



## Strategic Plan

*Adopted by the Alliance Board of Directors on April 12, 2000.*

### Vision

A culture in which the efficient use of energy is a core value among consumers and businesses.

### Mission

Catalyze the Northwest marketplace to embrace energy-efficient products and services.

### Rationale

Energy savings resulting from this effort will lower the long-term cost and environmental impact of the region's electricity system, resulting in a healthier economy and cleaner environment. Additional benefits resulting from Alliance efforts, such as increased production or reduced waste, can also help Northwest businesses become more competitive.

### Goals

- *Goal 1:* The Alliance will manage a strategically-prioritized portfolio of cost-effective market transformation projects.
- *Goal 2:* The Alliance will assist its projects achieve success by supporting related activities including market research, information and education efforts and partnering with other market actors.
- *Goal 3:* The Alliance will ensure that its ventures are evaluated to document the effects of its efforts and to use that information to improve future efforts.
- *Goal 4:* The Alliance will be an effective and open organization and will keep its constituents well informed of Alliance activities.

The following sections discuss strategies for achieving these goals.

#### ***Goal 1: The Alliance will manage a strategically-prioritized portfolio of market transformation projects.***

The Alliance's portfolio of projects will work to generate financial return for consumers in the region by encouraging the acceptance of energy-efficient products and services in the marketplace. This process, known as market transformation, requires working with manufacturers, distributors and retailers to offer energy-efficient products and services.

Ultimately, the goal is for consumers to purchase these products as a normal part of their buying habits.

Since the focus is on markets, Alliance projects operate across state and utility boundaries and focus on key leverage points to bring about a lasting increase in the market share for energy-efficient products and services.

The Alliance will build a portfolio of projects to return value to consumers in the region. In deciding which markets are best for the Alliance to work in, the portfolio will be balanced among the following attributes:

- Financial return (cost-effectiveness)
- Long-term market impact
- Electricity savings
- Geographic Balance
- Customer Class Reach
- Private Sector Co-Investment

These attributes will be factors in Board decisions about whether to support a project. Good projects will augment the Alliance portfolio so the overall goals are met over the next seven years. In some cases a balance will have to be struck among competing attributes.

#### *Financial return (cost-effectiveness)*

The Alliance will develop a portfolio of projects that is cost-effective over the long term. Overall cost-effectiveness is typically measured by comparing the total cost per kilowatt-hour of the project with the cost per kilowatt-hour of the marginal electricity producing resource. As needed, analysis of costs and benefits from three perspectives will be provided during the judging of proposals:

1. Total resource perspective, viewing all costs and benefits, including quantifiable non-energy impacts and reasonable anticipated market effects.
2. The electric utility perspective, viewing the costs and benefits to electric utility ratepayers.
3. The consumer's perspective, viewing electricity costs and benefits from the perspective of participating consumers.

#### *Long-term market impact*

Project design should work to create a lasting acceptance in the marketplace for energy-efficient products and services. Potential initiatives will be reviewed in terms of their likely sustainability in the market after intervention has diminished or stopped.

#### *Electricity savings*

The portfolio will seek sizeable cost-effective electricity savings. These savings could include some short-term projects that may achieve lesser kilowatt-hour savings, but have a high likelihood of success and some long-term projects where the savings potential may be higher although the risk may be greater.

### *Geographic Balance*

The portfolio will return long-term savings and benefits equitably across the region, considering the geographic distribution of electricity consumption. In addition, the portfolio will seek widespread access to project benefits in the near-term as they are implemented.

### *Customer Class Reach*

The portfolio will touch all customer classes including residential, commercial, industrial and agricultural sectors.

### *Private Sector Co-Investment*

A portion of Alliance project funding will be matched with private sector investments and/or projects that have revenue generating opportunities.

***Goal 2: The Alliance will assist its projects achieve success by supporting related activities including market research, information and education efforts and partnering with other market actors.***

The Alliance will fund activities that supplement or support project efforts or work in key market areas. These activities may not generate direct and quantifiable kWh savings. They include conducting market research, supporting energy efficiency education, information dissemination and cultivating partnerships with organizations that have similar goals.

### *Market Research*

- The Alliance will use market research to help identify market transformation opportunities.
- The Alliance will solicit stakeholder ideas and opinions as a component of market research and the project development process.

### *Infrastructure*

- The Alliance will consider supporting activities or becoming sponsors of conferences that may not directly acquire energy savings but which enable energy saving projects to be more effective. This might include education and information dissemination on energy-efficient technologies and practices.
- Such projects or sponsorships in aggregate should serve the whole Northwest region and the goals of the Alliance.

### *Partnering*

- The Alliance will work with national and regional organizations, trade allies and interested parties from around the United States to coordinate our efforts to make the development, implementation and evaluation of Alliance projects more efficient and effective.
- The Alliance will seek to increase the number and type of market transformation allies through outreach, communications and joint ventures.

- When possible, the Alliance will partner with utilities on projects to enhance grassroots efforts to promote a targeted product or service as well as the utility's local conservation programs.

***Goal 3: The Alliance will ensure that its ventures are evaluated to document the effects of its efforts and to use that information to improve future efforts.***

- Alliance ventures will be evaluated at a level commensurate with their size and risk.
- Evaluations will be integrated closely into the final designs and implementation of projects so projects can be managed adaptively to achieve their goals in a changing market.
- Estimated budgets for evaluation and anticipated market effects that will be measured will be provided at the time of project adoption. Full evaluation plans and budgets will be developed after Board approval of a project.

***Goal 4: The Alliance will be an effective and open organization and will keep its constituents well informed of Alliance activities.***

*Effective and open organization*

- The Alliance will operate as a lean and effective organization, keeping operating costs at the low range of operating costs compared to similar organizations.
- The Alliance will continue to operate as a responsible 501(c)3 organization. The Board will be provided with documents to monitor the financial and operating status of the organization. The Alliance will have an independent financial audit available to the public every year.
- The Alliance will hold open Board meetings and conduct fair and open solicitations for project proposals.
- The Alliance will complete an independent evaluation of overall market transformation effects prior to December 31, 2003.
- The Alliance will position itself to receive and administer any public benefits funds earmarked for market transformation in each state in lieu of utility funder contributions.

*Communications*

- The Alliance will develop an effective communications program to reach key stakeholders in order to achieve its goals. This effort is in addition to the marketing and communications activities within particular projects. The Alliance will develop an annual communications plan including the following activities:
  - Identify key stakeholders
  - Develop outreach opportunities to keep each stakeholder group informed about Alliance activities.
  - Develop communication collateral pieces appropriate for each stakeholder group to learn about Alliance activities.