2. ORGANIZATION PRACTICES

The key informants nominated nine organizations with at least one organizational practice that could be considered a best practice. One of the organizations due to familiarity with the organization on the part of Energy Trust staff and another organization summary could not be completed. We completed nine summaries for practices from seven organizations.

The focus of this effort was to identify organizational practices that will help the Energy Trust meet some of the guidelines designed to ensure that it satisfies the legislative intent in SB 1149. The key guidelines the RFP directed us to respond to in seeking organizational practices are:

- Seek competitive bids for Trust work when appropriate.[1]
- Costs of operating the Energy Trust will balance the lowest possible administrative costs with overall organizational effectiveness.
- Professional standards of conduct and organizational effectiveness will guide all Energy Trust operations, consistent with the public interest and mandates of the statute.

Thus we specifically asked informants to think about organizations with best practices on program delivery, on staffing, on contracting for different types of services, and on overall organizational structure for administering public funds.

Table 2 provides a synopsis of the 10 organization practices, the organizations and their locations.

[1] Energy Trust of Oregon RFP for Best Practices Survey Research.

Table 1

ORGANIZATION BEST PRACTICES REVIEWED

ORGANIZATION	PRACTICES	LOCATION
Efficiency Vermont (EVT)	Communications, Organization Structure, Performance Metrics, Subcontracting	Vermont
Efficiency Vermont	Measure Screening	Vermont
National Grid	Program Delivery	Massachusetts
New South Wales Sustainable Energy Development Authority	Organizational Structure	New South Wales, Australia
Northwest Energy Efficiency Alliance	Project Contracting, Project Screening	Northwest
Northwest Energy Efficiency Alliance and Northeast Energy Efficiency Partnership	Circuit Riders	Northwest and Northeast
Pew Charitable Trusts	Non-Profit Staffing	National USA
Southern California Edison	Contracting Procedures	California
Wisconsin Energy Conservation Corporation	Circuit Riders	Wisconsin
Wisconsin Energy Conservation Corporation	Organization, Program Screening, and Staffing Ratio	Wisconsin

ORGANIZATIONAL PRACTICES SUMMARIES

Efficiency Vermont: Communications, Organization Structure, Performance Metrics, and Subcontracting

Name of Organization: Efficiency Vermont (EVT)

Best Practices Targeted: Overall Organizational Structure, Performance Metrics, Communications and Subcontractors

Name of Contact: Blair Hamilton, President of Vermont Energy Investment Corporation (VEIC), Managing Director of Efficiency Vermont

Phone and Email: 802.658.6060 x 1024; blair@veic.org

Why Nominated

EVT was nominated as a best practice organization for being an effective program administrator of public benefits funds and for performance metrics, communications, and subcontracting lessons learned. The nomination in part was made due to apparent similarities between the Energy Trust and EVT, as well as the fact that EVT had been operating for nearly three years with apparent success in acquisition of resources. (A comparison of the four currently operating public benefits programs is provided in York, et. al. 2002.)

Organization Structure

The idea of a single organization with the mission of offering energy efficiency services is at the root of the design of the efficiency utility[2] contract. While electric and gas utilities are logical tools for implementing energy efficiency, the goal of energy efficiency conflicts with the mission of investor-owned utilities to provide energy. In Vermont, the solution was to contract with a single entity whose mission would be to deliver energy efficiency services. Vermont Energy Investment Corporation (VEIC) was selected from a field of six bidders to implement the efficiency utility. The organizational structure is noted in the following organization chart.

[2] Vermont is unique in its allocation of public benefits funds for the purpose of funding an Efficiency Utility, in contrast to electric and gas energy production and distribution utilities.

The Public Service Board oversees the efficiency utility and the generation and distribution utility activities in Vermont. The Board contracted with a contract administrator and a fiscal agent to manage the contractual and financial issues for the efficiency utility. The system benefit charge funds are sent by the utilities to the fiscal agent, who then pays EVT invoices once the Contract Administrator approves them. The contract administrator oversees the business issues of the efficiency utility contract, ensuring that contractual obligations are met, reviewing invoices and making recommendations to the Public Service Board on the contractual performance of EVT. The contract administrator is also responsible for making recommendations to the Board on any issues about which the Department of Public Service (DPS) and EVT have not reached agreement. The DPS is charged with planning and evaluation activities for demand- and supply-side electrical issues. They are charged with making recommendations to the Public Service Board regarding the performance of EVT in terms of energy efficiency and renewable services and for identifying opportunities for energy efficiency and renewable services.

This structure enables the Board to report to the legislature that no additional state employees have resulted from the effort. The use of a contract administrator and fiscal agent ensure that Board staff members are not directly involved in activities of the efficiency utility. Furthermore, no funds from the system benefit charge are ever included in the state budget. An advisory committee to the Board is composed of seven people[3] who meet every other month to review EVT activities and make recommendations to the Board about EVT activities. The contract and payment to EVT is performance based. The metrics include kWh and kW goals as well as activity milestones.

The 2001 annual report reports that after two years of effort, 30,966 Vermont residential and commercial consumers took advantage of EVT programs for a total savings of 60,359 MWh of electricity compared to a three-year goal of 83,592 MWh of generation net of free riders. The total payment possible for the first three years is capped at $28,381,083.

Funding

Funding for EVT comes from a system benefit charge of 2.6% of revenue from electricity consumption. These fees are collected by the utilities and sent to the fiscal agent. The system benefit charge is phasing in over three years,

[3] Two utility staff, one low income advocate, one efficiency advocate, the director of the Economic Development department, a former utility manager, one legislator and one business representative.

beginning at $.015/kWh in 2000. The total funds available for the three-year period are $27 million.

Stakeholders

The stakeholders are the legislature, the Board of Public Utilities, the Department of Public Service, the utilities and the rate payers of Vermont.

Practice: Program Performance Metrics

The performance metrics for the first three-year contract period were structured to ensure acquisition of kWh and kW savings. There are specific quantified goals for MWh energy saving and total resource benefits for the three-year contact as well as over 30 activity milestones and result indicators. A financial performance incentive of 2.9% of the contract value is provided for 100% attainment of performance result. The performance metrics are weighted at 25% for the MWh goal, 20% for activity milestone attainment, and 57% for other program savings goals. Just 3% are allocated to market effects. EVT staff tended to focus on achieving the MWh goals and activity milestones, resulting in most goals being achieved ahead of schedule.

The next contract period, however, will have a different performance metric structure. That structure is currently being determined. Both the DPS and EVT would like the performance metric to enable more market transformation and infrastructure activities, which will require some portion (7% proposed by the DPS) that is not strictly tied to kW and kWh goals. An attachment is provided in Appendix B describing the performance metrics for the first contract period.

