

CPUC Governance Overview

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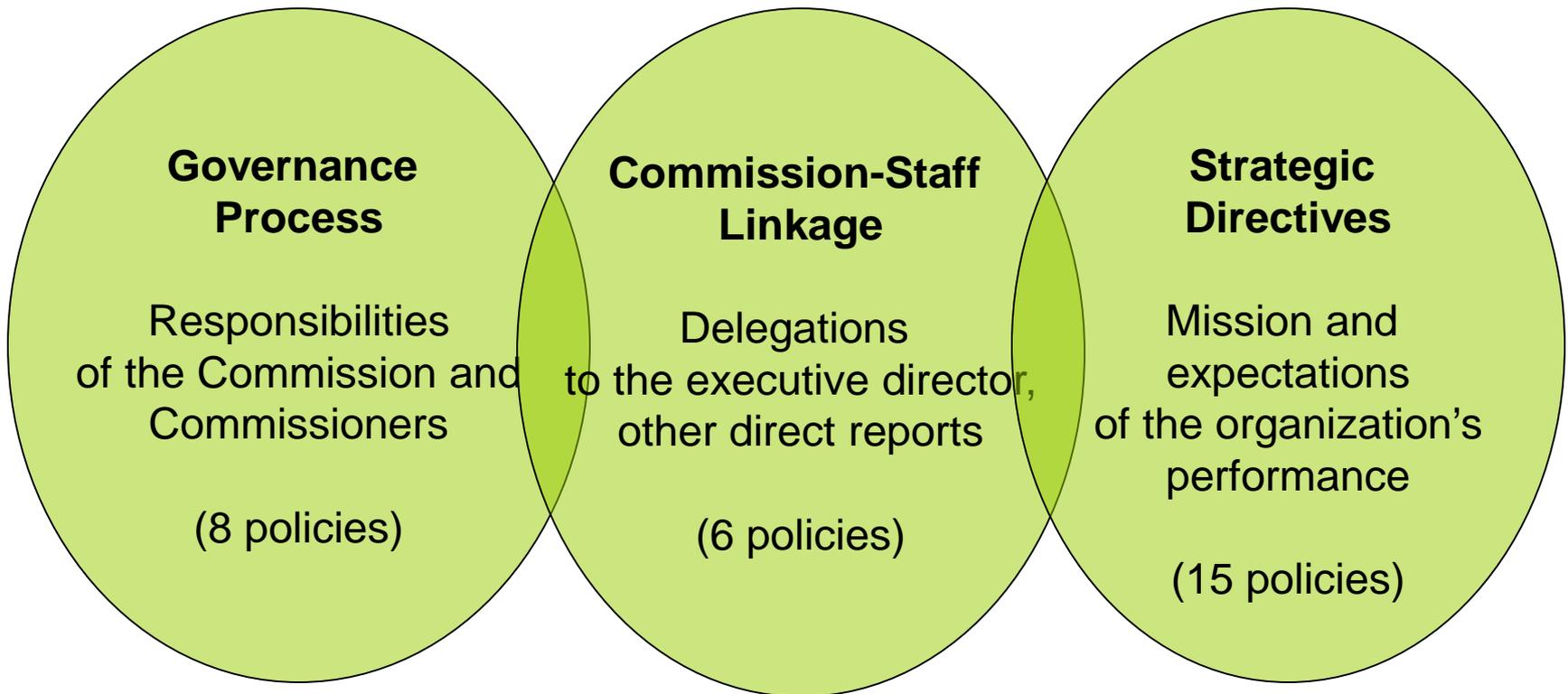
Governance Questions

- What are the Commission's governance responsibilities?
- How do we assure accountability across the organization?
- How do we optimize the role of the Commission to assure the organization performs at its highest levels?
- How do we assure clarity of roles and responsibilities?

When Governance Is Effective

- Commission members and executive team members agree on the principles and habits of effective governance.
- Commission members and executive team members adopt a well-understood governance approach and apply themselves to maintaining it.

CPUC Governance Framework



Key Principles

- The Commission works **as a body** to define the results the organization is to achieve.
 - In the policies, “Commission” refers to the five members as a body. “CPUC” means the organization as a whole.

Key Principles

- The Commission **defines in writing the performance expectations** of the organization, via the strategic directives.
 - This assures everyone in the organization is aligned around the Commission's priorities.

Key Principles

- The Commission **focuses on results.**
- The Commission **delegates significant operational authority** to the staff for determining how to achieve those results.
- **Accountability** occurs through regular monitoring of performance.

Key Principles

- The Commission **defines in writing the decision-making authorities** of the Commission, Commission members, the President, and the direct reports.

Key Principles

- The Commission engages in **regular monitoring** of the organization's performance in relation to the strategic directives (SDs).
 - Staff presents evidence that the desired results are being achieved.
 - Commissioners probe and ask questions.
 - The Commission discusses and decides whether the organization is “in compliance” with SDs.

Key Principles

- The Commission regularly **reflects on the SDs** and refines them as it deems necessary.
- The Commission regularly **evaluates its performance** in relation to the governance process (GP) and commission-staff linkage (CL) policies.
- These functions are clearly owned by Commission members.

Key Principles

- The Commission **imposes limits upon** individual Commissioners' ability to direct and/or manage staff.
- There is **recourse** for management in cases of micro-management by Commission members.

Unity of Control

- CL-6: “Outside of proceedings, only decisions of the Commission **acting as a body** are binding on the Executive Director, General Counsel, the Chief ALJ, and the Internal Auditor.”

Key Principles

- The set of policies is complete.
 - All the expectations of the Commission are spelled out in the GP and CL policies, and the SDs.
 - There aren't "side" policies.
 - Management's policies are not mixed in with Commission policies.
- Policies are organized in a modular fashion that is easily accessible.

Key Principles

- Individual Commission members may and should try to influence the Commission on a particular issue, but:
 - Commissioners should not undermine the credibility of the Commission's policies or decisions; and
 - When making statements outside the Commission's presence, they are clear that any statement contrary to the Commission's policy is their personal opinion.

Lessons Learned

- There are different ways to measure performance in achieving the SDs and other policies:
 - Outcomes
 - Numerical metrics and targets
 - Evidence of strategic action and initiatives
 - Surveys
 - Audits

Lessons Learned

- All members need to be involved in a) monitoring and b) developing/refining the SDs and other policies.
- Commission and committee meetings need to be structured and managed accordingly.

Lessons Learned

- Orientation to the purpose and workings of the governance framework needs to be thoughtfully planned and carried out.
- There needs to be training in how to facilitate discussions and build consensus.

Lessons Learned

- The strategic directives should provide a stable set of expectations that align the organization.
- At the same time, the strategic directives need to evolve when there are significant changes in the operating environment.

Questions?