

# Board Meeting Minutes—134th Meeting

February 25, 2015

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**Board members present:** Susan Brodahl, Ken Canon, Heather Beusse Eberhardt, Dan Enloe, Roger Hamilton, Mark Kendall, Debbie Kitchin, Alan Meyer, John Reynolds, Anne Root, Eddie Sherman, Warren Cook (ODOE special advisor)

**Board members absent:** Melissa Cribbins, John Savage (OPUC *ex officio*)

**Staff attending:** Margie Harris, Ana Morel, Debbie Menashe, Sarah Castor, Amber Cole, Steve Lacey, Fred Gordon, Peter West, Courtney Wilton, Oliver Kesting, Betsy Kauffman, Dave Moldal, Thad Roth, Erika Kociolek, Phil Degens, Hannah Hacker, Juliet Eck, Jay Ward, Sue Fletcher, Kim Crossman, Ed Wales

**Others attending:** Jim Abrahamson (Cascade Natural Gas), Don Jones, Jr. (PacifiCorp), Lauren Shapton (Portland General Electric), Jason Salmi Klotz (OPUC), Jennifer Anziano (Northwest Power & Conservation Council), Erin Flynn (Portland State University), Sarah Heinicke (Verditas), Rob Bennett (EcoDistricts), John Charles (Cascade Policy Institute), Clay Norris (Northwest Energy Efficiency Alliance), Samantha Taylor (CSG), Eli Caudil (CSG), Kimberly Simpson (CSG), Becky Walker (CLEAResult), Monica Blakesjee-Kish (CLEAResult), Todd Poehlman (CSG)

## Business Meeting

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President Debbie Kitchin called the meeting to order at 12:19 p.m.

## General Public Comments

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There were no public comments.

## Consent Agenda

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*The consent agenda may be approved by a single motion, second and vote of the board. Any item on the consent agenda will be moved to the regular agenda upon the request from any member of the board.*

### MOTION: Approve consent agenda

Consent agenda includes:

- 1) December 12 Board meeting minutes

Moved by: Dan Enloe

Seconded by: Anne Root

Vote: In favor: 11

Abstained: 0

Opposed: 0

## Nominating Committee

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### *Election of New Terms of Office, John Reynolds*

John Reynolds introduced the resolution. Resolution 734 was amended to note Dave Slavensky is retiring from the board.

**RESOLUTION 734  
ELECTING MARK KENDALL AND ANNE ROOT  
TO NEW TERMS ON THE ENERGY TRUST BOARD OF DIRECTORS**

### WHEREAS:

1. The terms of incumbent board members Mark Kendall, Anne Root, and David Slavensky expire in 2015.

2. The board nominating committee has recommended that two of these members' terms be renewed.
3. Board member David Slavensky has ~~decided to resign~~**chosen not to renew his term**. The Nominating Committee will initiate a search for his replacement.

It is therefore **RESOLVED** that the Energy Trust of Oregon, Inc., Board of Directors elects Mark Kendall and Anne Root, incumbent board members, to new terms of office that end in 2018.

Moved by: Roger Hamilton, as amended

Seconded by: Alan Meyer

Vote: In favor: 9

Abstained: 2; Mark Kendall, Anne Root

Opposed: 0

The board noted they are accepting recommendations for a new board member, ideally from Central Oregon, to fill Dave Slavensky's seat.

*Warren Cook joined the meeting at 12:22 p.m.*

### ***Election of Officers, John Reynolds***

John Reynolds introduced Resolution 735, which elects board officers for 2015.

## **RESOLUTION 735 ELECTING OFFICERS OF ENERGY TRUST OF OREGON, INC.**

### **WHEREAS:**

1. **Officers of the Energy Trust of Oregon, Inc. (other than the Executive Director and Chief Financial Officer) are elected each year by the Board of Directors at the board's annual meeting.**
2. **The Board of Directors nominating committee has nominated the following directors to renew their terms as officers:**
  - **Debbie Kitchin, President**
  - **Ken Canon, Vice President**
  - **Alan Meyer, Secretary**
  - **Dan Enloe, Treasurer**

It is therefore **RESOLVED** that the Board of Directors hereby elects the following as officers of Energy Trust of Oregon, Inc., for 2015:

- **Debbie Kitchin, President**
- **Ken Canon, Vice President**
- **Alan Meyer, Secretary**
- **Dan Enloe, Treasurer**

Moved by: Anne Root

Seconded by: Susan Brodahl

Vote: In favor: 11

Abstained: 0

Opposed: 0

## **President's Report**

Debbie Kitchin reviewed governance processes and policies in place at Energy Trust. She commended the original board members, including John Reynolds, for putting in place a number of policies to ensure

transparency and openness in Energy Trust operations. The original board implemented these policies from the beginning, recognizing the importance of Energy Trust's work. Since then, the policies have been reviewed on a three-year basis by the Policy Committee and revised as needed, with the full board approving any changes to the policies.

