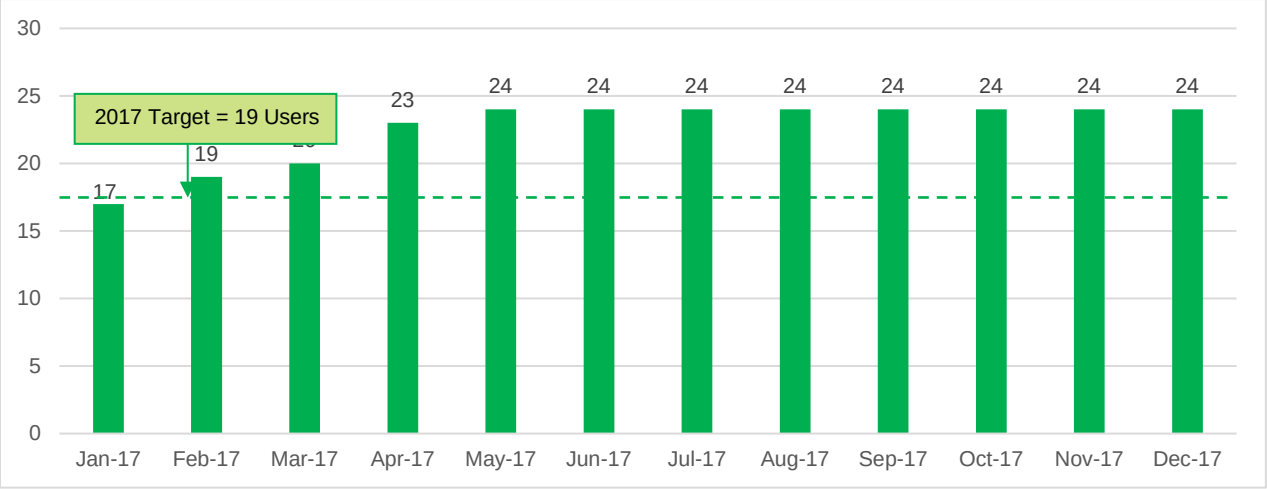

Figure 5: 2017 Reliability Service Participants (HAA Users)

Pillar 3: Influence Industry Collaboration, Cooperation and Communication

Metric 3.1: Improve overall stakeholder experience survey scores from 2016 performance by 20 percent

2017 Performance: N/A

2017 Target
N/A (Due in 2018)

Stakeholder satisfaction at Peak is measured through the Peak Stakeholder Satisfaction Survey, undertaken every two years in the fourth quarter. The survey consists of an online questionnaire that is sent to all Peak member representatives, and 20 telephone interviews with senior operating executives from BAs, TOPs and members in Peak's RC Area. The survey is independently conducted and administered by a third-party consultant, Opinion Dynamics. Information gathered from the survey provides information about the level of satisfaction with the delivery of Peak's services, and the value those services provide.

Performance Summary

Metric 3.1 measures the percentage improvement over the baseline 2016 survey in the overall stakeholder experience survey score. The next survey report is due in Q4 of 2018.

Metric 3.2: Increase and maintain participation in the RC User Group by at least 50 percent

2017 Performance: 59 attendees (91.4% compared to average attendance in 2016)

2017 Target
Annual Score in 2017 $\geq$ 1.10*Average 2016 $\geq$ 71 BA/TOP Attendees

The RC User Group (RCUG) meeting provides a forum to collaboratively address reliability issues affecting the Peak RC Area. It encourages robust dialogue among BAs and TOPs in order to collectively identify and address reliability issues and other topics of interest through coordinated plans, procedures and processes, and new and improved Peak tools.

RCUG meetings are hosted by a BA or TOP in Peak's RC Area. The level of attendance at these meetings is an important indicator of Peak's credibility among reliability entities in the Western Interconnection and the relevance of the material discussed. It is also an indicator of the importance of the role that Peak plays in encouraging industry collaboration and cooperation around the issue of reliability.

The baseline of 64 BA/TOP attendees for this metric is the average number of individual participants representing the 60 BAs and TOPs operating within the Peak RC Area in attendance (either in person or via WebEx) at Peak's 2016 RCUG meetings. It may become necessary to adjust the established baseline when and if the number of BAs and TOPs in the Peak RC Area increase or decrease.

