

PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: October 20, 2000

REGULAR AGENDA X **CONSENT AGENDA** **EFFECTIVE DATE** NA

DATE: October 11, 2000

TO: Bill Warren through Lee Sparling and Jack Breen

FROM: Lynn Kittilson

SUBJECT: SB 1149: Conservation and Renewables Nonprofit Organization Proposal

SUMMARY RECOMMENDATION:

I recommend that the Commission endorse the proposed framework and process for establishing a new conservation and renewables nonprofit organization and approve staff's request to move forward with the start-up of the organization.

DISCUSSION:

Attached are three documents related to staff's recommendations on the establishment of a new nonprofit organization to administer the conservation and renewables portions of future SB 1149 public purpose funds. The first document is our proposal for creating the new organization. The second document is a question and answer addendum to the proposal that addresses comments provided in the public review process of the draft proposal on the organization. The third document is a copy of a memo from Bill Manne and Gary McGee that provides legal and accounting advice on the structure of the proposed nonprofit.

As stated in the documents, staff's proposal reflects the work of several people who participated in a committee convened by staff to define the governance structure, direction, and genesis of the new organization. The "convening committee" included Carol Brown, Portland General Electric; Jason Eisdorfer, Citizens' Utility Board; Margie Gardner, Northwest Energy Efficiency Alliance; Jeff Harris, Northwest Power Planning Council; Brian Hedman, PacifiCorp; Stan Price, Northwest Energy Efficiency Council; John Savage, Oregon Office of Energy; and Peter West, Renewable Northwest Project. Marc Smiley, an organizational development consultant, was hired to support the process.

The organization proposal is the culmination of several months of discussions by the convening committee on how to get the new organization off the ground. The recommendations were developed and distributed broadly to parties expressing an interest in the new organization. A public workshop was held on July 20, 2000 to give interested parties an opportunity to ask questions and state their concerns about the proposal. The ideas and suggestions provided at that meeting and in subsequent written comments have been addressed and, where appropriate, incorporated into the proposal. Additional details on the

proposal and specific responses to questions raised through the process are provided in the question and answer addendum to the proposal.

Although alternatives to our recommendations exist, we believe our proposal represents a reasonable starting point for beginning the process of establishing the nonprofit organization. The proposal attempts to balance the necessary accountability of the organization to the Commission and the public for its decisions on spending the public purpose funds with the necessity and desirability that the organization function as an independent nongovernmental organization.

We recommend that the Commission allow staff to move forward with the next steps in the process of establishing the nonprofit organization. The first step is to propose an initial board of directors for the organization to the Commission for its approval. A group of 10 people have agreed to work with staff in a board recruiting committee to identify and recruit potential directors. After the Commission approves the initial board, the final steps of incorporation and recognition as a nonprofit will take place. The board of the new organization will begin immediately to implement the first steps of organizational development, including strategic planning, management recruiting, policy development and approval (in many cases based on initial recommendations already developed), development of advisory committees, and other activities. The goal of these steps is to have an organization with a clear strategic plan, an initial staff, and the ability to begin fulfilling the public purpose provisions of SB 1149 related to investment in conservation and renewable resources by October 1, 2001.

STAFF RECOMMENDATION:

I recommend that the Commission endorse the proposed framework and process for establishing a new nonprofit organization to administer the conservation and renewable resources portions of SB 1149 public purpose funds and approve staff's request to move forward with the start-up of the organization.

Attachments (<http://www.puc.state.or.us/erestruc/indices/ppindex.htm>)