Energy Trust has a board nominating committee that nominates board members for full board approval. The committee looks for balanced representation on the board, including diverse geographical, expertise, ethnicity and age, to strengthen the board and reflect the customers Energy Trust serves.

The board also looks to the Conservation Advisory Council and Renewable Energy Advisory Council to advise staff and the board. The councils include experts in renewable energy and conservation. Board members are encouraged to attend. It was noted that board members John Reynolds and Alan Meyer attend the Renewable Energy Advisory Council, and John Reynolds and Mark Kendall attend the Conservation Advisory Council. Given other demands on time, Susan Brodahl committed to attend Conservation Advisory Council in place of Mark Kendall as her schedule permits. It was noted the Council discussions are valuable as they intersect with the strategies the board is implementing. The minutes from the meetings are sufficient, and attending the meetings in-person provides a complementary perspective on the discussions. The board commented that attending the Council meetings validates their advisory role to the board. The board noted the helpfulness of attending the meetings during the development of the 2015-2019 Strategic Plan last year.

Another governance policy is a requirement that each board member signs a conflict of interest statement annually. In these statements and on an ongoing basis, board members are required to declare any actual or potential conflicts of interests relating to them, family members, or business associates that could be, or be perceived to be, in conflict with Energy Trust's mission and their responsibility as a board member.

As part of her presentation, Debbie displayed the Portland Business Alliance's advocacy interest policy. This policy requires board members to specifically identify situations when their service on another board whose mission and goals may be in conflict with the Portland Business Alliance. She suggested the Energy Trust board consider such a policy.

The board noted Energy Trust is in a good place in terms of its policies, processes and operation procedures. With these approaches in place, Energy Trust continues to be a good steward of ratepayer dollars.

#### ***Committee Assignments, Debbie Kitchin***

Debbie Kitchin introduced Resolution 736, to establish 2015 board committee assignments.

### **RESOLUTION 736 BOARD COMMITTEE APPOINTMENTS**

#### **WHEREAS:**

- 1. The Energy Trust of Oregon, Inc. Board of Directors is authorized to appoint by resolution committees to carry out the Board's business.**
- 2. The Board President has nominated new directors to serve on the following committees.**

#### **It is therefore RESOLVED:**

- 1. This resolution supersedes Resolution 694, adopted by the board at its February 26, 2014, meeting.**

2. That the Board of Directors hereby appoints the following directors to the following committees for terms that will continue until a subsequent resolution changing committee appointments is adopted:

<b>Audit Committee</b>
Ken Canon, Chair
Melissa Cribbins
Mark Kendall
Heather Beusse Eberhardt
Karen Ward, outside expert
Debbie Kitchin ( <i>ex officio</i> )
<b>Board Nominating Committee</b>
John Reynolds, Chair
Roger Hamilton
Alan Meyer
Anne Root
Eddie Sherman
John Savage, OPUC ( <i>ex officio</i> )
Debbie Kitchin ( <i>ex officio</i> )
<b>Compensation Committee (formerly 401(k) Committee)</b>
Dan Enloe, Chair
Melissa Cribbins
Mark Kendall
Debbie Kitchin ( <i>ex officio</i> )
<b>Executive Director Review Committee</b>
Roger Hamilton, Chair
Melissa Cribbins
Ken Canon
John Reynolds
Debbie Kitchin ( <i>ex officio</i> )
<b>Finance Committee</b>
Dan Enloe, Chair
Susan Brodahl
Anne Root
Debbie Kitchin ( <i>ex officio</i> )
<b>Policy Committee</b>
Roger Hamilton, Chair
Ken Canon
Alan Meyer
John Reynolds
Eddie Sherman
Debbie Kitchin ( <i>ex officio</i> )
<b>Program Evaluation Committee</b>
Alan Meyer, Chair
Susan Brodahl
Heather Beusse Eberhardt
Anne Root
Tom Eckman, NWPCC, expert outside reviewer
Ken Keating, expert outside reviewer
Debbie Kitchin ( <i>ex officio</i> )

