



## Operations Plan for 2006

January 17, 2006

Refreshing the Strategic Plan and adopting a new Business Plan are the major organizational activities this year. These efforts will lead to better definition of our value to the region and result in improving our messaging to all parties. In addition, the Strategic Plan and Business Plan will define our metrics of success. Significant Board and staff time will be allocated to these activities.

In terms of project activities, the residential sector is forecasted to produce the most savings over the year from both new and existing projects – approximately 30 aMW, followed by 2.5 aMW for the commercial sector and 6 aMW for the industrial sector. An additional 1.5 aMW are anticipated from energy codes. The Commercial and Industrial sectors are in early start-up modes to implement the major sector strategies adopted in 2004 and 2005 respectively. We anticipate the overall 2006 budget to be a bit over \$21 million.

	Finished by end of:
<b>Develop and Adopt 20 year Strategic Plan</b> <ul style="list-style-type: none"> <li>Goals in the plan will be based on deliverables to “owners” of tangible services, legal responsibilities and cultural qualities</li> </ul>	July
<b>Develop and Adopt Updated Business Plan for this Funding cycle</b> <ul style="list-style-type: none"> <li>Goals in the Business Plan are specific measurable deliverables through 2009 against which we will be judged for renewal.</li> </ul>	July
<b>Promote/support CEO advisory committee</b> <ul style="list-style-type: none"> <li>Follow-up on the issues CEO group raised that are quickly answerable</li> <li>Plan for further communications with the group after the Business Plan and Strategic Plan are adopted</li> </ul>	January October
<b>Enhance Governance Capabilities</b> <ul style="list-style-type: none"> <li>Secure an external, evaluation of the effectiveness of the Alliance Board.</li> <li>Develop clear set of metrics (including level of detail and timing) for the Board to effectively monitor the organization’s progress toward it’s goals</li> <li>Chair, Chair-elect, and Executive Director attend “Strengthening the Leadership team” to set further Board goals</li> <li>Implement Governance committee plan for training and skill enhancement</li> </ul>	July July May Ongoing

<p><b>Utility relations</b></p> <ul style="list-style-type: none"> <li>• Assess the current state of the relationship with utility program staff. Review findings from 2005 utility survey and conduct in person meetings with program staff from a sample of utilities.</li> <li>• Define program level satisfaction, what are we trying to achieve, and with whom.</li> <li>• Update last utility survey tool and sampling approach to be a long-term measurement tool for utility/Alliance collaboration.</li> <li>• Conduct the third wave of the revised utility program level survey.</li> <li>• Develop a 2007 action plan for increased utility and Alliance collaboration.</li> </ul>	<p>June</p> <p>August</p> <p>October</p> <p>December</p>
<p><b>Decide on our position with gas corporate funding</b></p> <ul style="list-style-type: none"> <li>• Decide if we should allocate resources toward securing gas funding at the corporate level (means a revision to our current policy)</li> <li>• If so, develop and start to implement a plan to make a go/no-go decision on securing funding.</li> </ul>	<p>July</p> <p>October</p>
<p><b>Corporate Marketing and Communications:</b></p> <ul style="list-style-type: none"> <li>• Define and create a messaging/story platform for the Alliance’s unique value and position in regional energy efficiency efforts and that are relevant to key stakeholders.</li> <li>• Develop tools and train staff, Board and contractors to deliver the Alliance message consistently.</li> <li>• Retool and better integrate Alliance corporate communication mechanisms (newsletter, list serve, website, etc.) to reflect new messaging and improve usefulness in proactively engaging stakeholders.</li> <li>• Develop and execute a 10-year anniversary plan that communicates the Alliance past accomplishments and future plans including the release of the newly adopted strategic and business plans.</li> </ul>	<p>May</p> <p>November</p> <p>September</p> <p>October</p>
<p><b>Implement significant upgrade to IT infrastructure – primarily software, databases, tracking and reporting.</b></p> <ul style="list-style-type: none"> <li>• Finalize and implement IT strategic plan.</li> <li>• Commercial database in full use by staff and contractors</li> <li>• Reports for commercial and industrial sectors</li> <li>• Develop and implement the new IT organizational structure</li> </ul>	<p>March</p> <p>April</p> <p>December</p> <p>December</p>
<p><b>Enhance employee satisfaction:</b></p> <ul style="list-style-type: none"> <li>• Provide more professional development opportunities in 2006, which includes the time to attend.</li> </ul>	<p>Ongoing</p>