The performance metrics process is discussed in detail in (Hamilton, et. al. 2002).

Practice: Subcontracting

In order to keep costs contained, EVT was expected to use subcontractors to deliver program services rather developing a large internal staff. In its proposal to the Board, VEIC included two implementation firms as part of its team, with the express intention of contracting with these firms to deliver services. In the residential sector, EVT has found the use of contractors to be generally effective. EVT works closely with the regional initiatives facilitated by the Northeast Energy Efficiency Partnerships, Inc. (NEEP) to implement appliance and lighting efforts.

In the commercial and industrial sector, NEEP programs include rebates for HVAC and motors. The major program activities for these programs are working with trade allies and customers; these services can be delivered by contractors or by EVT staff. EVT has generally found that the contractors could not deliver services as well as EVT staff could. Contractors had to hire local staff in order to implement as there were no implementation contractors located in Vermont at the outset of the effort. Program issues had to be worked out to ensure that implementation was consistent with EVT goals. Over the first two years, EVT has reduced the use of contractors and now seeks to hire and train directly. EVT has been slowly filling positions as qualified people are found. By doing the work themselves they have been able to have high confidence in the message and quality of program services.

Staffing at EVT includes commercial and industrial program staff, residential program staff, administrative staff. Subcontractors that continue to work with EVT include consulting engineers for custom projects such as daylighting.

Practice: Communications

EVT communications for residential is consistent with the NEEP effort, while other market messages are low profile. There has been one radio spot on public radio and one on the Red Sox broadcast. In addition, for three months, there was an energy tip on the weather segment of the news on one TV station. Most marketing has relied on public relations strategy, newspapers, and publicity for the torchiere turn-in. In addition, the utilities have done the following:

- They were required by the Board at the outset of the system benefit charge to print a message on each customer bill for three months indicating that efficiency services were now provided by EVT.
- They were required as part of keeping things a "level playing field" to provide bill stuffer space to EVT four times a year. EVT pays for the printing. The larger utilities include the stuffer, while for smaller utilities EVT also pays for the additional mailing house costs.

As with other activities, EVT initially contracted for marketing design and implementation. They no longer bid the design out, but have a marketing director who manages all marketing activities and hires contractors for specific efforts as needed.

Transferability to the Energy Trust

The opportunity to transfer the organizational structure of EVT has passed. EVT is different from the Energy Trust primarily because there is a contract administrator and fiscal agent between EVT and the Board of Public Utilities. EVT is the implementation contractor managed by the contract administrator for the Board of Public Utilities. In addition, the role of the DPS is not duplicated in Oregon.

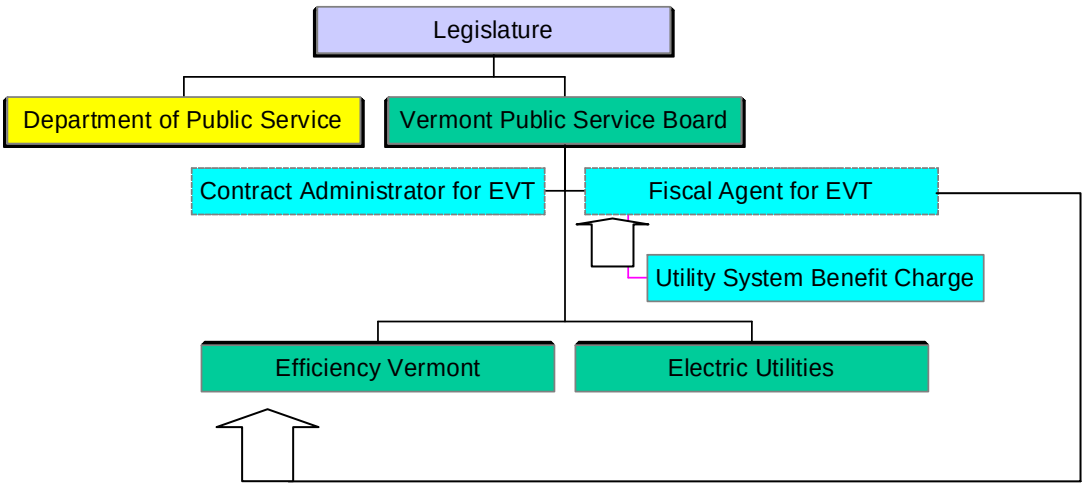
The lessons learned about performance metrics, subcontracting and communications are worthy of consideration and could be transferred. In many ways the major lesson learned from EVT is that over time it becomes apparent what is best done in-house and what is more efficiently done by contractors. This is difficult to judge at the outset as the availability of competent and knowledgeable contractors will vary by location and over time.

References

Hamilton, B., Plunkett, J., Wickenden, M. (2002) *Gauging Success of the Nation's First Efficiency Utility: Efficiency Vermont's First Two Years*. Forthcoming ACEEE Summer Study, Washington, DC.

York, D., Mathews, S., Henderson, B., Hamilton, B., Meier, P. (2002) *Administration and Implementation of Public Benefits Programs: Experiences for Four States.* Forthcoming ACEEE Summer Study, Washington, DC.

Efficiency Vermont Organizational Structure



Efficiency Vermont: Measure Screening

Name of Organization: Efficiency Vermont (EVT)

Best Practice Targeted: Measure Screening

Name of Contact: Chris Neme

Phone and Email: 802.658.6060 x 1022; cneme@veic.org

Organization Structure, Funding, Etc.

See previous write-up about EVT Organizational practices

Practice: Residential Measure Screening

EVT uses two screening tools for determine measures. One is called Dis-tool, which disaggregates hot water savings from electric energy consumption. The other called Statewide Screening tool, screens for cost effective measures.

The Dis-tool was developed by VEIC to disaggregate hot water use from electric use. It calculates hot water consumption and provides information to determine whether fuel switching is a cost effective option. In the near future it will also be used to calculate whether solar hot water is a cost effective option for the customer.

Optimal Energy developed the screening tool for the Vermont Department of Public Service. Optimal Energy customizes the tool for other utilities and states and it is now used in Massachusetts, New Jersey, at LIPA and by NYSERDA. The tool is a somewhat complex Excel spreadsheet, and has the advantage of not being a "black box" like some of the tools used in the mid 90s.

Transferability to the Energy Trust

The measure screening tools are transferable, though the fuel switching use may be minimal, the statewide screening tool could easily be adapted and customized to Oregon.

National Grid: Program Delivery

Name of Organization: National Grid

Best Practice Targeted: Program Delivery

Name of Contact: Tim Stout

Phone and Email: 508.421.7205; timothy.stout@us.ngrid.com

Why Nominated

National Grid program delivery activities were nominated as a "best practice" organization because of its effective delivery of a broad range of energy-efficiency programs across all sectors, as evidenced by the large number of "best practice" program nominations received by National Grid as part of this study.