<b>Strategic Planning Committee</b>
Mark Kendall, Chair
Susan Brodahl
Ken Canon
John Reynolds
Eddie Sherman
Warren Cook, ODOE
John Savage, OPUC
Debbie Kitchin ( <i>ex officio</i> )

- 3. The executive director, general counsel, or chief financial officer are authorized to sign routine 401(k) administrative documents on behalf of the board, or other documents if authorized by the Compensation Committee.**

Moved by: John Reynolds

Seconded by: Alan Meyer

Vote: In favor: 11

Abstained: 0

Opposed: 0

## Planning

### ***Five-year Regional Technical Forum funding agreement, Jennifer Anziano, Northwest Power & Conservation Council, Regional Technical Forum Manager***

Fred Gordon introduced Jennifer Anziano. Fred noted Resolution 738 is to approve a five-year contract with the Regional Technical Forum (RTF). Given the contract's size and five-year duration, the OPUC will also be notified.

Jennifer described the history of the RTF and the value it brings Energy Trust, Bonneville Power Administration, utilities, regulators and evaluators. The RTF is an advisory committee to the Northwest Power and Conservation Council (Power Council). It develops consistent standards and protocols for verification of energy savings for the four-state region. The core role is developing energy saving estimates the region can rely on for more than 70 efficiency measures, plus methodologies for determining energy savings derived from both standard and more complex custom measures and from program level savings.

The RTF also assists the Power Council in assessing new energy-efficiency opportunities and tracks regional progress toward goals. Based on technical expertise, the RTF has 20-30 voting members appointed by the Power Council. It was noted stakeholders are engaged via subcommittees. The RTF also has a policy advisory committee to review funding and priorities, of which Fred Gordon is a member.

Jennifer showed the budget breakout for 2014 and 2015. The major change is a budget increase for research and evaluation around regional coordination and new measure development. She noted Energy Trust is the second highest funder after Bonneville Power Administration. Jennifer reviewed the representation of the RTF, which includes members from nonprofits, consumer-owned utilities, investor-owned utilities, BPA, consultants, Power Council staff and independents.

Fred noted the RTF is focused on electric savings and Energy Trust rounds out its measure verification and evaluation needs with Energy Trust staff and Program Management Contractor (PMC) staff. He noted the resources the RTF provides would take three Energy Trust full-time employees to deliver. Through the work of the RTF, Energy Trust can rely on credible information from a regional body that looks more in-depth than what Energy Trust possibly could.

Fred and Jennifer clarified the data RTF provides is at a regional level that sometimes references national baselines. California and New England have similar entities.

To clarify for the board, Fred stated Energy Trust funds the RTF on behalf of PGE and Pacific Power in Oregon. He added that there is adequate oversight of the RTF, and Energy Trust's opinions are heard and needs are addressed. He believes the RTF provides a good value for Energy Trust.

The board noted that up until 2010 and 2011 the Power Council tried to do this work with its constrained, existing staff and had a hard time getting funding. The RTF was one of six issues the Northwest Energy Efficiency Taskforce examined. Out of that process came a more formalized funding structure and dedicated staff to keep the RTF organized and to increase its bandwidth.

The board commented the RTF provides opportunities to collaborate region-wide and leverage dollars.

Margie highlighted having a centralized repository for this kind of work makes it far more efficient and affords economies of scale that would not be realized if each organization pursued this work individually.

### **RESOLUTION 738**

#### **APPROVING A FIVE-YEAR CONTRACT WITH THE NORTHWEST POWER AND CONSERVATION COUNCIL TO FUND THE REGIONAL TECHNICAL FORUM**