<ul style="list-style-type: none"> <li>• Continue development of the Senior Management Team</li> <li>• Re-survey staff as follow-up to last year's survey and implement actions identified by the new survey.</li> </ul>	Ongoing May
<p><b>Other internal organizational priorities:</b></p> <ul style="list-style-type: none"> <li>• Finish corporate financial graphing and establish finance as a priority at senior management team meetings.</li> <li>• Refine contracting process, clarifying roles and responsibilities and train staff.</li> <li>• Review, refine and update all position descriptions.</li> </ul>	July  April July
<p><b>Review and Renew Residential Sector direction, goals and funding</b></p> <ul style="list-style-type: none"> <li>• Ensure contracts are in place to continue seamless delivery of residential projects</li> </ul>	July Adoption  December
<p><b>RESIDENTIAL: 30 AMW; budget of \$4.095 million</b></p> <ul style="list-style-type: none"> <li>• Certify 3,500 homes</li> <li>• Secure \$100,000 in co-funding from the marketplace</li> <li>• Increase sales of Energy Star CFLs by 1 million over 2005 sales (estimated to be 6 million)</li> <li>• Achieve an annual market share for washers with an MEF of 1.8 or higher of at least 43% of all ES clotheswashers (currently estimated at ~38%)</li> </ul>	December
<p><b>COMMERCIAL: 2.5 AMW; budget of \$5.875 million</b></p> <p><i>Hospitals and Healthcare</i></p> <ul style="list-style-type: none"> <li>• Providence Health Care follows through with business practices as evidenced by specific changes in design &amp; construction, facility upgrades, procurement and facility operating practices.</li> <li>• Three additional hospitals develop and approve an Energy Management Plan addressing specific energy-related business practices and project opportunities.</li> </ul>	December  December
<p><i>Grocery</i></p> <ul style="list-style-type: none"> <li>• 2 regional grocery chains are engaged in improving business practices as evidenced by changes in store prototype designs and facility operating practices.</li> </ul>	December
<p><i>Real Estate (Office)</i></p> <ul style="list-style-type: none"> <li>• Define through market research real estate needs and priorities. Develop plan for needed products and services.</li> <li>• Develop and test messaging to target audiences.</li> </ul>	September  December

<p><i>Design and Construction</i></p> <ul style="list-style-type: none"> <li>• A complete range of integrated energy design expertise is fully operational through the network of experts at the integrated design labs. Ability to coordinate delivery of services is demonstrated through technical assistance provided on specific projects.</li> <li>• Jointly define a scope of work with five high priority NW design and construction firms and begin delivering business planning and technical support services (including education, training and marketing).</li> <li>• Provide integrated energy design assistance to A&amp;E firms on 12 projects region-wide (half or more within vertical markets). As projects are complete, document project outcomes as they're designed (and built) in terms of energy performance and costs compared to standard practice.</li> </ul>	<p>June</p> <p>September</p> <p>December</p>
<p><i>Building Operations</i></p> <ul style="list-style-type: none"> <li>• Establish business relationships with four high priority existing building service providers. Agree on a scope of work and begin delivering business and technical assistance, education and training and marketing support.</li> <li>• Provide building operating performance technical assistance with service providers on 10 projects region-wide (half or more within vertical markets). As projects are complete, document project outcomes in terms of energy performance and costs.</li> </ul>	<p>September</p> <p>December</p>
<p><i>Marketing</i></p> <ul style="list-style-type: none"> <li>• Redesign CSI marketing to better align with new direction. Better link the CSI brand, the Alliance and regional utility/public benefits administrator brands.</li> <li>• Develop comprehensive business-to-business marketing tools that support the market specialist's work in the healthcare and grocery markets.</li> <li>• Conduct six leveraged events with local partners that demonstrate strong attendance by target audiences and assure that regional utility/public benefits administrators brands are prominently positioned along side the CSI brand.</li> </ul>	<p>December</p> <p>December</p> <p>December</p>
<p><i>Education and Training</i></p> <ul style="list-style-type: none"> <li>• Establish a plan that involves partners, is well coordinated and covers the critical needs identified by market managers, key contractors, and target audiences.</li> <li>• Develop, improve or use existing curriculum to meet high priority education and training needs associated with the plan within vertical markets and crosscutting markets.</li> <li>• Deliver the training and education activities included in the plan developed for 2006. Demonstrate strong attendance by target audiences and assure that trainers effectively present/convey the curriculum.</li> </ul>	<p>March</p> <p>December</p> <p>December</p>

