EnergyTrust of Oregon, Inc.

Briefing Paper
NW Energy Efficiency Alliance Draft Strategic Plan

September 3, 2008

Summary

To update the board on the strategic planning process being conducted by the NW Energy Efficiency Alliance (NEEA) and their relationship to Energy Trust activities.

Background

- In early spring this year, the newly restructured board of directors of the NW Energy Efficiency Alliance formed a strategic planning committee. The committee was tasked with defining and conducting a comprehensive process to develop a new strategic plan for the organization. Margie Harris serves as a member of the committee.
- Endorsed by the full NEEA board of directors, the agreed upon strategic planning process was designed to be very inclusive, providing a variety of ways for diverse stakeholders to voice their views and fully participate in the strategic planning effort.
- Extensive outreach was conducted in the 4-state Pacific Northwest region, using website surveys, individual meetings with key stakeholders and workshops. Comments were solicited about the varied and many strategic opportunities worthy of consideration by NEEA, including those which could potentially expand upon their current mission.
- As part of the outreach process, NEEA interim executive director, Susan Hermenet, introduced the strategic planning process and solicited input from the Energy Trust Board of Directors at the May 2008 meeting. Subsequently, NEEA staff also solicited comments from both the Energy Trust Conservation and Renewable Advisory Councils.
- Energy Trust also staff participated in outreach meetings to key Oregon stakeholders and in local NEEA strategic plan workshops.
- NEEA staff distilled comments received from their outreach activities and prepared the following materials:
    - An executive summary of feedback received, including trends and challenges; future vision for energy efficiency in the NW; NEEA's role and perceived value and specific issues for consideration regarding NEEA's mission and role
    - A recommended draft Vision and Mission Statement
    - A list of corporate values
    - A set of guiding principles
    - Strategic goals and strategies
- Available in draft form, these materials were recently distributed for comment.
- A final draft strategic plan will be made available on September 15, 2008.

- Comments will be solicited on the final draft plan, which will be modified as needed and presented to the board of directors for their consideration and adoption on October 29, 2008.

Discussion

- The attached report summarizes feedback heard during the NEEA strategic planning outreach effort. The summary identifies current trends and challenges faced by energy organizations now and in the future, very helpful to the Alliance and to the Energy Trust in our own strategic planning efforts. The summary identified (pp.2-3):
    - Increasing energy demand coupled with mounting supply constraints
    - Workforce shortages
    - Economic, environmental and legislative uncertainties, and,
    - Changing energy technologies.
- The future of energy efficiency and a corresponding list of obstacles and opportunities to achieve more energy efficiency (p. 4)
- Consensus regarding the following potential six future roles for NEEA (pp. 4-5):
    1. Bringing new energy efficient technologies to market
    2. Increasing market adoption of commercially available energy efficient technologies
    3. Developing comprehensive market strategies to increase the market adoption of energy efficient technologies, services and practices
    4. Developing the region's capability to build and operate buildings/systems efficiently
    5. Increasing the energy efficiency level of building energy codes and standards
    6. Conducting regional market research, assessment and evaluation that support resource and program planning
- Recommended vision and mission statements (p.8); corporate values (p.9) and guiding principles (p.10)

Next Steps

- Four major strategic issues identified for additional consideration (pp. 14-21)
    - Adopting a "fuel-blind" mission inclusive of all forms of energy, including and not limited to electricity and natural gas
    - NEEA's role in new and emerging efficiency opportunities
    - A portfolio that balances short and long term energy efficiency opportunities and regional equity
    - NEEA's involvement in coordinating activities for "local" (largely utility-based) efficiency programs

Energy Trust Staff Observations

Staff makes the following comments about NEEA's strategic plan:

1. Energy Trust values our business relationship with NEEA and the ongoing market transformation role played by NEEA that helps achieve significant Energy Trust savings every year. We further support the future direction of the organization as identified in NEEA's draft strategic planning materials.
2. The overall strategic planning process has been both comprehensive and effective at soliciting feedback and identifying future opportunities and potential roles for the organization.
3. The re-stated vision and mission statements are both succinct and appropriate.
4. The strategies are comprehensive and ambitious, accounting for a dynamic environment and taking full advantage of new opportunities.
5. We strongly support consideration of an expanded NEEA role encompassing natural gas efficiency and recommend further engagement of gas utilities during the coming year to further explore this opportunity.
6. NEEA should continue to identify new and emerging technologies by expanding pilot projects and demonstrations, appropriately managing risks with opportunities and benefits that help create new efficiency markets.
7. NEEA's program portfolio needs to be comprised of a balance between those activities that deliver short-term savings and those investments that are likely to result in long-term savings. Both are needed to achieve ongoing regional market transformation and each requires a different measurement for success.
8. NEEA's purpose is best realized by leveraging market changes on a regional basis, collaborating and complementing the activities of individual local energy program providers and not duplicating them.
9. NEEA should retain the flexibility to enter into and transition out of program investments by acknowledging different rates of market adoption and transformation occurring in different socio-economic and geographic parts of the region over time.
10. Strategic planning information and materials developed by NEEA will assist Energy Trust in the preparation of its own updated strategic plan over the coming year.

Next Steps

- Additional information on the Alliance strategic plan can be found at: www.nwalliance.org
- Solicit additional comments from the board of directors.
- Designate Margie Harris to share Energy Trust comments and observations with NEEA prior to adoption of their final strategic plan.