Briefing Paper
Annual Board Retreat, June 8-9, 2012

May 23, 2012

Summary

This paper outlines the agenda for the board's annual strategic planning retreat, June 8-9.

Background

- The Energy Trust board meets each June to discuss issues of strategic importance to Energy Trust. No board decisions are slated for this meeting.
- The agenda for this year's retreat was developed in consultation with the Strategic Planning Committee, with representatives of the board, the Oregon Public Utility Commission and the Oregon Department of Energy. Attachment 1 outlines retreats for the last five years.

Discussion

- The agenda for day one:
  - After an opening statement by the board or committee chair, Margie will set the stage for the issues that will be addressed in staff presentations.
  - To allow time for board discussion, staff presentations will be under 15 minutes.
  - The first presentation will be on energy efficiency: how we are doing in relation to strategic plan goals, challenges we anticipate over the next few years, and how we plan to manage them. This presentation will also include a description of how we work with financing entities, and financing ideas that are being discussed in the Governor's office and OPUC.
  - The second presentation will describe the renewable energy industry in Oregon, how Energy Trust fits into it, and issues that will shape the program in the future.
  - A third presentation will report on a market assessment of the idea of Energy Trust consulting, and make recommendations.
  - The agenda includes a placeholder for the possibility that the Governor's energy plan may be issued shortly before the retreat. We expect the presentations above will anticipate the major ideas in the Governor's plan.
  - "Letters to 2022:" John Reynolds would like to give board members an opportunity to write themselves a letter describing the energy landscape they hope/expect to see after Energy Trust's second decade, as the 2002 board did.
- Day two:
  - Recap and to-dos emerging from day one
  - Follow-up discussion of selected day one issues

- Staff is in the process of developing written materials for the retreat, and will aim to mail those to the board earlier than usual so board members can let us know if there are areas they would particularly like to discuss.

DRAFT AGENDA

Friday, June 8, Edgefield Manor

8:00 am	Welcome, review agenda, intros
8:15-8:45	Changing energy landscape (Margie)
8:45-10:00	Changing perspectives on efficiency
10:00	*Break*
10:15-12:00	Changing perspectives on efficiency
12:00-12:45	*Lunch*
1:00-2:30	Renewable energy program
2:30	*Break*
2:45-4:00	Energy Trust consulting
4:00	Adjourn, vacate meeting room
4:00-5:00	Write letters to 2022 (on your own)
5:00	*Refreshments in the Barley Room*

Saturday, June 9

8:30	Recap of day one
8:45	Board discussion: Energy Trust role in Governor's plan (if needed), other issues

Energy Trust Board Retreats, 2006-2011

2011:

Context:

- State energy tax credits about to be severely restructured but legislature still in session
- Planning department seeing significant uncertainty in electric efficiency: we have saturated and changed markets, need to replace tried-and-true measures:
- Renewable energy: under-20 MW projects are more challenging, require different support than utility-scale; renewable energy hard-hit by tax credit changes while our renewable funding is over-stretched

Agenda:

- Tom Eckman: *The Importance of Saving Energy Now, Not Just Later*
- Gas efficiency: What measures drive our programs? What are the trends in program costs? Going forward, how do we target programs, mitigate risks and capitalize on opportunities?
- Electric efficiency: What measures drive our programs? What are the trends in program costs? Which program drivers will drop off over the next few years, and how will we fill gaps left by those measures?
- Lunch session with Scott Nelson, Governor Kitzhaber's office: Energy Trust and Oregon's Clean-Energy Agenda
- Renewable energy programs: How are we doing in relation to goals? What markets, applications, and approaches drive renewable programs? How are above-market cost, project pipeline and revenue trending?
- Renewable energy programs going forward: Elaine Prause
  - Earlier participation in project development
  - Setting progress goals
  - Managing risks
- Margie: Should Energy Trust do independent consulting?

2010:

Context:

- Anticipating significant changes in energy tax credits in 2011 legislature
- Congress considering Home Star legislation for energy efficiency rebates

Agenda:

- Lee Beyer: What does the future hold for Oregon energy policy?
- Utility panel - What industry drivers may significantly influence utility and Energy Trust collaborations and future opportunities?
- Bob Repine: How might anticipated changes to the Business and Residential Energy Tax Credits and the advent of federal Home Star legislation create new opportunities and challenges for ODOE and its relationship with Energy Trust?
- Michael Early: How do we plan for and bridge the gap between industrial energy savings targets assumed in integrated resource plans and current SB 838 funding restrictions?