<p><b>INDUSTRIAL and AGRICULTURAL: 6 AMW; budget of \$4.148 million</b> <i>Pulp and Paper</i></p> <ul style="list-style-type: none"> <li>• Two mills commit at the corporate level to business practices and follow-through with implementation activities.</li> <li>• Two case studies are developed that demonstrate the power of business practices and / or systems improvements.</li> <li>• Utilities supporting 25% of the pulp and paper load actively promote education/training/outreach to pulp and paper customers.</li> <li>• 5% of the pulp and paper market participates in training activities.</li> </ul>	<p>December</p> <p>December</p> <p>December</p> <p>December</p>
<p><i>Food Processing</i></p> <ul style="list-style-type: none"> <li>• Four case studies with large (&gt;250 employees) food processing plants save 10% of their motor load.</li> <li>• Three demonstration projects are completed on refrigeration systems at large food processing plants / cold storage facilities that save 15% of refrigeration system loads.</li> <li>• 10% of food processing firms participate in a business practices initiative / service.</li> <li>• 25 individual end-users and 10 trade allies participate in refrigeration system operation training. 20 participants receive RETA certification.</li> <li>• Utilities serving 25% of the food processing refrigeration load specify a uniform systems approach for analysis of refrigeration efficiency opportunities.</li> </ul>	<p>December</p> <p>December</p> <p>December</p> <p>December</p> <p>December</p>
<p><i>Trade Allies - Motor, Pump and Compressed Air Systems</i></p> <ul style="list-style-type: none"> <li>• 10% (cumulative by market share) of the motor and pump trade allies (by market share) and 15% of the compressed air trade allies participate in joint marketing activities.</li> <li>• Develop two system optimization related products or services with broad market applicability.</li> <li>• Five utility/administrator or trade ally organizations sponsor trainings.</li> <li>• Three utility/administrator or trade ally organizations agree to adopt energy efficiency standards in products and services.</li> </ul>	<p>December</p> <p>December</p> <p>December</p> <p>December</p>
<p><i>Training</i></p> <ul style="list-style-type: none"> <li>• Complete course development of Pump Systems for Managers, Pump Systems Measurement &amp; Verification &amp; Compressed Air Training for Production Floor Operators.</li> <li>• Complete regional training plan (18 month schedule) in conjunction with industry, ODOE, WSU, BPA and utilities.</li> </ul>	<p>March</p> <p>January</p>

<p><i>Distribution Efficiency Initiative</i></p> <ul style="list-style-type: none"> <li>• Complete interim six month report on the viability of cost effective regional conservation voltage reduction (CVR) and project kWh savings.</li> <li>• Complete distribution efficiency options report on design methods to achieve distribution efficiency through CVR.</li> </ul>	<p>July</p> <p>December</p>
<p><i>Agriculture</i></p> <ul style="list-style-type: none"> <li>• Continue to increase participation in the use of AgriMet data from 1800/month in 2005 by 5% to 1900/month in 2006.</li> </ul>	<p>December</p>
<p><i>Utility Relationship</i></p> <ul style="list-style-type: none"> <li>• Three utilities develop coordinated customer strategies with us.</li> </ul>	<p>December</p>
<p><b>CODES and STANDARDS: 1.5 aMW; \$844,500</b></p> <ul style="list-style-type: none"> <li>• Encourage adoption of uniform and easily-interpreted energy codes, including: <ul style="list-style-type: none"> <li>○ Idaho: Update from 2003 IECC to 2006 IECC.</li> <li>○ Montana: Update from 2003 IECC to 2004 or 2006 IECC.</li> <li>○ Oregon: Governor’s request to improve energy code by 15%.</li> </ul> </li> <li>• Finalize the NW Benchmark Energy Standards (NW Best) to serve as guidelines for regional voluntary programs as well as a roadmap for national and state code change submittals for the next five to seven years.</li> <li>• Help support compliance with energy codes where it is below 85% and maintain it at current levels where it is at or above 85%</li> <li>• Alliance contractors will represent the NW at national code adoption hearings. They will also work to upgrade codes in national forums such as ASHRAE and NFRC.</li> </ul>	<p>December</p> <p>June</p> <p>December</p> <p>December</p>