Structure and Staffing

There are 32 full-time staff members involved in energy efficiency at National Grid's headquarters, serving operating company subsidiaries in Massachusetts, Rhode Island, and New Hampshire. (Massachusetts accounts for about 75% of customers and load). In addition, in Massachusetts, there are 40 account managers who market to large C&I customers and who spend 40% of their time on energy efficiency.

The Director of Energy Efficiency is responsible for overall implementation, evaluation, and planning. Under him is a Manager of C&I Programs, a Manager of Residential Programs, and a Director of Evaluation. The Manager of C&I Programs and the Manager of Residential Programs each has individual program managers, engineers, and administrative staff reporting to them. The Director of Evaluation has seven evaluators reporting.

Funding

Funding for National Grid's energy efficiency programs comes from a system benefit charge of 2.5 mils for 2002—down from 3.3 mils—based on restructuring legislation of 1997. The total budget for 2002 in Massachusetts is about $48 million, plus $3.5 million in shareholder incentives. About $21 million goes for residential programs, and $27 for commercial. Internal payroll and employee expenses are $3.2 million, information service costs are

$1.5 million, legal costs are $100,000, and evaluation costs are $2 million; the remainder—about $41 million—are for implementation.

Organizational Purpose

The energy-efficiency programs at National Grid, because they are funded by customers through a mandate by the state legislature, are guided by the mission of the Massachusetts Department of Energy Resources (DOER): to implement energy policies that ensure an adequate supply of reliable, affordable and clean energy for the businesses and residents of Massachusetts; and to improve and streamline energy regulation, promote greater efficiency in all energy uses, reduce energy costs, and mobilize energy education. In addition, National Grid is committed to energy efficiency as a service to its customers and the Commonwealth, and as a way for the company to make money. In fact, National Grid had a major hand in negotiating the restructuring legislation of 1997, including the energy efficiency provisions. Both resource acquisition and market transformation are overall program goals.

Stakeholders and Accountability

In planning program expenditures, National Grid shares the preliminary budget with the Collaborative, made up of the Northeast Energy Efficiency Council, Associated Industries of Massachusetts, the Energy Consortium, low-income advocacy groups, the Attorney General, and the Conservation Law Foundation. National Grid and the Collaborative negotiate and compromise on the energy efficiency budget, based on the company's initial recommendations. The DOER also participates as an observer in these negotiations, and has to approve the filing. The Department of Telecommunications and Energy (DTE) approves the final budget.

Individual program budgets as well as the overall budget must be approved as part of this process. Core programs have demand and energy savings goals. There are also market transformation programs without specific demand and energy savings goals, but rather incentive mechanisms based on metrics—for example, number of ENERGY STAR-labeled homes, number of motors sold, the completion of a particular evaluation, etc.

National Grid has ongoing communications with the Collaborative, the DOER, and the DTE—all year round, not only at budget time—to make sure there are no surprises.

Ultimately, because funding for energy-efficiency programs depends on legislation, the state legislature is another key constituency. On a regular

basis, therefore, National Grid sends newsletters to Massachusetts legislators and meets with the State Energy Committee. National Grid is the only utility in Massachusetts with regular outreach efforts targeted at the legislature.

Program Delivery at National Grid

Support for energy efficiency at National Grid starts at the very top of the organization, as it has since the inception of energy efficiency programs in the mid to late1980s. National Grid is known for its cooperative relations with regulators and interveners, stemming from its demonstrated desire to design and implement programs that save energy cost effectively, rather than simply adhering to the letter of legal requirements.

This support at the top flows through to mid-level managers and professionals as well; National Grid is often cited as an organization that manages to attract and keep good staff. In part, this may be because staff members who are committed to energy efficiency perceive that their efforts are recognized and supported. Other factors involved in attracting and keeping good staff include the involvement of National Grid's energy efficiency managers in regional and national organizations, which keeps them connected to the world of energy efficiency.

National Grid originates many programs, such as Design 2000*plus*, that end up being emulated by other organizations. Their ability to generate outstanding programs stems from staff and management commitment, and also from their willingness to hire the premier program designers in the country.

Much of National Grid's success also derives from its commitment to hiring good outside contractors for program implementation, and, once competence is demonstrated, committing to them for the long term.

Finally, the success of National Grid in the delivery of energy efficiency programs also depends on its effective use of evaluation and monitoring for mid-course correction.

Transferability to the Energy Trust

It would appear that most of the conditions that have permitted energy efficiency programs to flourish are or could be in place in Oregon. The ten-year funding commitment to the Energy Trust is double the current five-year commitment in Massachusetts, allowing a long-term approach to the buildup of staff and infrastructure. The independence of the Energy Trust from

utilities, and the long-term involvement of its managers in the industry, assure organizational commitment to energy efficiency.

This commitment to efficiency should help attract and keep good staff. The concentration of the industry in Portland should also be a help insofar as it provides a large, experienced labor pool, but a hindrance in that it generates competition for staff and could drive up salaries.

The program design success of National Grid could be expected to be repeated by the Energy Trust because of the presence of the large energy-efficiency program design contingent in Oregon, and indeed on the Energy Trust's own staff.

The presence of the energy efficiency industry in Oregon and the previous and ongoing efficiency activities of the utilities and the Northwest Energy Efficiency Alliance has built up the industry infrastructure, which should allow programs to ramp up quickly.

Some conditions in southern New England that differ from those in Oregon could make for differences in the specifics of program design, if not in overall intent. These include weather: it is both hotter in the summer and colder in the winter in southern New England than in western Oregon, such that weather-related efficiency measures may not be as cost effective. National Grid's electric rates are higher as well, which also affects program cost effectiveness. Finally, the presence of the volatile California electricity market next door to Oregon could make demand issues more important than in National Grid territory.

New South Wales Sustainable Energy Development Authority: Organization Structure

Name of Organization: New South Wales Sustainable Energy Development Authority (SEDA)

Best Practice Targeted: Organization Structure

Name of Contact: Mark Fogarty

Phone and Email: 02.9249.6100 (New South Wales, Australia); mfogarty@seda.nsw.gov.au

Why Nominated

SEDA is recognized in Australia and internationally as an organization that implements innovative and effective programs to reduce greenhouse gas emissions. SEDA has received the US EPA Climate Protection Award and has been commended in the United Kingdom's House of Commons.

Two novel ideas that stand out are:

1. They have created and are maintaining a database of carbon savings from energy efficiency projects. The database is available for their Energy Smart Business Partner participants. The carbon savings may be of significant value to the businesses in the future if carbon reduction targets are imposed or if a carbon trading market is developed. This service is not available to businesses that do not agree to the Energy Smart targets and guidelines.