- Catriona McCracken, CUB: How do we maintain common ground for both energy efficiency and renewable energy as we create Oregon's energy future?
- Staff: Is providing financing for certain renewable energy projects a viable role and option for Energy Trust to consider?
- Follow-up and Planning:
  - Opportunities and risks that most warrant additional discussion
  - Annual planning to achieve strategic goals:
    - Strategic planning by sector and for renewable energy
    - Integration with five-year strategic plan
    - Incorporating risks and opportunities
- Integrated Solutions Project update
- Board member transitions/composition

2009:

Context:

- 2007-2012 strategic plan in draft (building on vision, goals discussed in 2008)
- Expectation that climate change and other developments will require Energy Trust to double or triple energy savings; organizational redesign process underway to make programs and operations more efficient
- Large-scale investment of American Recovery and Reinvestment Act dollars for energy efficiency, low-income weatherization, and green jobs.
- Economic downturn

Agenda:

- Opportunities and threats, Energy Trust strengths and weaknesses
- Policy-level recommendations from the organizational redesign process
- Introduction to the draft strategic plan
  - Why we decided to do this
  - Planning/workshops to date
  - Going forward
- Review vision, mission and long-term goals
- Five-year goals and objectives:
  - Briefing and discussion of five-year electric and gas goals
  - Briefing and discussion of five-year renewable energy goals
  - Briefing and discussion of five-year objectives
- Discussion: Given the changing context, redesign recommendations and draft strategic plan, is Energy Trust positioning itself to capitalize on opportunities and manage risks?
- Next steps and priorities for the coming year

2008:

Context:

- Intended to take a fresh look at Energy Trust vision, mission and goals in light of market and technology developments, emerging energy and climate policy
- 2007 Renewable Energy Act: doubled funding, longer time horizon, different renewable energy role

- Energy Trust engaged in utility planning
- Continuing questions about geographic expansion, role in relation to climate policy, workforce development

Agenda:

- Small and Large Group Discussions - Future Challenges, Opportunities, Roles and Choices
  - Critical Issues
  - Core competencies
  - Priorities for future review and strategic planning consideration
- Sorting agreed upon list of critical issues and topics
  - Definitely undertake?
  - Definitely not undertake?
  - Needed and potentially achieved by others?
  - Investigate and consider?
- Vision, Mission and Goals
  - High-level concepts and possible changes

2007:

Context:

- Climate change, clean-tech and “greenness” were becoming higher-profile
- 2007 Renewable Energy Act authorized supplemental energy efficiency funding, limited renewable energy funding to projects of 20 MW and under
- Had analysis of two issues from 2006 retreat:
  - Evaluation of our program delivery model
  - Architecture review of our IT and Financial systems
- Were beginning to think about organizational change and transition

Agenda:

- Background/re-cap from last year's priorities and progress to date
  - Architecture Review of IT systems
  - Program delivery model evaluation
- Merits of managing Production Efficiency program in-house
- Renewable energy role: How should Energy Trust define and measure success in its renewable power programs? Are current approaches sufficient, given market and legislative changes?
- Should Energy Trust expand into other states (i.e., Washington)?
- Implications of expanded activity/changing roles (relating to legislation, renewable energy issues, operations and internal coordination)
- New opportunities:
  - Surging concerns about carbon emissions and global warming
  - Potential to invest in longer-term, less certain initiatives in residential energy feedback technology

2006:

Context:

- Programs established and in high demand
- Recognition in the market place

- High levels of customer satisfaction
- Activity in energy policy at both the state and national levels
- Laying groundwork for the annual budget and two-year action plan, anticipating need for new 2007-2012 strategic plan

Agenda:

- Review planning/budget process and schedule
- Review Energy Trust goals and accomplishments
- Identify organizational strengths, weaknesses, opportunities, threats
- Review current and planned operational improvements
- Consider strategic issues:
  - Over the next two years, what is the right balance between high-priority management issues and new strategic initiatives?
  - Should Energy Trust take further steps to manage growing demand for scarce funds?
  - Should Energy Trust explore alternative service delivery models?
  - Should Energy Trust explore a more active role in crediting energy efficiency in greenhouse gas mitigation markets?
  - If government and market support for efficiency and renewables and market grow significantly, how might the Energy Trust role change?
  - Should Energy Trust focus investment where it will generate the greatest system economies by deferring or avoiding new transmission and distribution or peak generation investments?
  - If Oregon adopts a Renewable Portfolio Standard, how should Energy Trust's role change?
  - How should Energy Trust renewable energy programs deal with green tags?
  - Should Energy Trust use different models to deliver renewable energy programs?
  - Should Energy Trust work to more effectively acquire direct-application renewable energy?

Board members evaluated these issues with scoring sheets, which were analyzed to identify agreement, divergence and areas needing clarification. To-dos were followed up at later board meetings and workshops.