**EVALUATION AND MARKET RESEARCH (see attached table for schedule)**

**Residential Sector Initiative**

Residential evaluation efforts will focus on the ongoing evaluation of the two RSI components: ENERGY STAR Consumer Products and ENERGY STAR New Homes. Consumer Products evaluation efforts will be particularly focused on lighting and will include a second lighting purchaser survey designed to examine CFL purchase barriers, given the finding from MPER #1 that two-thirds of northwest households have never purchased a CFL. The evaluation will also include a second shelf survey that assesses CFL availability during peak lighting season and the late-2005 Savings with a Twist promotion. Consumer Products evaluation activities will also include a series of market actor interviews, ongoing market updates, and ACE model assumption reviews to continually refine estimates of the effects of Alliance efforts for both lighting and clothes washers.

The ongoing evaluation of ENERGY STAR New Homes will continue to provide market updates and to investigate project process issues through an ongoing series of market actor interviews with both participants and non-participants. These efforts will be important to timely identification of potential market barriers and opportunities at a critical stage of the project. The evaluation will also include a repeat of the quantitative

homebuyer survey in September to assess changes to homebuyer awareness of ENERGY STAR homes as an indicator of market progress. 2006 will also mark the initiation of a post-occupancy survey designed to assess ENERGY STAR homebuyer satisfaction and acceptance of CFLs.

Finally, fieldwork and analysis for the Residential New Construction Building Characteristics Study will be completed in 2006. 2006 deliverables include a final characteristics report and presentation, with a final report on energy use to follow in 2007. This study, which is being coordinated with several regional utilities, will serve as the baseline for a future ENERGY STAR New Homes impact evaluation.

### **Commercial Sector Initiative**

Commercial Sector evaluation and market research work includes three major components: market progress evaluation, which will be aligned with the three vertical and two cross-cutting market elements; energy savings measurement and analysis; and a repeat of the Regional Commercial New Construction Building Characteristics survey.

In the area of market progress evaluation, the hospital and grocery target markets evaluations will continue with a second MPER for each market in 2006. Evaluation efforts for the commercial real estate market, a new target market for 2006, will focus on a market characterization update and decision-maker baseline survey. Evaluations for the two crosscutting markets--design and construction, and building operations—will also be completed in 2006. The design and construction evaluation will build on evaluation work previously conducted in the 2005 Better Bricks evaluation, the Architects and Lighting Designers baseline studies, and earlier LDL and Daylighting Lab evaluations. The Building Operations evaluation will build on evaluation work from the 2005 BPS Test Evaluation as well as the 2005 Operations and Maintenance Market Research Study. Evaluation of the CSI as a whole will also be kicked off in 2006, with the first initiative-wide report available in 2007.

2006 evaluation efforts will also be focused on developing a framework and protocol for measuring energy savings associated with the CSI. An initial report estimating energy savings associated with specific CSI projects will be produced as soon as a sufficient number of projects are completed. The evaluation team will also continue an evaluation effort begun in 2005, in conjunction with the California utilities, to monitor the performance of photo-controls in buildings. Deliverables include a study report and presentation in early-2006, as well as a working session to determine the next steps for daylighting research.

Finally, fieldwork for the Commercial New Construction Building Characteristics Study will be conducted in 2006. Deliverables include a final characteristics report and presentation in late-2006, with a final report on energy use to follow in 2007. This study will serve as a baseline for the Commercial Sector Initiative.

### **Industrial Sector Initiative**

The first MPER for the ISI will be delivered early in the 2<sup>nd</sup> quarter of 2006 in anticipation of a Portfolio Committee status report at the July Board meeting. This report will include an updated market characterization as well as results from a baseline survey

of corporate energy management policy and practices. The evaluation will also include the first analysis of the initiative's efforts, including a review and analysis of the outcomes attributable to the initiative's training efforts and supply chain interventions. Evaluation efforts will continue throughout 2006 in preparation for the second comprehensive MPER in 2007. This work will also include development and execution of a methodology for measuring energy savings associated with the adoption of specific energy efficient business practices.

