

# GREEN TIER ADVISORS RECOMMENDATION

## PERFORMANCE INDICATORS June 11, 2006

### RECOMMENDATION

The Green Tier Advisors recommend:

1. The Department require quantified environmental performance on each of the Green Tier commitments made by the company. The Department request or require information from the suite of generic indicators (distributed to and discussed with each participant) to obtain data on as many of the Environmental Indicators as possible to enable comparative analysis of overall environmental performance. The Department use all available (already reported) environmental performance information, working with participants to enhance the importance and value of that quantitative data to document program performance.
2. The Department request that each Green Tier participant to explain the business conditions within which the reported environmental performance was achieved, working towards normalized environmental performance data from the participants.
3. The Department request each Green Tier participant to identify business value derived from and expense associated with participating in Green Tier.
4. The Department work with the participants to develop a business analysis that addresses the degree to which Green Tier affected the participants' ability to accomplish economic objectives.
5. The Department independently develop and subsequently accumulate information that establishes a baseline for and measures progress toward effective working relationships with the Department.

Comment [w1]: Which term is preferred by the Advisors?

### HOW WILL THE INFORMATION FROM PARTICIPANTS BE USED TO ADVANCE THE PROGRAM?

These recommendations provide the foundation for a formalized process of analysis for Green Tier participants to follow in reporting a complete measurement of sustainability across environmental, social, and economical areas that will provide the framework for measuring the effectiveness of the Green Tier Program.

The law requires participants submit an annual report on progress toward meeting the objectives contained in the EMS. The law also requires the department submit a progress report on the program to the legislature.

### DISCUSSION SYNOPSIS (from prior meetings):

In July 2006 the Advisors agreed that the need is to look at the full range of indicators in the context of the following goals:

- Demonstrate wherever possible that Green Tier is protecting human health.
- Encourage metrics of Green Tier participants that effectively demonstrate cumulative acts that go beyond the regulated and also address non-regulated environmental risks.
- Capture information that provides indicators of financial success, as well as any cost savings in meeting regulatory requirements.
- Start to measure brands (company as well as Green Tier) rising in the public awareness especially when the brand gives a message to someone who doesn't know them (e.g. expanding into another community).
- Hit the key business areas-permitting, business development/expansion/growth, conditional approvals, contracting, and if it has reduced the amount of litigation.
- Ask but don't demand information and ask a manageable number of questions in areas where we have a chance of getting more universally available information.
- Use the metrics as an entry point to a more open and perhaps even subjective dialogue that explores permitting.
- Draw social questions from the existing models (e.g. Innovest)
- Draw some of the reporting from the community itself.

Although the Advisors discussed Performance Indicators at length during their July 2006, September 2006, and March 2007 meetings, it is clear that there is not consensus as to whether or how information should be collected along the lines of the last two items listed above (shaded). Therefore based on the nature of the past discussions, the recommendation has been drafted to elicit social and economic information but not be prescriptive in the approach.