Performance Summary

Two RCUG meetings were held in 2017. On May 15 and 16, California Independent System Operator (CAISO) hosted a well-attended Peak RC User Group (RCUG) meeting in Folsom, Calif., with 58 in-person attendees and 40 via WebEx. Overall, 71 BA/TOP attendees participated, representing 35 out of the 60 BA/TOP entities in the Peak RC Area. BA/TOP attendance at this meeting was 110.9% compared to the 2016 baseline. In addition, 6 non-BA/TOP entities were also represented.

The second RCUG meeting was hosted by Excel Energy in Denver, Colo., on Oct. 24-25. 46 BA/TOP attendees were at this meeting, representing 23 out of 60 BA/TOP entities. The BA/TOP attendance was 72% of the 2016 baseline. In addition 6 non-BA/TOP were represented at the meeting.

Average attendance in 2017 was 59 attendees or 91.4% of the 2016 baseline of 64 BA/TOP attendees.

Metric 3.3: Demonstrate leadership in policy discussions in at least three issues or jurisdictions

2017 Performance: Zero issue / jurisdiction

2017 Target
≥ 0 issue or jurisdiction

This metric records the initiatives in which Peak takes part that have a positive influence on reliability in the Western Interconnection. These initiatives include Peak's participation in activities such as NERC standard drafting teams and providing comments on regulatory policies or acts and a program of one-on-one meetings with State, Federal and other key stakeholders.

This collaboration initiative is structured around Peak's demonstration that it is providing leadership and influence across the industry. In order to ensure that a broader range of Peak employees can contribute to this measure it has been broken out into two distinct areas as follows:

- Membership in industry workshop or committees, drafting teams – 2017 serves as a baseline
- Program of meetings with State, Federal and key stakeholders >=60 meetings completed

Performance Summary

Target met. While Peak did not document any new issues or jurisdictions, the goal of this metric is to demonstrate leadership in policy discussions in at least three issues or jurisdictions over a 5-year period.

Peak year-to-date membership in industry workshops or committees and drafting teams increased from 33 in Q1 to 42 in Q2, remained at 42 in Q3 and was 43 in Q4.

2017 Quarter	Chair	Vice Chair	Member	Cumulative YTD Membership Count
Q1	8	1	24	33
Q2	9	1	32	42
Q3	9	1	32	42
Q4	9	1	33	43

Table 1: Peak YTD Membership in Industry Workshops (baselining only)

Peak implemented a very aggressive outreach program in 2017, significantly exceeding the annual target for this metric. Peak held 68 meetings with governmental and regulatory bodies in Q1, 61 in Q2, 38 in Q3 and 38 in Q4. At the end of the year, the cumulative annual count stood at 205 meetings, i.e., 67 meetings with governmental and regulatory agencies, and 138 meetings with key stakeholders.

