

Meeting Minutes—148th Meeting

February 22, 2017

Board members present: Susan Brodahl, Heather Beusse Eberhardt (by phone), Ken Canon, Melissa Cribbins (by phone), Dan Enloe, Roger Hamilton, Lindsey Hardy, Mark Kendall, Debbie Kitchin, Alan Meyer, John Reynolds, Anne Root, Steve Bloom (OPUC ex officio), Warren Cook (Oregon Department of Energy special advisor)

Board members absent: Eddie Sherman

Staff attending: Michael Colgrove, Fred Gordon, Peter West, Hannah Cruz, Steve Lacey, Mariet Steenkamp, Corey Kehoe, Alex Novie, Sue Fletcher, Debbie Menashe, Mia Hart, Phil Degens, Mike Bailey, Julianne Thacher, Mark Wyman, Sam Walker, Susan Jamison, Betsy Kauffman

Others attending: Allison Spector (Cascade Natural Gas), Jim Abrahamson (Cascade Natural Gas), Rick Hodges (NW Natural), Amanda Potter (CLEAResult), Anne Snyder Grassman (PGE), Whitney Rideout (Evergreen), JP Batmale (OPUC), Julia Harper (NEEA), Jeremy Litow (NEEA), John Charles (Cascade Policy Institute), Ryan Solomon (public), David White (Research Strategy Content)

Business Meeting

Debbie Kitchin called the meeting to order at 12:15 p.m. She reminded the board that consent agenda items can be changed to regular agenda items at any time.

General Public Comments

The president may defer specific public comment to the appropriate agenda topic.

There were no comments.

Consent Agenda

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 16, 2016, Board meeting minutes
2. Program Approval Policy 4.22.000-P-R791

Resolution 791 AMENDING PROGRAM APPROVAL POLICY

WHEREAS:

1. **The Board Policy on Program Approval, read strictly, applies only to “existing” programs. In fact, Energy Trust follows the policy for all programs, new and existing.**
2. **The policy also says that the Board will review program “management” contracts. In fact, the Board reviews all program-related contracts, whether management contracts or not, consistent with its Policy on Contract Execution and Oversight.**

To clarify the policy in these respects, it is RESOLVED that the Board of Directors of Energy Trust of Oregon, Inc. amends the Program Approval Policy as shown in Attachment 1, so that the policy applies to all programs, new and existing, and Board review and oversight is governed by the Policy on Contract Execution and Oversight.

Moved by: John Reynolds
 Vote: In favor: 12
 Opposed: 0

Seconded by: Anne Root
 Abstained: 0

Board Nominating Committee

Election to New Terms of Office–R792

John Reynolds introduced Resolution 792 to nominate five existing board members to new terms on the board.

**RESOLUTION 792
 ELECTING SUSAN BRODAHL, KEN CANON,
 MELISSA CRIBBINS, DAN ENLOE AND ROGER HAMILTON
 TO NEW TERMS ON THE ENERGY TRUST BOARD OF DIRECTORS**

WHEREAS:

1. The terms of incumbent board members Susan Brodahl, Ken Canon, Melissa Cribbins, Dan Enloe and Roger Hamilton expire in 2017.
2. The board nominating committee has recommended that five of these members' terms be renewed.

It is therefore **RESOLVED** that the Energy Trust of Oregon, Inc., Board of Directors elects Susan Brodahl, Ken Canon, Melissa Cribbins, Dan Enloe and Roger Hamilton, incumbent board members, to new terms of office that end in 2020.

Moved by: Anne Root
 Vote: In favor: 12
 Opposed: 0

Seconded by: Lindsey Hardy
 Abstained: 0

The board discussed the cycle of board member terms. Debbie Menashe clarified roughly one-third of the seats expire each year.

Election of Officers–R793

Warren Cook arrived at 12:20 p.m.

**RESOLUTION 793
 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 or be appointed to terms as officers:
 - Debbie Kitchin, President
 - Ken Canon, Vice President
 - Alan Meyer, Secretary
 - Susan Brodahl, Treasurer

It is therefore **RESOLVED** that the Board of Directors hereby elects the following as officers of Energy Trust of Oregon, Inc., for 2017:

- **Debbie Kitchin, President**
- **Ken Canon, Vice President**
- **Alan Meyer, Secretary**
- **Susan Brodahl, Treasurer**

Moved by: Anne Root
 Vote: In favor: 12
 Opposed: 0

Seconded by: Mark Kendall
 Abstained: 0

The board thanked Dan Enloe for his leadership as Treasurer and his contributions to the Finance Committee.

President’s Report

Debbie Kitchin reviewed the board committee appointments, which are largely similar to 2016. The main change is appointing Susan Brodahl as chair of Finance Committee and Dan Enloe as a member of the committee. Dan has agreed to continue as chair of the Compensation Committee.