2. In the residential market SEDA is working with the Australian Capital Territories to pilot a residential home labeling requirement. Under the program all new and existing homes that are sold would be required to have an energy use label. The label would be based on an audit from a qualified auditor. If it proves effective this program will be introduced as law for homes sales.

Organization Structure

SEDA comprises an Executive Director, 6 staff in Sustainable Energy Supply, 10 staff in Business Energy Efficiency, 6 Staff in Residential Energy Efficiency, 5 administrative staff and 2 communications staff.

Organization Funding

The organization has been funded primarily by the New South Wales state budget. This funding has amounted to $85 million dollars over the past 6 years. State funding is phasing out. The organization has also received about $2 million from other sources and is seeking additional funding sources to become self-funding.

Organization Purpose

The New South Wales Government established SEDA in 1996 to reduce greenhouse gas emissions related to the production and use of energy in the state. SEDA works towards this goal by investing in the development, commercialization, promotion, and use of energy efficiency, renewable energy and low emission energy technologies. SEDA designs and implements programs directed at building the demand for and supply of these sustainable energy technologies.

The six goals set out in SEDA's corporate plan are:

1. Facilitate reductions in greenhouse gas emissions
2. Facilitate reductions in the cost of energy
3. Facilitate the development of the sustainable energy industry
4. Encourage the development of employment and export opportunities
5. Facilitate improved quality and wider choice of energy products and services
6. Provide reliable, useful and timely information about sustainable energy technologies.

To implement these goals, SEDA has established a wide range of programs addressing energy generation, transportation and residential and commercial industrial energy efficiency.

Stakeholders

SEDA has been a state agency. State funding ends in 2002. The agency is looking to develop new funding sources and stakeholders.

Transferability to the Energy Trust

SEDA's effectiveness derives from its close governmental relationships and a strong local population environmental ethic. Both of these attributes are common to the Energy Trust. Thus, SEDA's approaches may have applicability to the Energy Trust. Given that, SEDA's programs are market transformation in nature. They require establishing relationships with businesses and government and consequently have potentially long lead times. An example would be the establishment of an energy-labeling requirement for home sales. Consequently, SEDA's approach should be considered a long-term approach.

Northwest Energy Efficiency Alliance: Project Contracting and Project Screening

Name of Organization: Northwest Energy Efficiency Alliance (the Alliance)

Best Practices Targeted: Project Contracting and Project Screening

Name of Contacts: Susan Hermenet and Jeff Harris

Phone and Email: 503.827.8416 x 225; 503.827.8416 x 253

Why Nominated

The Alliance was nominated as having a best practice in the way it contracts for projects to fund. Informants viewed this process as fairly rapid, resulting in good projects for the Alliance. The measure screening process for the project review process was also viewed as a best practice.

Organization Structure

The Alliance board of directors is composed of three groups, each with veto power over specific projects. The first group consists of representatives of the region's investor-owned utilities and state public purpose fund administrators. The second group consists of representatives of the publicly owned utilities and the Bonneville Power Administration (Bonneville). The third group consists of representatives of each of the four northwest state governors' offices and public interest groups (customer reps, trade allies, environmental advocates). The board allocates funds on a project-by-project basis informed by staff recommendations.

An executive director and three directors head the organization: one each for planning and implementation, administration and marketing. Staff consists of 18 additional analysts and administrative support.

Organization Funding

The region's investor-owned utilities, publicly owned generating utilities, and Bonneville provide funding for the organization. Funding is proportional to each funder's share of Northwest regional load. Total funding is $20 million per year.

Organization Purpose

Alliance projects use a tool called "market transformation" to create a lasting change in the marketplace that encourages energy-savings products and services to be made and sold. Their projects fall mainly into one of three categories.

First, there are a number of the Alliance projects that work to establish relationships with current market actors--manufacturers, retailers and service providers--to encourage them to increase the availability of their energy-saving product and service offerings. The Alliance also works with these companies to market those offerings with a focus on their financial- and resource-saving benefit.

As a second area of major focus, the Alliance works to promote new energy-saving technologies in commercial and industrial systems. As a credible third-party, the Alliance helps test and demonstrate an innovative technology's potential to save energy. They also provide support for disseminating information about the new opportunity to Northwest businesses.

Finally, several Alliance projects support training and information services for energy efficiency in the region. These offerings provide Northwest electricity consumers access to energy efficiency expertise and training opportunities.

Stakeholders

The Alliance board of directors represents the Northwest funding utilities, customers, state public utility commissions and other stakeholders. The board approves funding on a project-by-project basis. Projects are approved based on their market transformation characteristics and a demonstration of their cost-effectiveness. The investor owned utilities submit annual reports to their respective state utility commissions. Continued funding is contingent on ongoing cost-effectiveness demonstration.

Practice: Project Contracting

Contractor feedback has led to the standardization of the contract template. Exhibit B of the template contains the task list and budget by task. This exhibit becomes the basis of the monthly reports. Initially, the Alliance had used their own categories for costs, but found that accumulating costs by project task better matched contractor's needs and facilitated reporting.

Key components of their process are:

- The use of boilerplate templates (See example in Appendix C).
- Working closely with contractors during the project development phase (see project screening discussion).
- Establishment of expectations early
    - Working with contractor during proposal screening
    - Tasks follow directly from final proposal
- Quick turn-around from board approval to final contract
- Limited legal review due to boilerplate templates
- Monthly reports supporting invoices

The hand-off from the project development staff flows through several levels of review:

- Administration puts together the boilerplate
- Contract personnel add the project specific tasks
- Implementation reviews for completeness and consistency with proposal
- Hand-off is made to the project coordinator

The Project Coordinator manages the contract:

- Responsible for flagging and resolving task level budget variances in excess of 10%
- Reviews monthly reports
- Monitors contractual milestones

Project Coordinators (PC) rely on "adaptive management"

- Project coordinators meet regularly to review:
    - Deliverables

- Dollars spent
- Timing

➢ A group consisting of development staff, project coordinator, evaluation coordinator, and Director of Planning & Implementation reviews each project at least once a year. The PC and evaluation coordinator are engaged in projects on a regular basis - some of the largest projects on a daily basis. The Alliance believes that it is only because of this project management style that they can truly adaptively manage projects.

➢ Changes frequently occur as a project unfolds:

- Occasionally a project has been terminated early
- Project may require increased funding
- Project may require a longer time period

➢ Projects are required to have periodic "Market Progress Evaluation Reports", a "formal" evaluation report that typically for large projects are done anywhere between every 6 and 12 months. These reports are posted on the Alliance website. In addition to these, there are sometimes interim reports, that are "less formal" and typically are memos to the implementation staff from evaluation on adaptive management suggestions/ideas.