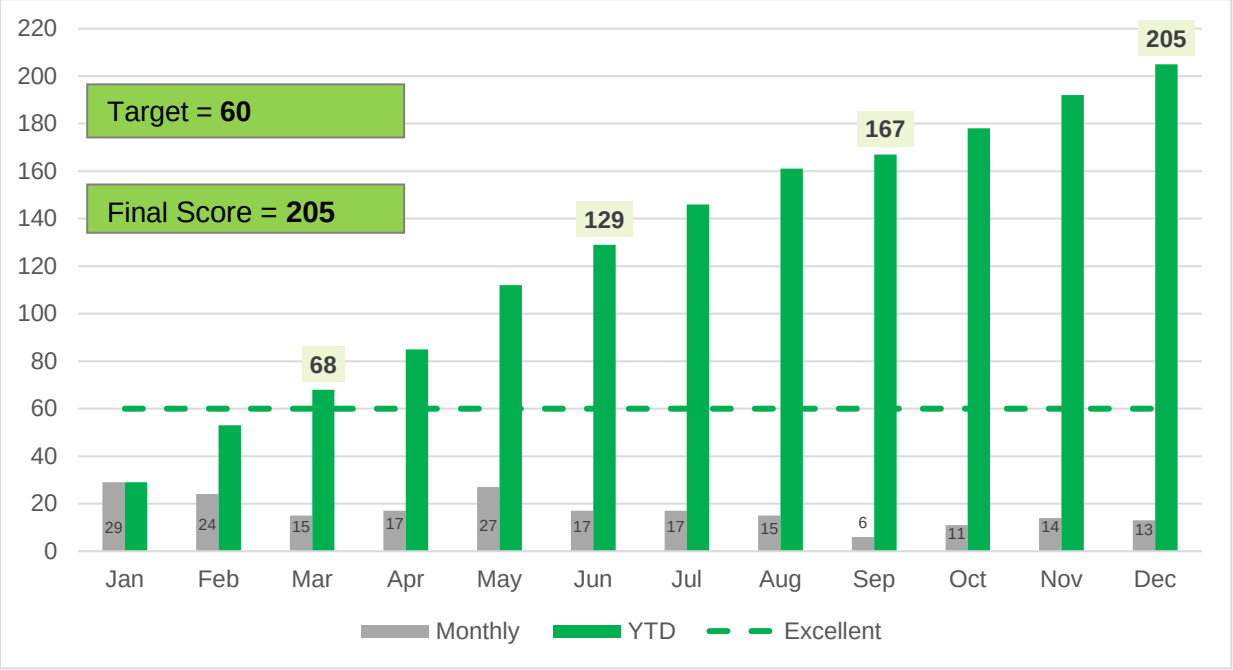

Figure 6: 2017 Meetings with State, Federal and Key Stakeholders

Pillar 4: Promote Innovation for a Changing Environment

Metric 4.1: At least two new operational uses of synchrophasor tools at Peak to enhance current visibility or enable new analysis of operational characteristics

2017 Performance: No new operational uses reported

2017 Target
≥ 0 new operational uses of synchrophasor tools

At the start of 2017, the following items were "operational uses" of synchrophasor tools:

1. Model Validation – comparison of TSAT results and actual synchrophasor signals
2. Integration of phase angle measurements in Peak's State Estimator
3. Phasor Measurement Unit (PMU) registry for tracking applicable devices around the Western Interconnection
4. Data quality assessment tools, specifically:
    a. PMU accuracy tool – daily auto report for checking each PMU (voltage magnitude/angles) against State Estimator (SE) SE-solved values
    b. PDQ tracker for daily PMU availability, time error and data error report
    c. PhasorPi user-configured trending tools
    d. GE-Alstom PhasorPoint PMU historical data exporter in COMTRADE format

Several other tools are in various phases of development or implementation, but are not yet fully operationalized. Over a five-year period, Peak will implement at least two new operational uses for synchrophasors. The new uses will be documented and tracked on an annual basis.

Performance Summary

Target met. While no new operational uses were reported in 2017, this metric reflects a goal of at least two new operational uses of synchrophasor tools over a 5-year period.

Metric 4.2: Increase BA/TOP usage of peakrc.org by at least 5 percent over 2017

2017 Performance: Average monthly BA/TOP usage rate = 3,031

2017 Target
Baselining only

This metric measures the profile and usage of the peakrc.org website. This site is the secure portal through which operations engineers, operators and services customers from Peak's RC Area gain access to Peak hosted tools such as the Reliability Messaging Tool and Hosted Advanced Applications, MC Market committee, regional flow forecast and real-time data. In addition, they upload their own entity's study information.

This metric will set a baseline for site usage that will become the basis for targeted upgrades of key tools to increase usage and enhance the customer experience. BAs and TOPs in the RC Area access peakrc.org for some of the daily functions so this metric is essentially measuring increased usage by existing users.

The analytics tools for measuring site usage were enabled in Q2 of 2016, so there is not a full year of data to establish the baseline. Consequently, the baseline year will be 2017.

Performance Summary

The average monthly usage rate increased by 89 percent, from 1,306 in Q1 to 2,464 in Q2, 2,857 in Q3 and was 3,031 in Q4. This was mainly due to increased entity visits to the Real-time Contingency Analysis page. Usage rates were calculated based on a BA/TOP count of 60.