**WHEREAS:**

3. **The Northwest Power and Conservation Council's Regional Technical Forum (RTF) develops "consistent standards and protocols for verification and evaluation of energy savings, in consultation with all interested parties." The RTF is the Northwest's primary forum for developing benchmarks and measurement protocols to allow utilities and others to compare methods and results and learn from each other's experience in energy conservation.**
4. **Energy Trust has participated in the RTF consistently over the years, and derived significant benefits from RTF work on cost-effectiveness issues, energy savings analysis, and energy efficiency research and evaluation. During 2012-2014, Energy Trust paid \$308,000 per year for this type of work.**
5. **In the past year, Energy Trust and other RTF funders discussed the need for longer-term RTF funding. Based on these discussions, the RTF has developed a five-year (2015-2019) business plan and budget, driven largely by requests from utilities, Energy Trust, NEEA and state energy agencies.**
6. **Proposed 2015-2019 funding contributions for RTF are based on the Northwest Energy Efficiency funding allocation methodology. Energy Trust's share would be \$339,700 in 2015, \$345,000 in 2016, \$371,300 in 2017, \$380,400 in 2018 and \$389,000 in 2019, a total of \$1,825,400**
7. **As proposed, Energy Trust's funding agreement would allow Energy Trust to reduce or terminate funding if the Grant Agreement with the OPUC is terminated or the RTF is "significantly failing to meet its business plan objectives."**

**It is therefore RESOLVED that the Board of Directors hereby authorizes the executive director to sign a five-year funding agreement with the Northwest Power and Conservation Council for up to \$1,825,400 for the RTF and its 2015-2019 Business Plan, with termination provisions as described above.**

Moved by: John Reynolds

Seconded by: Mark Kendall

Vote: In favor: 11

Abstained: 0

Opposed: 0

## **Committee Reports**

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### ***Evaluation Committee, Alan Meyer***

Alan noted there are a number of evaluations in the board packet. The board discussed the customer engagement pilot, which evaluated strategies to encourage participation.

It was noted in-home energy reviews were transitioned to online and phone reviews at the start of the year. This was a program cost control strategy and reflected the trend that customers who received an in-home energy review were not any more likely to complete projects. The majority of projects are brought in by trade ally contractors.

The board discussed this program offering shifting to mainly online reviews and whether it may lead to underserving the senior population. They also questioned whether homeowners will be able to properly assess their home without a trained professional on-site. The board questioned whether the shift will keep enough options available to serve all eligible customers. Staff noted customers are satisfied so far with the online and phone energy review options. Staff reviewed the trend of customers mainly taking action by working with trade ally contractors, not by only receiving an in-home energy review report.

The board reviewed the summary of the Strategic Energy Management (SEM) Workshops, and the need to develop an interview guide and data collection instruments to improve savings evaluations for this behavior-based approach. The board discussed how the evaluation integrates with the RTF. Staff clarified Energy Trust is leading on the SEM evaluation.

Regarding the Building Performance, Tracking and Controls Pilot evaluation, the board highlighted how non-energy benefits motivated participating customers.

The board also reviewed the findings of the New Buildings impact and process evaluations.

### ***Finance Committee, Dan Enloe***

The board reviewed the December 2014 financial statement. Highlights included revenues at year-end closely aligning with the September forecast, an indication the forecasting process is improving. It was noted incentives paid are greater than 2013 and leveled costs were higher than expected due to completing more projects with fewer savings for each one. The board reviewed the reserves at year-end, including those funds committed for projects in 2015 and beyond.

The board was provided an update on specific renewable energy projects delayed from 2014 and included in the 2015 forecast.

It was noted the high volume of savings booked in the fourth quarter may decrease slightly if savings are shifted to earlier in the year. Program Management Contracts for 2015 now include quarterly savings goals to help distribute acquisition throughout the year.

### ***Policy Committee, Roger Hamilton***

The board discussed and heard from staff about the upcoming Renewable Energy Certificates (RECs) report. At the April 1, 2015 board meeting, the Bonneville Environmental Foundation will present report findings from the report with the goal to provide the board with a grounding in REC policy and market conditions.

Staff clarified RECs are reflected in a footnote on financial statements and are not included in the assets.

The board reviewed the committee meeting notes in the board packet, including the active OPUC docket on large customer funding caps, staff progress in implementing three to four process improvements as identified in the 2014 Management Review, and the involvement of Energy Trust in the OPUC’s request to develop an incentive cap proposal in response to Docket 1622 for non-cost-effective natural gas measures.

The board reviewed the background and current opportunities for combined heat and power projects. The combined heat and power policy and proposed amendments received prior review by the committee. The committee and staff support the four main recommended policy changes as described in the language of the resolution.