The Alliance strives for quick invoice processing

➢ The standardization and requirement of monthly reports supporting the invoices allows for quick review and processing.

➢ There have been few disagreements regarding the required documentation.

➢ The process has a focus on achieving early expectations. In the Alliance's case, it is made clear that this is not a grant with no-strings attached. Reporting is required.

Implementation Issues

None.

Transferability to the Energy Trust

This is a fully transferable process for the purpose of selecting projects/programs from an unsolicited or open-ended proposal process; it does not apply when there are fully prescribed program designs for contractors to respond to. The Alliance found the unsolicited proposal approach more effective than a targeted or even a general RFP process.

Practice: Project Screening

The Alliance relies primarily on an unsolicited proposal screening process that was implemented in 2001. Prior to the development of the unsolicited proposal process the Alliance issued several general and targeted RFPs. These resulted in a landslide of responses, many of which did not meet the basic requirements of market transformation and created a significant work effort both on the part of those who submitted proposals and the Alliance staff. The unsolicited approach was developed to minimize this effort while ultimately generating proposals that more closely match the organization's mission.

The unsolicited proposal consists of four stages.

Stage 1: Initial Screening

- Website based
- Description of market transformation criteria
- Self-test on website to determine applicability of proposal
- No more than 6 pages of high level proposal information
- Alliance has received about 110 unsolicited proposals
- Staff uses internal discussion and ranking criteria to determine proposals that move to stage 2
- Stage 1 review generally less than 30 days

Stage 2: Due Diligence

- Staff determines if there is a market niche
- Review of non-energy benefits (often critical to program success)

- Programs that may save energy but do not have non-energy benefits to successfully market are directed towards the local utility for possible implementation

- Staff reviews the business model and management team
  - Assists in business model development occasionally
  - May require changes if warranted
- Staff reviews proposer's financial stability
- Leveraged funds, partners and other resources are considered
- Review generally takes 3 months

Stage 3: Staff Recommendation

- Staff has determined the proposal is viable
- Review moves to the board of directors' portfolio advisory committee
- Three presentations are made to the committee
  - Proposal concept
  - Draft staff recommendation including cost-effectiveness calculations
  - Final board recommendation
- Portfolio committee considers proposal's overall fit with organization goals and objectives
- Portfolio committee may reject proposal or recommend changes as warranted
- If approved by portfolio committee the Staff's final board recommendation is taken to the next board meeting for full board approval.
- Process may be iterative as staff, the portfolio committee and the proposer refine the proposal.
- Stage 3 may be 3 to 6 months

Stage 4: Board Approval

- Staff presents their final recommendation before the full board
- Board may vote to fund, modify or reject project

The Alliance believes that the move from general and targeted RFPs to the unsolicited proposal approach has been successful. Proposers are given indications as to whether they have a proposal that is likely to be funded early in the process before a significant effort is expended by either the proposer or the Alliance staff. The Stage 2 and Stage 3 processes provide opportunity for Alliance staff to work with the proposers to refine the proposal to meet organization goals and objectives.

Transferability to the Energy Trust

The approach is transferable to the Energy Trust. Specific considerations include:

- The Alliance approach is labor intensive as proposals must be both cost-effective and have a viable market transformation aspect. The Energy Trust could have less intensive process as the market transformation requirements would not apply and the Energy Trust could focus more generally on cost-effectiveness.
- The Alliance board's portfolio committee plays a key role in the screening process, further increasing the intensity of the screening process. The portfolio committee consists solely of board members, at this time there is no analogous committee at the Energy Trust.

An alternative approach to unsolicited proposals, also used by the Alliance but not examined in this study, is internal program specification development based on market research, coupled with a specific RFP to deliver the program as designed.

Northwest Energy Efficiency Alliance & Northeast Energy Efficiency Partnership: Circuit Riders

Name of Organization: Northwest Energy Efficiency Alliance & Northeast Energy Efficiency Partnership

Best Practice Targeted: Use of Circuit Riders for Program Implementation

Name of Contact: Marci Sanders (NEEA) & Sund Wagley (NEEP)

Phone and Email: 503.827.8416 x 245; 781.860.9177, x. 15

Why Nominated

The Alliance, NEEP and Wisconsin Energy Conservation Corporation (WECC) were nominated as having "Best practices" for the use of circuit riders to deliver program services to trade allies. The use of circuit riders places energy efficiency products on an more equal footing with standard products being marketed by manufacturer and distributor reps. The Alliance was an early user of circuit riders and has used them in a variety of residential sector programs. NEEP uses a similar approach to circuit riders and is included here. WECC uses a slightly different approach and is reviewed separately.

Organization Structure and Funding

See the previous write-up about Alliance Project Contracting & Project Screening for projects for information on structure, funding and stakeholders.

Practice: Circuit Riders

The Alliance first considered the use of circuit riders after meeting representatives from Applied Proactive Technologies (APT) at a Consortium for Energy Efficiency (CEE) meeting. APT provides circuit riders for ENERGY STAR® programs in other parts of the country, and has for several years provided some of the Alliance circuit rider needs for the two residential ENERGY STAR programs.

The function of a circuit rider is to visit retailers, distributors and other trade allies in order to recruit them for program participation, to train them in program activities and to provide maintenance services for the marketing campaigns Most commonly these include point of purchase materials and cooperative advertising assistance.

The use of circuit riders by the Alliance evolved primarily to serve the rural communities where it was necessary to establish relationships with numerous smaller retailers. In rural areas on both the east and west sides of the Cascades in particular, field representatives are often the only direct interface with the program. They support the retailers and deliver the program's marketing messages, products and cooperative information. They also serve as they eyes and ears of the program, gathering as much qualitative and quantitative information on retailers and products as possible.

NEEP's 18-month program budget is approximately $12 million, not including administration or evaluation. In describing its success, the NEEP contact focused on the effects of increasing customer awareness through extensive advertising and savings promotions/incentives. He characterized the role of circuit riders for the NEEP effort as being proactive and being sure that sales persons are aware of the opportunities. However, he indicated that their functioning and success is largely a matter for the contractor to direct, rather than one on which NEEP focuses.