### **Codes Support**

The Energy Code Support evaluation will evaluate the project's progress and success in achieving the goals and objectives outlined in the project description. A second MPER that builds on the 2005 evaluation, will track project progress and will include results from a survey of code support "end-users" including designers and builders. In addition to the MPER, A follow-up to the 2004 codes savings report will expand that analysis to include residential savings estimates and will also estimate the share of savings from Alliance-funded activities.

### **Infrastructure Projects**

The evaluation team will conduct evaluations of the Energy Ideas Clearinghouse and Local Government Association projects in 2006.

### **Long-Term Monitoring & Tracking of Inactive Projects**

The evaluation team will continue its ongoing effort to evaluate key cost-effectiveness model assumptions for projects that are no longer being funded.

## Evaluation/Market Research Schedule

10/13/2005

Sector	Project	Work Product	Schedule	Description
<b>Residential \$425,000</b>				
	ES Consumer Products Evaluation	MPER #2	2Q 2006	<ul style="list-style-type: none"> <li>• Market Progress</li> </ul>
	ES New Homes Evaluation	MPER #3	2Q 2006	<ul style="list-style-type: none"> <li>• Market Progress</li> </ul>
	New Construction Building Characteristics Market Research	Market Research Report	2Q 2006	<ul style="list-style-type: none"> <li>• New construction building characteristics</li> </ul>
	DEI—Residential Building Characteristics Survey	Market Research Report	4Q 2006	<ul style="list-style-type: none"> <li>• Residential building stock characteristics and energy use</li> </ul>
<b>Commercial \$1,000,000</b>				
	Hospitals	MPER #2	4Q 2006	<ul style="list-style-type: none"> <li>• Market Progress</li> </ul>
	Groceries	MPER #2	4Q 2006	<ul style="list-style-type: none"> <li>• Market Progress</li> </ul>
	Real Estate	MPER #1	tbd	<ul style="list-style-type: none"> <li>• Baseline; Market Characterization</li> </ul>
	Design & Construction	MPER #1 Daylighting	3Q 2006	<ul style="list-style-type: none"> <li>• Project Update; Logic Model</li> </ul>
		Assessment Report #2	2Q 2006	<ul style="list-style-type: none"> <li>• Savings from Photocontrols</li> </ul>
	Building Operations	MPER #1	3Q 2006	<ul style="list-style-type: none"> <li>• Baseline; Logic Model; Project Update</li> </ul>
	Energy Savings Measurement	Report #1	4Q 2006	<ul style="list-style-type: none"> <li>• Framework and Protocol</li> </ul>
	80 Plus Evaluation	MPER #1	2Q 2006	<ul style="list-style-type: none"> <li>• Market Progress</li> </ul>
	Commercial New Construction Characteristics	Market Research Report	4Q 2006	<ul style="list-style-type: none"> <li>• New construction building characteristics</li> </ul>

<b>Industrial \$250,000</b>				
	ISI	MPER #1	2Q 2006	<ul style="list-style-type: none"> <li>• Baseline; Project Update; Process Evaluation</li> </ul>
	DEI	MPER #2	2Q 2006	<ul style="list-style-type: none"> <li>• Pilot Progress Update</li> </ul>
<b>Codes Support</b>				
<i>\$80,000</i>	Codes Support	MPER #2 Savings Estimation	3Q 2006 1Q 2006	<ul style="list-style-type: none"> <li>• Process Evaluation</li> <li>• Estimate Alliance share of regional savings</li> </ul>
<b>Long-Term Tracking and Monitoring</b>				
<i>\$60,000</i>	LT Tracking/Monitoring	2006 Annual Report	4Q 2006	<ul style="list-style-type: none"> <li>• Review/Refinement of ACE Model Assumptions</li> </ul>
<b>Infrastructure</b>				
<i>\$20,000</i>	EIC	MPER #6	4Q 2006	<ul style="list-style-type: none"> <li>• Process Evaluation</li> </ul>
<i>\$15,000</i>	LGA	MPER #5	4Q 2006	<ul style="list-style-type: none"> <li>• Process Evaluation</li> </ul>