**RESOLUTION 737  
AMENDING THE FOSSIL-FUEL COMBINED HEAT AND POWER POLICY**

**WHEREAS:**

- 8. **The Combined Heat and Power (CHP) Policy is due for regular review by the Energy Trust board of directors;**
- 9. **Project developers have continued interest in working with Energy Trust for incentive support for combined heat and power projects, and staff has reviewed the current policy language to whether it supports an effective CHP program and complies with legal requirements;**
- 10. **As a result of this review, staff proposes four changes to: (1) clarify the reasons for the policy in the introduction; (2) clarify that incentives will be offered only if a CHP project reduces electricity or natural gas consumption through increased efficiency (consistent with Oregon’s regulatory definition of energy conservation); (3) recognize that risks posed by CHP projects, like other efficiency measures, can be managed with contract provisions, not just incentive adjustments, and (4) not require staff to compare fossil-fuel CHP incentives with renewable energy CHP incentives, because the comparison is impracticable; and,**
- 11. **The Policy Committee supports the suggested amendment and recommends approval.**

**It is therefore RESOLVED that the Board of Directors hereby approves amendment of the Combined Heat and Power Policy as shown in Attachment 1.**

Moved by: Alan Meyer	Seconded by: Roger Hamilton
Vote: In favor: 11	Abstained: 0
Opposed: 0	

**ATTACHMENT 1: Fossil-Fuel Combined Heat and Power Policy**

<b>History</b>			
Source	Date	Action/Notes	Next Review Date
Board Decision	December 19, 2002	Approved (R149)	March 3, 2004
Board	March 3, 2004	Reviewed-No Change	February 2005
Board	February 16, 2005	Reviewed & deferred for 6 months	August 2005
Board	September 7, 2005	Revised (R348)	Report to board in early 2006; review implementation in 9/08



Board	December 19, 2008	Revised (R499)	9/2011
Board	December 16, 2011	Revised (R612)	2/2015

**Introduction**

Fossil-fueled combined heat and power (CHP) projects may have certain economic and environmental advantages, including potential energy efficiencies, which make them of interest to the Energy Trust. At the same time, CHP raises two concerns that the Energy Trust board addresses in this policy: (1) When is CHP energy efficiency, hence eligible for Energy Trust support, as opposed to a generation resource? (2) How should Energy Trust identify and manage the risks that may attend CHP projects?

~~Energy Trust currently supports only renewable energy CHP projects, small market transformation CHP projects, and the use of waste heat for limited purposes.~~

~~The Oregon Public Utility Commission has encouraged the Energy Trust to support CHP projects that reduce customers' on-site energy requirements.~~

**Policy**

- a. In addition to incentives for other measures, Energy Trust should offer incentives for fossil-fuel CHP generation that increases total system efficiency~~reduces fuel consumption through increased efficiency~~, is more cost-effective than the alternative resource, and would be used on-site. Energy Trust will not offer incentives for fossil CHP power for sale (other than buy-all, sell-all utility buy-sell arrangements with the serving utility).
- b. Energy Trust will use budgets and structures of existing programs, and adjust incentives and/or develop contract terms to reflect any higher level of risk compared to other projects.
- c. Energy Trust will evaluate projects using a cost-effectiveness methodology that is comparable to that used for the same type of facility or dwelling, but which accounts for unique CHP features.
- d. Energy Trust will limit eligibility to facilities that use Pacific Power or PGE electricity.
- ~~e. Energy Trust will provide no higher incentives for CHP projects funded through efficiency programs than comparable CHP projects funded through the renewable program.~~

**Strategic Planning Committee, Mark Kendall**

The board discussed the implementation strategy for the recently adopted 2015-2019 Strategic Plan. One key issue is implementing, testing and evaluating key metrics to assess progress to the plan goals and strategies. The committee will monitor these topics and report to the board. The committee is also responsible for planning the annual board strategic planning workshop in June.

The board heard a summary of the committee's initial discussions about strategic plan goal metrics related to efficiently achieving savings and generation goals, supporting growth and development of infrastructure in the renewable energy marketplace, evaluating collaboration opportunities and criteria for when to engage with partners, expanding participation, supporting emerging technologies, and continuous operational improvements. Staff is investing in developing such metrics and will report back to the committee.

The committee will also start to include brief reports, summaries and meeting notes in board packets to keep the board apprised of metric development and other activities, including where the committee needs input on planning the retreat.

Margie noted some items mentioned will also be captured in quarterly reports to the OPUC and presentations to the board.