**RESOLUTION 794
 BOARD COMMITTEE APPOINTMENTS**

WHEREAS:

1. **Energy Trust of Oregon, Inc. Board of Directors are 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 765, adopted by the board at its February 24, 2016, 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:**

Audit Committee
Ken Canon, Chair
Melissa Cribbins
Mark Kendall
Heather Beusse Eberhardt
Karen Ward, outside expert
Debbie Kitchin (<i>ex officio</i>)
Board Nominating Committee
John Reynolds, Chair
Roger Hamilton
Alan Meyer
Anne Root
Eddie Sherman
Steve Bloom, OPUC (<i>ex officio</i>)
Debbie Kitchin (<i>ex officio</i>)

Compensation Committee (formerly 401(k) Committee)
Dan Enloe, Chair
Melissa Cribbins
Mark Kendall
Debbie Kitchin (<i>ex officio</i>)
Executive Director Review Committee
Melissa Cribbins, Chair
Ken Canon
John Reynolds
Debbie Kitchin (<i>ex officio</i>)
Finance Committee
Susan Brodahl, Chair
Dan Enloe
Anne Root
Debbie Kitchin (<i>ex officio</i>)
Policy Committee
Roger Hamilton, Chair
Ken Canon
Alan Meyer
John Reynolds
Eddie Sherman
Debbie Kitchin (<i>ex officio</i>)
Program Evaluation Committee
Alan Meyer, Chair
Susan Brodahl
Heather Beusse Eberhardt
Lindsey Hardy
Anne Root
Ken Keating, expert outside reviewer
Debbie Kitchin (<i>ex officio</i>)
Strategic Planning Committee
Mark Kendall, Chair
Susan Brodahl
Ken Canon
Lindsey Hardy
John Reynolds
Eddie Sherman
Warren Cook, ODOE (<i>ex officio</i>)
Steve Bloom, OPUC (<i>ex officio</i>)
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.

4. The board also acknowledges that the following board members have committed to attend advisory council meetings:

- a. Conservation Advisory Council: Lindsey Hardy and Alan Meyer**
- b. Renewable Energy Advisory Council: Alan Meyer and John Reynolds**

Moved by: Anne Root
Vote: In favor: 12
Opposed: 0

Seconded by: Roger Hamilton
Abstained: 0

Committee Reports

Evaluation Committee, Alan Meyer

The committee has held one meeting since the last board meeting. The committee reviewed an impact evaluation of the Existing Buildings program in 2013-2014. The committee had an extensive discussion on whether to use the heating/cooling interaction factor in the realization rate.

The committee also reviewed the process for evaluating large projects in New Buildings. To obtain more detailed evaluations, the program needs to lay the groundwork upfront to ensure building owner agreement to such evaluations. The third study reviewed was the Existing Multifamily Showerhead and Shower Wand Study. The main change resulting from the study is to replace the current instrument used to measure flow rates with microweirs and nanoweirs that reduce variability in the results.

The board reviewed the decision by the committee to not use the heating/cooling interactive factors in the Existing Buildings impact evaluation when the evaluator recommended using them.

Mike Bailey provided additional information on the decision, primarily driven by the need to balance between the accuracy of the information with the complexity of gathering it and its usefulness.

The board discussed the data on non-energy benefits of direct-install action measures noted in the Existing Multifamily Showerhead and Shower Wand Study and the value of incorporating the information into Energy Trust's work. Staff explained the scope of the study and when non-energy benefits are used in cost-effectiveness calculations.

Residential Sector Change Presentation

Thad Roth presented on staff approach to modifying the internal and contract structure for the residential sector. Many aspects of residential program delivery will remain the same. Energy Trust will continue to deliver savings using a Program Management Contractor (PMC) model, and program delivery will not be brought in-house. Staff held a Conservation Advisory Council workshop in January with Conservation Advisory Council members, utilities, trade allies, Bonneville Power Administration, NEEA and others. Feedback from attendees is they understand the impacts and how it would affect the current structure and see the need to make structural changes. Attendees also provided advice on what to pay attention to when transitioning to a single PMC, and noted the fact Energy Trust is moving to a less diverse portfolio approach.

Thad reviewed the current structure, including three programs with three PMC contracts. PMCs manage operations, program budget, forecasting, project tracking, outreach and marketing. The programs are organized by how customers are served, either through trade allies in the Existing Homes program, builders in the New Homes program or retailers in the Product programs.

Challenges are in two forms: savings over next the next three to five years and how best to deliver savings in the future given the changes in savings. Energy Trust expects fewer residential savings, specifically lighting which is currently 90 percent of the Products program's electric savings, and showerheads which are currently about 54 percent of the Existing Homes gas savings.

Also, sources of savings are expected to shift. The structure creates challenges when some technologies are delivered by multiple programs. This requires coordination across PMCs. The same coordination is needed in regards to program strategy and how that rolls up to sector strategy and meeting sector goals. Also, as savings decline for some measures, this takes time and coordination as staff and PMC staff work on developing new measures.

The outcome of the assessment is to move to a structure with one residential program and one PMC contract. There will be built-in flexibility to add Program Delivery Contractors (PDCs). PDCs are subject matter experts for a particular market or technology, and could be useful for new homes construction or retail lighting offerings.