For both the Alliance and NEEP the field representative's scope of work requires them to introduce the concept of energy-efficient products and assist local retailers to promote the sale of ENERGY STAR products. By category, services primarily include:

- **Retail**: ENERGY STAR merchandising, placing point-of-purchase items, refreshing products on the shelf, building end-cap and shelf displays
- **Sales Support**: conducting "sidewalk sales," supporting products and events, and promoting special events
- **Training:** training retailers and utility service representatives on ENERGY STAR product-specific lighting technologies, and sales

The contractor, not the Alliance or NEEP, manages the circuit rider activities:

- The Alliance Lighting Program uses 10 circuit riders from the program manager ECOS' own staff and APT
- The Alliance Home Products Program uses 7 circuit riders from APT
- Four of the circuit riders represent both Alliance programs

- Circuit riders provide monthly field reports
- NEEP did not provided details on staffing for programs

Implementation Issues

Circuit riders have been used primarily as contact points for retailers in Market Transformation efforts such as ENERGY STAR. The tangible benefits of deploying field services need to be considered with the cost of providing it. Field services are labor-intensive, with variable costs associated with travel and per diem expenses.

One of the most daunting challenges that face field services is the expansion of the retailer base that requires field services. Ironically, as the programs increases its market foothold with more retailers interested in carry and promoting ENERGY STAR products, the demands increase for field support. The situation that is created is that either the program needs to adjust field activities and scope to meet limited budgets, or, ideally, budgets need to be flexible to meet the program goals.

Transferability to the Energy Trust

The Energy Trust could use circuit riders for residential or for commercial and industrial program where there is a need to provide a local presence in parts of PacifiCorp and PGE service territories outside of Portland. Circuit riders can be used for outreach to any type of trade ally, not just retailers; however, costs can be quite high and should be linked directly to program services. Therefore, use of circuit riders should evolve slowly, though there may be a possibility of building on the existing network of circuit riders working for the Alliance.

Pew Charitable Trusts: Non-Profit Staffing

Name of Organization: Pew Charitable Trusts

Best Practice Targeted: Staffing to Funds Distributed Ratio

Name of Contact: Les Baxter

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Why Nominated

We contacted Pew Charitable Trusts evaluation staff to obtain nominations for a non-energy efficiency organization that had best practices in administration and lean staffing. Based on his own analysis of best practices among charitable trusts he nominated the Pew Charitable Trusts as among the leanest charitable trust in the United States.

Organization Structure

The Pew Charitable Trusts are comprised of seven charitable funds managed collectively. The Trusts provides grants to projects that fulfill the overall program objectives of the Energy Trust. The Pew Charitable Trusts have assets of $4.3 billion and award approximately $230 million annually.

Organization Funding

Members of the Pew family established the funds in the early 20th Century.

Organization Purpose

To contribute to publics' health and welfare and strengthen the community.

Staffing

Each program area has from five to 15 staff depending on the nature of the program activity and volume of activity for a total of 40 grant making staff across seven program areas: culture, health, environment, education, public policy, religion and ventures. Administration staff is about 120 in five departments: finance, legal affairs, administration (including HR, IT, etc.), planning and evaluation, and public affairs.

The staff to funds awarded ratio is 160 people to $230 million or 1:$1.4 million; the average for charitable trusts nationally is 1:$1 million.

How Practice Evolved

The Pew Charitable Trusts has a commitment to maximizing the funds available for program areas and minimizing administrative funds. The board places a priority on keeping the foundation's operating costs low. Over the years, this emphasis has been expressed through different kinds of targets (e.g., having the lowest operating costs, as a % of annual grant commitments, among the country's ten largest foundations).

Experience With Practice

If an organization wants to make operating costs a priority, then set a target (e.g., x% of the annual grant making budget) and meet or exceed it. If the Pew Trusts faced a need to economize further on total operating costs, Les believes the first place to look would be on the administrative side. Outsourcing would be a very viable option here. Some of the firms that provide outsourcing for administration of charitable trusts include: Foundation Source at www.foundationsource.com and The Tides Center at www.tides.org.

The Pew Trusts approach is to invest staffing dollars in getting the best topical and practice-area expertise in house and paying outsiders to do the stuff that every organization needs (HR, IT, accounting, etc.). If the in-house staff is going to be lean, the Energy Trusts try to make sure staff are paid market rates (e.g., not just the pay rate at similar nonprofits, but at those institutions who would be the organizations competitors for talent - at the Energy Trusts, that includes management consulting firms, universities, and the executive branches of government, among others). The premise is that such people are going to work very hard and have a good deal of responsibility, so it doesn't pay to cut costs on salary.

Transferability to the Energy Trust

Our understanding is that current guidance from the Energy Trust Board of Directors is to be leaner than even the Pew Charitable Trusts. Given the experience of the Pew Charitable Trusts a ratio of staff to million dollars in funding of 1:1 or 1:1.5 is the leanest possible to ensure quality program efforts, and most charitable trusts find it difficult to do better than 1:1.

Southern California Edison: Contracting Procedures

Name of Organization: Southern California Edison

Best Practice Targeted: Contracting Procedures

Name of Contact: Marian Brown

Phone and Email: 626.302.8281; Marian.Brown@sce.com

Reason for Nomination

Southern California Edison was nominated as having a best practice in efficient contracting for energy efficiency services of all types. The nominator noted that SCE contracting is straightforward and seems to provide both contractors and the utility with sufficient assurance to enable the work to get done in a timely and effective manner.

Organization

Southern California Edison (SCE) is the second largest investor owned utility in California. The utility has 4.2 million customers, of whom 3.7 are residential customers.

SCE is accountable to shareholders and to ratepayers through regulation by the California Public Utility Commission. Funding for energy efficiency comes from a public benefits charge. In 2002 SCE administered $90 million in funds for energy efficiency.

The total public benefits funds available in California in 1999 were $275 million annually. Over the 35-year history of energy efficiency funding in California, total energy efficiency expenditures have ranged from as low as less than $100 million in 1989, to over $500 million in 1994. With the west coast energy crisis in 2001, additional funds were made available for a total of $1.25 billion. (York, et. al. 2002)

Contracting for Services

SCE has a procurement department that supports all contracting for the company, including energy efficiency contracting. One person is assigned to all procurement for energy efficiency programs, energy efficiency M&V, and market research and customer service (not specifically energy efficiency related). This amounts to about $30 million worth of contracts a year.

SCE has developed three standard sets of terms and conditions (T&C) that are used for all purchase orders (standard, software, and consultant). Contractors usually accept them without negotiations. Contractors involved primarily in deskwork sometimes object to a few provisions such as professional liability insurance, and the procurement officer routinely accepts the objection. It can take a couple of months to resolve objections to the standard terms and conditions. A key component of the T&C is that SCE can terminate the agreement at any time, with payment of documented expenses incurred to that date, and SCE makes sure that contractors realize that they are not hesitant to do so if there are problems.

To ensure that good contractors are selected, SCE staff generates a short list of potential bidders. The short list typically includes experienced firms with a track record doing the type of work sought. The review process is the most important aspect of contracting; you have to make sure that the contractor can do the job. For analytical work, the key issue is a qualitative assessment of how well the firm can do the analysis being requested. For implementation work, issues such as processing time, references on personnel skills, experience and track record are most important. For manufacturer buy-downs, price is the driver.