*The board took a break 1:55–2:05 p.m.*

*The board recognized retiring board member Dave Slavensky from 2:05 – 2:20 p.m.*

## **Staff Report**

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### ***Highlights, Margie Harris***

Margie reviewed preliminary 2014 annual results and highlights. She began with a review of a recent commercial project in Medford that will save the customer about \$30,000 a year.

Margie noted Energy Trust expects to exceed the electric efficiency goal and achieve 98 percent of the natural gas goal with corresponding savings of 58 aMW and 5.66 million annual therms. This represents growth in both electric and natural gas efficiency results over 2013 savings. Projected electric savings include 5.3 aMW of market transformation savings both through the NW Energy Efficiency Alliance (NEEA) and Energy Trust activities.

Due to delayed custom projects in both PGE and Pacific Power territories and one cancelled project, Energy Trust installed 2.39 aMW of new renewable energy generation, 53 percent of the annual goal. Margie said these schedule changes were communicated to the board in August and were expected. It was noted the standard solar program achieved 140 percent of goal. Margie expects the renewable energy sector to be in good shape in 2015 with projects shifting from 2014 to be completed this year. There is also a strong forecast for 2016 projects.

Margie reviewed preliminary efficiency savings by utility. Energy Trust expects to surpass or approach energy goals and Integrated Resource Plan targets for three out of four utilities. Margie further detailed the change in progress to goal for Cascade Natural Gas.

The board noted Energy Trust is still well within the 15 percent deviation band the OPUC requires Energy Trust to achieve for each utility energy goal.

Margie reviewed preliminary, unaudited progress to the OPUC minimum performance measures, providing highlights of energy efficiency programs, renewable energy programs and Energy Trust support group accomplishments.

Margie also reviewed preliminary financial results noting year-end revenues matched closely to the budget. Energy Trust delivered more than \$85 million in incentives last year, a 26 percent increase over 2013. Margie described the year-end reserves balance of which the majority of funds are committed for projects completing in 2015 and beyond. Margie noted Energy Trust is tracking reserves closely by utility for both energy efficiency and renewable energy, and is on a path to lower the reserves over the next three years as planned.

In accordance with 2014 Management Review recommendations and OPUC budget/AP comments, Margie noted staff is working to identify three to four internal process improvements to address starting this year. Margie expects to include improvements and benefits from replacement of the IT project tracking system as one focus area.

Margie described a local, low-cost training in the art of participatory leadership that a cross-section of staff attended. This was a deliberate investment to ensure leadership skills are developed and staff have the opportunity to use them. Margie expects to use some of the training tools and techniques at the summer board retreat.

Margie noted the Oregon Solar Energy Industries Association recognized Energy Trust and the Oregon Department of Energy with an Apogee Award for improving the PowerClerk online platform, which now accepts both Energy Trust incentive applications and Oregon Department of Energy Residential Energy Tax Credit applications.

Margie closed with a review of a February 17 event at Arleta School to celebrate six new solar systems to be installed this summer on Portland public schools.

The board thanked Margie and staff for successful year.

***Integrated Solutions Implementation quarterly update, Steve Lacey***

The Integrated Solutions Implementation (ISI) project is nearing completion of the second of its two phases. Steve reviewed the goals of ISIP, which are to modernize Energy Trust's three core business systems. ISI will also strengthen integrations with internal systems and how they are used by external parties. Through the project, Energy Trust will benefit from process improvements.

Steve previewed the six main benefits from completing the project, including a flexible and more usable platform for ongoing enhancements to accommodate program design changes and functionality needs. ISI will also eliminate functionality no longer being used, leading to additional efficiency gains. Another benefit is investments in the Customer Relationship Management (CRM) system to allow staff to track customer site information and improve customer service. The project will also reduce errors resulting from the time-consuming process for reversing incentive payments, improve search capabilities and simplify how project contract work is tracked.

To meet the June project completion timeline, there will be three main releases of functionality, including adding customer sites to CRM, streamlining incentive payment processing, and improving access to and visibility of customer projects and measures. Steve indicated the project is on budget at this time.

The board recommended budgeting for ongoing improvements and expressed general support for integrating Energy Trust's IT systems.

