Board Decision
Accepting Submission of a Management Review

~~February 3, 2010~~April 7, 2010

Background

- The grant agreement between the Oregon Public Utility Commission (OPUC) and Energy Trust requires Energy Trust to contract at least every five years for an independent review and evaluation of the efficiency and effectiveness of Energy Trust operations.
- The review is expected to consider cost allocations between administration and management; assess how Energy Trust programs compare to similar or related programs operating elsewhere; and make specific recommendations to improve efficiency and effectiveness.
- During the summer of 2009, under the auspices of the Board Audit Committee, Energy Trust retained Talbot, Korvola & Warwick (TKW), to conduct the review.

Discussion

- Talbot, Korvola & Warwick submitted the final review on ~~January~~ February 26, 2010.
- Its major findings indicate that Energy Trust "has developed a model and approach to meet the legislature's initial intent of investing in new energy efficiency, market transformation and the above-market cost of renewable energy. The organization, and its current programs, is effectively providing applicable services." The report further notes that "Energy Trust has demonstrated its ability to meet its mission to deliver benefits to Oregonians from saving energy and tapping renewable resources, providing energy solutions that save dollars and protect the environment."
- The report recognizes adoption of an extensive self-evaluation process and strategic planning methodology, continuous improvement through the organization redesign.
- TKW recommends that Energy Trust:
    1. Work with the OPUC to eliminate the opt-in/opt-out provisions of the current information transfer policy
    2. Conduct an administrative support staffing level needs assessment
    3. Develop a formal process to document and report how and why specific project proposals are selected
    4. Consider allocating resources to efficiency programs to achieve the greatest overall saving with the lowest overall cost
    5. Consider increasing utility involvement in strategic discussions

6. Reassess its current approach to evaluations and identify opportunities to improve timeliness
7. Include detailed action plans and timeframes for follow-up on evaluation findings and recommendations

- Energy Trust will prepare a response to the specific recommendations and other parts of the report within the next 30 days.
- The final report and corresponding Energy Trust response will be provided to the OPUC, made available to the Board of Directors and posted on the Energy Trust website.

Recommendation

Approve Resolution 543, accepting submission of Talbot, Korvola & Warwick 's independent management review.

RESOLUTION 543
ACCEPTING SUBMISSION OF INDEPENDENT MANAGEMENT REVIEW

WHEREAS:

1. **The grant agreement between the Oregon Public Utility Commission (OPUC) and Energy Trust requires Energy Trust to contract at least every five years for an independent review and evaluation of the efficiency and effectiveness of Energy Trust operations.**

2. **In the summer of 2009, the Energy Trust Board retained Talbot, Korvola & Warwick, to conduct the review under the auspices of the Audit Committee.**

3. **Talbot, Korvola & Warwick submitted the review in final form on ~~January~~ February 26, 2010.**

4. **The Board expresses its appreciation to the Audit Committee, Talbot, Korvola & Warwick and Energy Trust staff for their efforts.**

It is therefore RESOLVED:

1. **That the Board of Directors of Energy Trust of Oregon, Inc. accepts the final Talbot, Korvola & Warwick management review and instructs the executive director to submit it to the Oregon Public Utility Commission.**

2. **The Board and Executive Director are fully committed to carefully examining the report and taking appropriate follow-up actions in response to its findings and recommendations.**

3. **To ensure full consideration is given to the management review, the Board of Directors designates the Audit Committee and Executive Director to identify recommendations that warrant follow-up, and report back to the board at its April meeting.**

Moved by: Seconded by:

Vote: In favor: Abstained:

Opposed: [list name(s) and, if requested, reason for "no" vote]