Contracts need to be reasonably precise on performance requirements so that neither side is surprised by a difference in interpretation of what's expected. Ongoing close oversight by the project manager and good contractor reporting requirements allow potential problems or issues to be identified early and worked out in a cooperative fashion. SCE can be flexible in changing the scope of a project midway, either changing the total dollar amount of the contract or the work requirements, if a different scope of work becomes more useful or if unanticipated changes in project circumstances occur.

SCE uses both fixed price and time and materials (not to exceed) contracts. Fixed price is preferred because it permits a set budget and because it avoids the requirement for documentation and review of expenses and labor hours required for time and materials contracts. Time and materials (T&M) is useful whenever it is difficult to fully determine the scope of work. While fixed price contracts are common, SCE sometimes requires fixed price bids to fully detail task breakdowns with staff assignments, hours and rates in the same way that T&M bids do, so that proposal reviewers can judge the reasonableness and desirableness of the labor and expense allocations as part of their proposal review.

Sole source contracts are uncommon, as they require substantial justification both to procurement and to management. In market research, fax-in bids are used for quick turnaround projects, like focus groups or tracking surveys.

Consultant work assignment purchase orders are used to hire quick turnaround engineering and analytical services that supplement staff capability. SCE uses an RFP process that is more like an RFQ asking for qualifications and hourly rates. The consultants that offer competitive combinations of demonstrated capabilities and rates are awarded purchase orders. These purchase orders operate under the consultant T&C and provide that SCE will pay at the specified rates and terms for all projects completed through "Consultant Work Assignments" made to that firm.

A Consultant Work Assignment project must be less than $20,000 in value and is always paid on a T&M basis. When a small project need arises, the project manager develops a short internal project plan and estimated project cost. S/he then selects the consultant firm that s/he deems to be best qualified for that project, provides the project description, and requests a brief proposal from that firm on how the project will be done and its cost breakdown. If the proposal is satisfactory, the project manager completes a one-page Consultant Work Assignment form. The form is submitted, along with the preliminary project plan and project budget and the consultant's proposal, for review and signature by the SCE group manager who supervises the project manager and the procurement agent. The consultant also signs the Consultant Work Assignment form. Since this review and approval process is generally completed within a week of the receipt of the satisfactory proposal, and since multiple competitive proposals need not be requested and reviewed, this type of "purchase order within a purchase order" can be done very quickly.

Transferability to the Energy Trust

The contracting process is fully transferable to the Energy Trust. The contracting procedures allow for internal flexibility as well as competitiveness in the solicitation process.

Reference

York, D., Mathews, S., Henderson, B., Hamilton, B., Meier, P. (2002) *Administration and Implementation of Public Benefits Programs: Experiences for Four States.* Forthcoming ACEEE Summer Study, Washington, DC.

Wisconsin Energy Conservation Corporation: Circuit Riders

Name of Organization: Wisconsin Energy Conservation Corporation

Best Practices Targeted: Use of Circuit Riders for Program Implementation

Name of Contact: Sara Van de Grift

Phone and Email: 608.249.9322 x 160; sarav@weccusa.org

Why Nominated

The Wisconsin Energy Efficiency Corporation (WECC)) along with the Alliance and NEEP were nominated as having "best practices" in the use of circuit riders to deliver program services to trade allies. The use of circuit riders places energy efficiency products on an more equal footing with standard products being marketed by manufacturer and distributor reps.

Practice: Circuit Riders

WECC uses its own staff as circuit riders. The function was initially outsourced, but WECC brought it inside in the belief that it would provide more cohesion and because the program changes in response to market events were so rapid. They recognize the benefits of outsourcing (e.g., less management time, though mystery shopping as a check still requires a good deal of investment), but the current approach appears to provide considerable information about the market that would probably not be as readily obtained through an outside vendor. (Now that WECC has six field representatives across the state, they may install a field manager to reduce the program manager's labor on this function.)

WECC sees the key benefit of circuit riders as getting retailers involved in the ENERGY STAR-labeled products program. Since such a large proportion of customers buy what the sales person recommends, it is important to provide stores with constant reminders of the program. Moreover, with the success of program efforts to develop matching contributions by manufacturers, incentives are constantly changing, so that it is crucial to have someone working closely with the retailers to clarify opportunities and kept them up to date.

Sara (WECC) believes that the key to success with circuit riders is having professional-level sales persons. Here, WECC is in competition with private-sector opportunities, and faces the problems of finding experienced

professionals (a recent review of approximately 100 resumes yielded fewer than 5 percent who qualified for an interview) while not offering commissions. These representatives should have a background in appliances or lighting. (An energy background can be useful, but is less important.) To ensure quality, WECC uses an extensive interview process, including a telephone screening, posing tough hypothetical situations, and testing the ability to take being rejected by a prospect.

Each WECC representative services up to 170 retailers, each of which is to be visited every six weeks. (Initial efforts were, of course, devoted to signing up participating stores. With the success of this effort, discussed below, recruiting calls now account for less than 20 percent of circuit rider activities.) To monitor the activity of field staff, WECC uses a variety of methods. These include reviewing daily site logs (tracking quantitative information, e.g., time in the field), mystery shopping, calls to store managers asking about satisfaction, monitoring ability to motivate retailers to provide sales data, and ride-alongs. At the same time, considerable effort is made to avoid a perception of "field staff vs. central office," through various means of connecting the circuit riders to other program staff. Ultimately, success is dependent on each circuit rider taking responsibility for his or her territory and in the pride that he or she feels as a result of the work and accomplishments.

As a result of the circuit rider efforts, WECC currently includes approximately 95 percent of the appliance dealers and 80 percent of the lighting dealers in the state. (The percentage of lighting dealers would be higher but for concerns about the budget implications of including some large chains.) The total program budget is approximately $2.8 million, of which approximately $275,000 covers the six circuit riders (including fringe benefits). Incentives account for about $700,000; marketing, $800,000; and indirect costs, overhead, and training., for $100,000. (An appliance turn-in component is budgeted for $400,000 and processing/fulfillment costs account for a considerable proportion of the reminder.) An independent contractor, under a separate budget, conducts formal evaluation activities.

Implementation Issues

Circuit riders have been used primarily as contact points for retailers in Market Transformation efforts such as Energy Star.