***2015 Legislation update, Jay Ward and Hannah Hacker***

Hannah Hacker and Jay Ward presented a 2015 state legislative update. Jay began by reminding the board that Energy Trust provides information to legislators when requested, and provides informational briefings regarding Energy Trust's purpose, budget, results and services to constituents in their districts. Energy Trust does not lobby or take positions on legislative bills.

Jay described his activities as Senior Community Relations Manager, and listed informational briefings he has provided to new legislators in recent weeks.

Jay described OPUC Docket 1713 related to large utility customer funding and a similar legislative bill, HB 2946, drafted by the House Energy and Environment Committee. Jay also reported that Margi Hoffmann will continue as Governor Brown's Energy Advisor. Jay noted Energy Trust has maintained communication with Ms. Hoffmann and she is familiar with Energy Trust.

Hannah called board member attention to about 60 bills staff is tracking because they could affect Energy Trust programs or present new opportunities. Hannah highlighted a number of bills listed in the briefing paper provided in the board packet. She also noted a few bills that have appeared since the printing of the packet, including a bill promoting Green Globes as an energy efficiency rating system. Another bill would require the Oregon Department of Environmental Quality to study replacement of woodstoves with cleaner heating options.

Staff clarified for the board the Senate committee assigned to SB 431 and SB 499. SB 431 reduces public purpose expenditure standard. SB 499 requires nongovernmental entity, as condition of receiving public purpose charge moneys, to be assessed by independent third party. The board noted SB 304, and discussed the Oregon Department of Energy process completed in 2014 regarding improving

transparency in operations at the department. SB 304 caps energy resource supplier assessment at a percent of supplier's gross operating revenue derived within this state in preceding calendar year.

**Feature presentation: Eco-districts**

Debbie K introduced this topic, noting there was interest among board members in learning more about EcoDistricts.

Rob Bennett, CEO of EcoDistricts, reviewed the benefits of eco-districts, which provide an important approach to accelerate urban regeneration. EcoDistricts work at the neighborhood-scale level to regenerate urban areas. Rob noted the urban development landscape is rapidly shifting to sustainability and the market is large, and an integrated model for implementing district-scale sustainability does not exist. EcoDistricts projects in Portland led to 10 other projects nationwide. EcoDistricts projects utilize a protocol planning manual to establish objectives, set metrics for measuring and reporting on progress, and provide a roadmap to implement the project.

Sarah Heinicke, executive director of Lloyd EcoDistrict, presented next. Lloyd EcoDistrict is one of five pilots established through then-City of Portland Mayor Sam Adams and the Portland Sustainability Commission. Performance areas the EcoDistrict is interested in include transportation, energy and waste reduction, and storm water management. Lloyd EcoDistrict's Energy Action Plan is intended for long-term implementation.

Lloyd EcoDistrict encompasses 11.9 million square feet of commercial and residential development, which is about 400 acres. The area includes key players such as the Convention Center, the Moda Center and the Trail Blazers. The Lloyd EcoDistrict objective is to become the most sustainable business district in America. To do so, they are considering energy efficiency in existing and new buildings, renewable energy installations and district energy. Sarah displayed a chart that forecasts how the 25 percent energy reduction goal will be met by 2035. Sarah described recent energy projects completed by the EcoDistrict, including projects with Energy Trust. Sarah noted there are additional innovative opportunities they would like to pursue with Energy Trust.

Erin Flynn, president and co-chair of South of Market EcoDistrict (SOMA), noted how EcoDistricts can be likened to community organizing in terms of the many partners to involve and limited capacity to complete the work. SOMA is another of the five pilots established in Portland. SOMA includes Portland State University, and encompasses 90 city blocks of nine million square feet of office, residential and university space. SOMA's EcoDistrict roadmap identifies three major objectives, including energy efficiency. Portland State University, within the SOMA boundaries, is part of an Energy Trust Strategic Energy Management cohort. Erin noted there might be opportunity for Energy Trust to help make the transition from a university approach to an EcoDistrict approach.

The board asked questions about how receptive businesses are to EcoDistricts and challenges facing them. The board thanked Rob, Sarah and Erin for their presentations.

## Adjourn

The meeting adjourned at 4:27 p.m.

**The next regular meeting of the Energy Trust Board of Directors** will be held Wednesday, April 1, 2015, at 12:15 p.m. at Energy Trust of Oregon, Inc., 421 SW Oak Street, Suite 300, Portland, Oregon.

/S/ Alan Meyer  
Alan Meyer, Secretary