

Board Decision

Integrating New Strategic Opportunities

February 16, 2005

Purpose

To define a process whereby major, new programmatic and other strategic opportunities are screened and future actions decided.

Background

During the July 30 and 31, 2004 board planning session, a number of new strategic opportunities were identified for consideration and discussion by board members and staff. These included initiatives and programs which in most cases, warranted additional investigation to clarify benefits and other details. Development of a clear and participatory process to evaluate new ideas was suggested, especially in light of the need to set priorities and allocate resources. The executive director agreed to develop a recommendation for the September 9, 2004, board meeting. The executive director subsequently sought additional input from both board and staff to simplify the approach.

Description

The Energy Trust is a "learning organization," continuously open to innovative and better ways to provide services and deliver programs. Many program changes and enhancements directly result from implementation experience and from formal evaluations, prompting ongoing improvements to be routinely incorporated into current programs and services. By contrast, major new opportunities such as large Combined Heat and Power generation projects now under consideration, warrant formal review before action is taken. This screening process is designed to intentionally and systematically investigate major new strategic opportunities as part of an annual planning and budgeting cycle.

The purpose of this process is to encourage and facilitate clear and open communication and participation between board, staff and other interested parties when decisions about significant new strategic opportunities are to be made. The process would apply only to major initiatives that cannot otherwise be absorbed within existing Energy Trust efforts. This proposal would focus such strategic discussions during the public board/staff planning retreats held each summer. Once agreement is reached to pursue such ideas, they would be developed for inclusion in updated action plans and budgets. Those strategic ideas that come forward outside of the summer planning timeframe can follow much the same path, using board meetings for any decision-making, assuming that staff time is available to coordinate investigation.

The following outlines the proposed approach and assumes the following:

- I. Origin - New strategic opportunities can emerge from a variety of sources, including the Three-person/Innovation Team, individual board members, staff, advisory council members,

the PUC, ODOE, contractors, trade allies/vendors, program participants, utilities and other partners. New major opportunities can also result from experience delivering current programs, formal evaluations or from other feedback. Such ideas are welcome and help the organization in effectively planning for and allocating its resources.

2. Pre-Screening - Major new strategic efforts can often impact staff time and priorities, budget and other resources. To address this, staff proposes to pre-screen opportunities to determine if there is an obvious fit for the Energy Trust, if the opportunity is plausible, is within existing budget and resources and can be absorbed into current efforts. The result of pre-screening can be either an immediate action to absorb such opportunities within existing efforts or programs, to transfer the opportunity to another potentially interested party or to not pursue the opportunity at all.
3. Full-Screening - At a minimum, opportunities that warrant additional consideration beyond pre-screening will be assessed as follows:
 - Does it meet Energy Trust legal requirements?
 - Would it help us to achieve organization mission and goals?
 - Are the costs and benefits anticipated reasonable?
 - What would be the timing and what resources would it require?
 - Are partnership and leverage opportunities present?
 - Are the resources required plausible?
 - Other considerations?

In screening, staff would expect to engage any party whose involvement would be insightful and necessary, including the Three-Person/Innovation team, CAC, RAC, and other stakeholders.

3. Review and decision-making - Interested board members and staff would present results of the full-screening analysis and recommend next steps at the annual board/staff planning retreat, where discussion will follow. The discussion should encompass the benefits and trade-offs associated with new strategic opportunities and result in a conclusion about priorities for the coming year, to be reflected in the action plan and budget. Those opportunities that would be delayed or missed if deferred to the annual planning meeting can be otherwise addressed through staff review, analysis and development of options/recommendations, CAC and/or RAC, policy committee and board action. This assumes staff resources are available to explore such options.

Relation to Strategic/Action Plan/Budget

This approach is primarily designed to help update the two-year action plan and annual budget with fresh concepts and strategies that enable the Energy Trust to fulfill its mission and achieve its goals.

Committee/Public Review

The policy committee reviewed and discussed the initial draft "new ideas" approach at its meeting on August 24, 2004, and offered suggestions regarding involvement of the three-person team and the lead time associated with planning for future programs and activities. These comments further strengthened this proposal. Board input during and following the September 8, 2004, discussion of this topic led to a revised and simplified approach reviewed by the policy committee again at its January 26, 2004, meeting. The policy committee endorsed the revised concept, adding clarification

regarding pre-screening of opportunities to determine if they can and should be reasonably absorbed within existing efforts as distinct from minimum full-screening of new opportunities. The policy committee also agreed with focusing on the summer board/staff planning work session as the place where such opportunities will be discussed and direction set for them.

Recommendation

Adopt the proposed approach and revisit it after the 2005 board/staff planning session, incorporating adjustments and improvements to further enhance the process.

**RESOLUTION 318
ADOPTING APPROACH FOR
SCREENING NEW OPPORTUNITIES**

WHEREAS:

1. **Identifying and acting upon new strategic opportunities is a welcome and continuous part of being an innovative "learning organization."**
2. **An efficient process to screen and intentionally choose to pursue new strategic opportunities is desirable.**
3. **Assessments of new strategic opportunities will be concentrated within, and not limited to, the action plan update and budget preparation cycle initiated with the joint board/staff planning meeting held publicly each summer.**

It is therefore RESOLVED:

That the Energy Trust of Oregon, Inc., Board of Directors hereby authorizes the Executive Director, in cooperation with the Three Person/Innovation Team and other interested parties, to screen major new strategic opportunities using the following pre-screening and minimum full-screening criteria:

1. **Pre-screening - Staff proposes to pre-screen opportunities to determine if there is an obvious fit for the Energy Trust, if the opportunity is plausible, is within existing budget and resources and can be absorbed into current efforts. The result of pre-screening can be either an immediate action to absorb such opportunities within existing efforts or programs, to transfer the opportunity to another potentially interested party or to not pursue the opportunity at all.**
2. **Minimum Full-screening - At a minimum, opportunities that warrant additional consideration beyond pre-screening will be assessed as follows:**
 - **Does it meet Energy Trust legal requirements?**
 - **Would it help us to achieve organization mission and goals?**
 - **Are the costs and benefits anticipated reasonable?**
 - **What would be the timing and what resources would it require?**
 - **Are partnership and leverage opportunities present?**
 - **Are the resources required plausible?**
 - **Other considerations?**
3. **Board and staff will plan for and include an analysis of strategic opportunities and corresponding choices for discussion as a focus of the annual board/staff public planning meeting held each year, usually in summer.**

4. **Ideas outside of the annual planning meeting will follow the usual course of business, being analyzed by staff with involvement from interested board members for presentation to the CAC and/or RAC and policy committee prior to consideration during a public board meeting.**

5. **An Energy Trust board member from either the Three Person/Innovation Team or policy committee will update the full board on the status of ideas being considered and, for those items requiring board action, bring such new ideas forward for action during public board meetings.**

Moved by: _____ Seconded by: _____

Vote: _____ in favor _____ opposed _____ abstained

Adopted on (date) _____ by Energy Trust of Oregon,
Inc., Board of Directors.