Month	January	February	March	April	May	June	July	August	September	October	November	December	Monthly Average
Tot Pg Viev	32,433	57,800	188,390	221,935	239,212	236,600	220,828	242,324	231,373	233,412	222,463	221,648	**195,702**
Welcome F	(13,329)	(13,356)	(16,819)	(15,084)	(15,711)	(14,933)	(13,359)	(13,481)	(12,168)	(13,090)	(12,316)	(12,300)	**(13,829)**
Adjusted P	19,104	44,444	171,571	206,851	223,501	221,667	207,469	228,843	219,205	220,322	210,147	209,348	**181,873**
BA/TOP Co	60	60	60	60	60	60	60	60	60	60	60	60	**60**
BA/TOP Us	318	741	2,860	3,448	3,725	3,694	3,458	3,814	3,653	3,672	3,502	3,489	**3,031**

Table 2: 2017 Peakrc.org BA/TOP Usage Rate

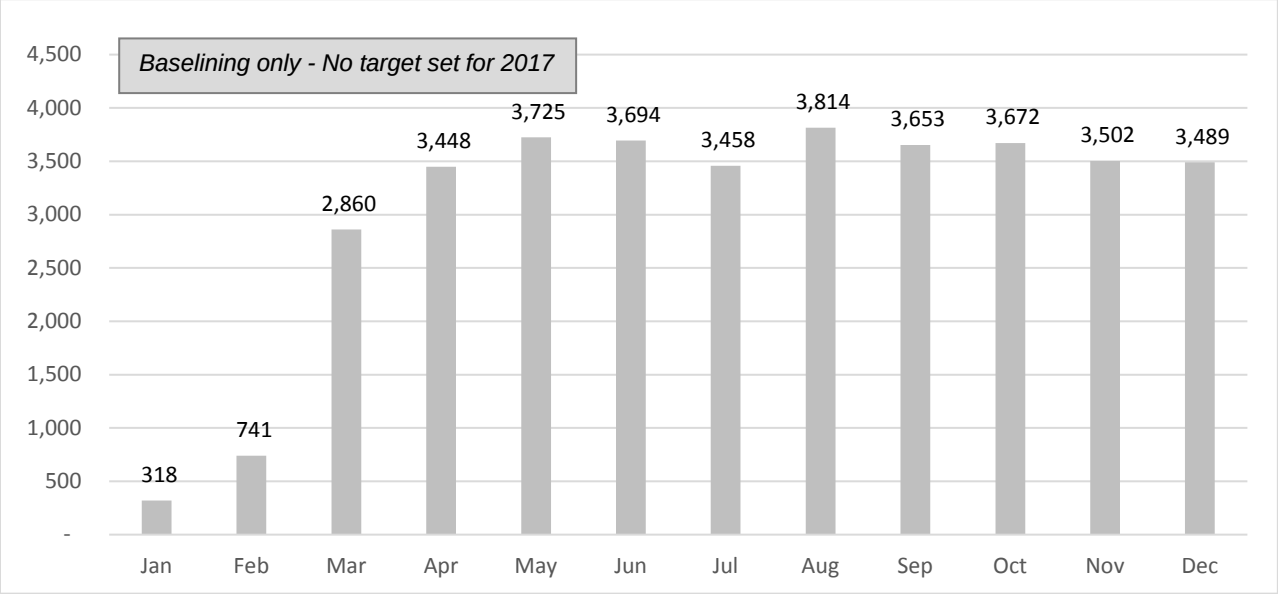

Figure 7: 2017 BA/TOP Peakrc.org Site Usage Rate

Peak will monitor usage data and identify those site locations where increased traffic is required in order to meet Peak's strategic goals. The manner in which this metric is measured may change as a result, i.e., measuring several individual metrics and consolidating into one score.

Metric 4.3: The West-wide System Model (WSM) has at least one additional functionality beyond current RC operations.

2017 Performance: Zero new uses of the WSM

2017 Target
≥ 0 additional WSM functionality

Peak's WSM has the potential to deliver tremendous reliability and efficiency benefits to the Western Interconnection. This metric measures Peak's ability to unlock some of that potential. There are many enhancements that can be made in the use of Peak's WSM, such as:

- using the WSM data as a central repository for critical modeling data
- using the WSM for system planning purposes
- making improvements in TOP modeling capabilities by working collaboratively with Peak's WSM

Performance Summary

Target met. While Peak did not identify and document new uses of the WSM in 2017, the metric reflects a 5-year goal of at least one additional functionality beyond current RC operations.

Metric 4.4: Pilot at least two innovative programs where Peak leads adoption, such as new operational concepts or alternative business models

2017 Performance: 8 qualifying innovations in 2017

2017 Target
≥ 0 qualifying innovative programs

Peak is continuously looking to improve the reliable and efficient operation of the grid in the Western Interconnection. As Peak continues to raise the bar, innovative ideas are being implemented. This metric measures new, innovative technological or operational developments that are consistent with Peak's strategic plan, meet the business case criteria and move into the production phase.

