EnergyTrust of Oregon, Inc.

Briefing Paper
2008-2009 Strategic Planning Process

May 14, 2008

Summary

To review the proposed 2008-2009 strategic planning process and the agenda for the June 13-14 board strategic planning retreat.

Background

- Energy Trust has a 2007-2012 strategic plan. It is an updated (in 2006) version of a plan developed by the first board in 2002. Its vision, mission and goals are:

Energy Trust Mission Statement, Vision and Goals

Mission statement:

To change how Oregonians produce and use energy by investing in efficient technologies and renewable resources that save dollars and protect the environment.

Vision:

Imagine meeting the future energy needs of Oregonians in a way that lowers energy cost, adds comfort to homes, strengthens our economy and leaves our environment healthier for generations to come. This will happen when we use energy efficiently and create renewable energy. The people at Energy Trust are committed to this future.

Goals (by 2012):

1. *Save 300 average megawatts of electricity.*
2. *Save 21 million annual therms of natural gas*
3. *Help Oregonians meet 10 percent of their electric energy needs from renewable resources.*
4. *Expand participation by customers that have been hard to reach historically.*
5. *Help businesses to thrive by promoting energy efficiency and renewable energy.*
6. *Encourage Oregonians to integrate energy efficiency and renewable energy in daily life.*

- Many things have changed since 2002, including:
  - The 2007 Oregon legislature passed the Renewable Energy Act, which extended the life of the fund that supports Energy Trust electric programs to 2026, authorized funding for energy efficiency above the three-percent that was previously authorized, and limited Energy Trust renewable energy projects to 20 megawatts and less.
  - The legislature's adoption of greenhouse gas goals to begin reducing emissions by 2010; 10% below 1990 levels by 2020; and 75% below 1990 levels by 2050.

- These changes, along with other new economic and policy developments related to concerns about climate change and global warming, create new opportunities for Energy Trust to do more, do it faster, and do it more efficiently. At the same time, our sources of funding and lines of accountability are becoming more complex. Such differences in our operating environment create opportunities that are worth examining.

Discussion

- To consider the implications of these changes for Energy Trust's strategic plan, staff proposes the following process (see schedule in attachment 1):

- Update strategic plan goals in 2008:

    - In September, we propose to update the plan's quantitative goals related to energy efficiency savings and renewable energy generation to reflect both new resources and the focus on smaller renewable projects stemming from the 2007 Renewable Energy Act;

    - Because Energy Trust's current risk policy may affect our ability to achieve updated goals, we expect to propose in November an amended risk policy. The new policy would allow more flexibility to go after harder-to-reach markets and new systems and technologies for energy efficiency and renewable energy.

    - We are exploring the idea of extending NW Natural gas efficiency services to Clark County, Washington, and possibly to provide certain electric energy efficiency services for BPA. The timing of these proposals and whether we will agree to them are uncertain. However, we expect to have a clearer sense of this by fall and may be able to factor such opportunities and decisions into updated strategic plan goals.

- Develop a long-term strategic plan by June, 2009:

    - At the board's June 2008 strategic planning retreat, we propose to focus on broader, longer-term issues. A draft agenda for the retreat is included as attachment 2.

    - The main focus of the retreat would be to:
        - Hear an update on our accomplishments to date and future considerations from a staff perspective.
        - Learn more about changes and opportunities in our current operating environment, stimulated by remarks from and discussion with two invited speakers who will address both energy efficiency and renewable energy developments.
        - Revisit the current Energy Trust vision and mission and discuss if and how it should change.
        - Review current Energy Trust goals and consider whether they need to be updated.
        - Identify strategic issues for further analysis and discussion during the remainder of this year and into 2009.

  - After the board considers the implications of the follow-on analysis, we would propose a new strategic plan for the board's review at the June 2009 retreat and adoption there or in the board meeting to follow.

- In preparation for the June 2008 retreat, materials will be provided on the growing significance of energy efficiency and renewable energy, and background on Energy Trust's current funding, accomplishments and expectations (see attachment 3).

- The schedule for strategic planning work after June 2008 would depend on the outcome of that retreat.

Representatives of the board's strategic planning committee reviewed this general approach and endorsed it, while commenting on the importance of balancing high-level thinking with a focus on our existing mandate and accountabilities. Staff welcomes feedback from the entire board regarding this overall approach, and any modifications you would like to see.