WECC believes costs could be cut somewhat through focusing on territories that are allocated more logically. In addition, it might be possible to hire students (thus, dropping the hourly rate) for such activities as collecting

lighting rebate coupons or by focusing more on mail-in rebates. The program could also drop the frequency of visits to once per quarter and limit the number of visits to stores that have less overall activity. However, this would reduce the overall presence of the program and would reduce services and assistance to those who need it most. One other possibility would be to increase standardization of the program, at the sacrifice of reducing potential responsiveness to market conditions.

Transferability to the Energy Trust

The Energy Trust could use circuit riders for residential or for commercial and industrial program where there is a need to provide a local presence in parts of PacifiCorp and PGE service territories outside of Portland. Circuit riders can be used for outreach to any type of trade ally, not just retailers; however, costs can be quite high and should be linked directly to program services. Therefore, use of circuit riders should evolve slowly, though there may be a possibility of building on the existing network of circuit riders working for the Alliance.

Wisconsin Energy Conservation Corporation: Organization, Program Screening, and Staffing Ratio

Name of Organization: Wisconsin Energy Conservation Corporation (WECC)

Best Practices Targeted: Organization, Staffing, and Program Screening

Name of Contact: George Edgar, Director of Energy Policy

Phone and Email: 608.249.9322 (home: 920.293.4152); gre@weccusa.org

Why Nominated

WECC was nominated as an effective administrator of public benefits funds. The goals for WECC, as for the Energy Trust, are to keep staffing lean, to administer funds through contractors and to expend more resources for programs than for administration. Also nominated is the screening process for program selection.

Organization Structure

Senior program managers and external consultants/advisors do the program development—essentially people with five or more years of experience in specific areas of expertise.

Organization Funding

Currently, the majority of work is funded by the State of Wisconsin (the Focus on Energy program). Earlier years included more consulting, but George was responsible for much of that and has reduced his travel for such opportunities. There are not any grants in process now, but this may change if WECC expands (e.g., into work on distributed generation).

Organization Purpose

WECC's charter (available, if needed) focuses on the societal and private benefits of energy efficiency, as well as benefits for low-income segments of the population. The emphasis (e.g., on resource acquisition vs. market transformation) changes with the market. However, George does not believe there should be a stark distinction between these (RA vs. MT)—many if not most resource acquisition programs offer considerable opportunity for inducing market transitions, and vice versa.

Stakeholders and Accountability

WECC is a non-stock corporation governed by a Board of Directors, which meets quarterly. All Directors are external to WECC. The Board can have up to 13 members; the number is currently in the 9-11 range. The Board includes representatives from various communities: e.g., low income, weatherization, builders, renewables (may be providers of feasibility assessments or siting), the University of Wisconsin (especially regarding energy education), and utilities (currently one from the environmental program and one attorney).

The Board focuses on macro issues. For example, are the objectives clear? Are staff planning and other administrative processes effective? What areas of endeavor should WECC be addressing? What additional resources are needed? But the senior staff is responsible for specific planning and operations (see above).

Practice: Staffing

WECC has approximately fifty people, excluding support staff, but including those who staff the call center and those who help with financing for customers.

The total number of staff is kept down because WECC is not the delivery agent, but rather the administrative party and the agency experienced with and involved in making the necessary market connections. Their bias is to work with the existing market infrastructure (e.g., with ESCOs and other energy service providers). Thus, they outsource program delivery, and do not commingle program administration and program implementation functions. The crucial element to having these people inside the organization is less the structure or the number than having the right people. This aspect could be bid out, but it's not clear where one could find the experts/expertise that is needed. A combination of internal and external staff may be feasible for some organizations.

Experience with Practice

George believes it would be better to have more people for the programs WECC is currently running, given the administrative burden imposed by the funding agency. The current effort entails a considerable number of meetings, which accommodate the needs of the oversight organization (Wisconsin Department of Administration), but are not necessarily productive for the program itself.

Transferability to the Energy Trust

The Energy Trust of Oregon can be slim if its role is similar to that of the Department of Administration in Wisconsin. Context is critical. The problem is to find an optimal balance, given the role of the organization. Another aspect of the problem is to identify what are true administrative tasks and assess the value of those interactions. Look at the specific roles that people are filling. Go by what assets are needed to be optimally effective, rather than by staffing ratios. For example, the idea of a staffing ratio of 1 person per $1 MM in the budget is serendipitous—the nature of the program is critical; e.g., whether it is focused on providing rebates vs. interactions with market actors. Structures are less important than the people involved.

Another issue has to do with the desire to transfer both the risks and the responsibilities to external entities. If the compensation for a contractor/vendor is performance-based, then you do not need the same level of internal staff and you can rely on external evaluations. It is a choice and you must pay the price in one way or another. If the plan is to move toward a performance-based model, it is crucial to achieve agreement on the objectives and how they are captured. This can work, and may be particularly effective in a situation such as Vermont, where the same people have worked together for a long time. (It has been more difficult in Wisconsin.)

Practice: Program Screening

Senior management and program staff develop programs through an iterative process. The first step is to identify the overall objectives. In the case of the Wisconsin effort, which is currently WECC's major focus, the objectives are developed through an analysis of what legislation requires. The review then looks toward the markets that might be targeted and the areas of opportunity in those markets, given the resources available and various political factors (e.g., the resource savings required to satisfy the Legislature). This all takes place before any planning of specific programs.

The next stage is to look for synergy among opportunities. Other considerations include efforts to identify markets where a change of standards appears possible.

The planners then look at the components of effort needed and the resource constraints and tradeoffs that would be required. Both resource acquisition and market transformation (spillover) savings are considered in assessing the potential benefits.

The final steps entail applying previous experience to decide what may or may not work and reviewing what is required by the RFP.

Once the program has been generally identified, WECC has applied benefit-cost ratios from past programs (with adjustments), and conducted standard tests (Societal, TRC, RIM) for HVAC programs, for example. Still, the application of such criteria depends on the type of program: Some programs are more for customer value (e.g., the ENERGY STAR-labeled products effort) rather than the specific energy savings. (In the case of the Focus on Energy work, it should be noted, the use of BCRs is largely for WECC's internal direction and priority-setting; it is not driven by the client.)

There is a constant need to be responsive to new information and to focus expertise on identifying objectives and developing sound program designs.

Experience with Practice

WECC helps set the goals to be achieved, with flexibility on how to get there. There is some tension in the current Wisconsin program, reflecting the lack of consensus behind the legislation. This is manifest, in part, in the multiple meetings required. (The problem is not in the internal screening and planning, but in obtaining client buy-in.)

Transferability to the Energy Trust

This model should work well where clear overall objectives are known. The programs are not meant to be prescriptive, and evaluation is performance or milestone-based. It is important that the underlying legislation is clear and that it reflects a consensus that program administrators and contractors can address effectively. Otherwise, tension and obstructionism ensues when program ideas are put forward and institutional staff preferences can distort commitments.