Performance Summary

Target was exceeded. Peak identified and reported three qualifying innovations in Q1, two in Q2, none in Q3 and three in Q4, bringing the total in the year to eight. See Table 3 below.

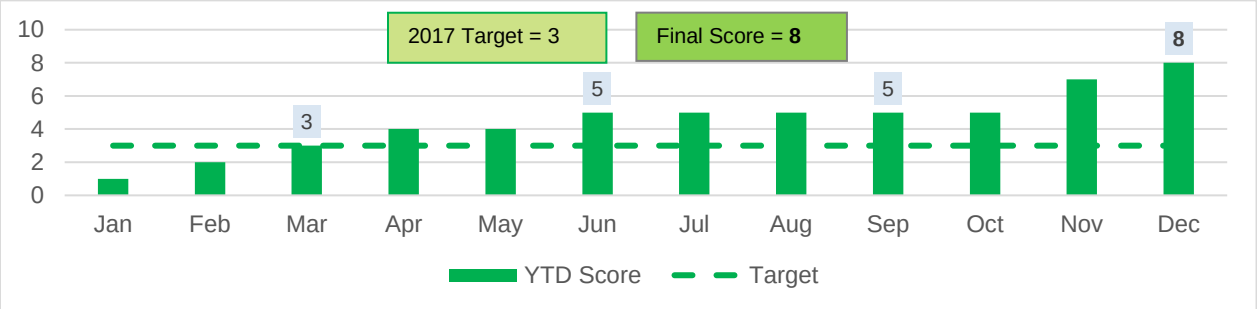

Figure 8: 2017 Qualifying Innovations

Date	Brief Description of Qualifying Innovation
Jan. 1, 2017	Peak formally implements its Operational Excellence Days (OED) process into production – a significant breakthrough that aims at maximizing the number of OEDs, resulting in continuous performance improvement
Feb. 1, 2017	The Washington State University (WSU) Real-time forced oscillation detection algorithm is deployed to Peak Real-time laboratory environment
March 23, 2017	Industry-wide implementation of the Peak RC Area Outage Coordination process, in support of the new NERC Standard IRO-017-1 that went into effect on April 1, 2017
April 1, 2017	Peak implements automation of the Outage Coordination study process by lauching a centralized operations planning data dashboard that interfaces with various data repositories and study tools; the tool replaces all prior workbooks needed to perform studies
June 22, 2017	Peak's Enhanced Curtailment Calculator (ECC) goes live, replacing webSAS as the Western Interconnection's tool for managing unscheduled flow on Qualified Paths per the Western Interconnection Unscheduled Flow Mitigation Plan
Nov. 21, 2017	Peak develops and deploys an innovative Real-Time Contingency Analysis (RTCA) subscriptions User Interface (UI) tool on the Peakrc.org site for use by Hosted Advanced Applications (HAA) customers in managing subscriptions to contingencies and monitored elements
Nov. 30, 2017	Peak implements Transient Stability Analysis Tool (TSAT) into production to help improve reliability of the Interconnection by allowing for more thorough and accurate modeling of dynamic and transient Remedial Action Scheme (RAS) interactions
Dec. 12, 2017	The Peak Visualization Platform (PVP) is implanted into production to provide advanced geospatial (map-based) visualization of the operational state of the Western Interconnection

Table 3: 2017 Qualifying Innovation

Pillar 5: Deepen Employee Engagement for a High-Performance Workforce

Metric 5.1: Improve/maintain overall employee engagement scores to reach the 85th percentile

2017 Performance: Not applicable

2017 Target
N/A (Due in 2018)

The Gallup Q12 survey is administered to employees every other year in even-numbered years to gauge employee engagement. Managers are trained at Gallup seminars to interpret survey results and to develop behaviors that further enhance employee engagement. Our goal of reaching and maintaining the 85th percentile in engagement is based on the Gallup's research showing that companies experience productivity gains with this level of employee engagement. The next Gallup Q12 survey will be administered in 2018.

In odd-numbered years, Peak will begin administering a survey that allows employees to provide qualitative feedback on our HR and management practices. This is intended to give guidance on additional actions that Peak can take to nurture employee engagement.

Performance Summary

The next Gallup Q12 survey will be administered in 2018.