Thad clarified the RFP for a residential program PMC is being drafted for release in March, and will include flexibility for respondents to indicate whether they might engage subcontractors or recommend PDCs. The RFP will also specifically call out the PDC services Energy Trust is interested in exploring. The board might see narrower, targeted contracts for PDC services. Thad noted the PDC needs may not be firmly understood until the selected PMC has assumed program management responsibilities.

The board asked whether staff considered moving to the contracting model used by the Production Efficiency program. Thad said the residential sector processes a large volume of applications and the PMC model provides what is needed at both the management and delivery level. Mike Colgrove noted economies of scale are realized with PMCs and they assist Energy Trust in serving customers cost effectively.

The board discussed emerging technologies that may intersect with the residential sector. The board requested staff investigate the energy savings and dollar savings associated with Powerwalls and Powerwall controllers, including pairing them with time of use rates. The board encouraged Energy Trust to be ahead of the curve on this technology, and to think about whether the technology is within Energy Trust's purview. Mike said staff will follow-up on this.

Thad described the results staff is looking to realize with the change in the residential program structure. It will simplify the process to develop new measures, improve staff ability to guide strategies across the entire sector, and refocus staff on where savings are coming from today and where new savings will come from in the future. Benefits of the change will be a rebalance of the portfolio in terms of what measures are contributing savings. Also, by consolidating some of the work done by each PMC resource, savings could be realized over time. Energy Trust will continue to provide cost-effectiveness offerings for customers and trade allies. This internal structure will not be visible to customers.

The board discussed the potential interest from bidders and a desire to see multiple bidders. Thad predicted multiple bidders would respond.

The board asked whether incentives for the same measure would still differ by setting, such as in existing or new home. Thad said measures and unit energy savings are not expected to change and currently vary depending on the site.

Thad clarified the PMC contract would be performance based and set using the 2018 budget and goals approved by the board in December 2017.

Staff will return in July with a proposed contract for the board's consideration. If approved, a transition contract will be put in place for the latter half of the year and the new contract will start on January 1, 2018.

Board took a break from 1:18 p.m. to 1:35 p.m.

Committee Reports

Finance Committee, Dan Enloe

The committee reviewed preliminary financial results for 2016. The overall budget deficit variance was 0.01 percent, and overall Energy Trust had very good results. On revenue, there was a drop from Cascade Natural Gas, though overall variances were very small. The revenue budget for the year was \$154 million and Energy Trust received \$151 million.

Reserves were spent down as planned, and now Energy Trust's operating budget has the program and contingencies reserves at the desired levels. Dan reviewed the incentive spending levels by program over the past two years.

Cascade Natural Gas Funding Temporary Adjustment–R795

Mariet Steenkamp reviewed the resolution. In November, the board approved a resolution for staff to transfer up to \$200,000 from the organizational contingency reserve to the Cascade Natural Gas program reserve. The amount was based on the Quarter 4 forecast. When the finalized statements for the year came in, staff identified revenue for Cascade Natural Gas was \$206,000 lower than forecasted and expenses were \$61,000 lower than forecasted. This created a shortfall of \$145,000 in addition to forecasted shortfall of \$190,000. At the Finance Committee, staff recommended the board ratify an additional transfer of \$135,000 from the organizational contingency reserve to the Cascade Natural Gas program reserve. Energy Trust and Cascade Natural Gas will work throughout 2017 to review financial results and will act on any necessary changes. The Finance Committee also recommended the Policy Committee look at the use of the board reserve policy and whether to change the policy to create conditions where a ratification after the effect is stated in the policy. Today's recommendation to the board is to allow the transfer of \$135,865 and to allow the Policy Committee to review the use of the board reserves policy.

The board provided two changes to the resolution. Under the first resolved statement, delete "or" between "transfer" and "up" and under the third resolved statement, change "board or directors" to "board of directors".

The board asked why the forecast was off and how a second request for use of the reserves can be avoided. Mariet said the expenses were very close to target. The mild fall weather impacted revenue, plus Cascade Natural Gas's funding adjustment only impacted revenue from January and on. This is what impacted the forecasted results.

The board asked if there are any learnings for future. Mariet said that now Energy Trust is at targeted reserve levels, staff will pay closer attention and will follow up earlier. Steve Lacey said 2016 was a transitional year for Cascade Natural Gas. The utility's general rate filing was earlier in the year when it consolidated the various contributions to the public purpose charge. Cascade Natural Gas and Energy Trust tried to identify the revenue stream needed. They were close but understood they were going to have a shortfall. The magnitude of the shortfall was not expected. Steve said Energy Trust and Cascade Natural Gas feel they have good grounding and don't anticipate these fluctuations again.

The board asked who proposed resolved statement 3A in the resolution. Steve Lacey said it was a commitment made by Cascade Natural Gas when the first resolution came through and it still holds. Cascade Natural Gas staff Allison Spector and Jim Abrahamson said it has always been Cascade Natural Gas's intention that the public purpose charge be sufficient to cover Energy Trust's budgetary needs, replenish the reserve component and repay any loans provided by Energy Trust to fill short-term fluctuations. Cascade Natural Gas is very supportive of meeting with Energy Trust regularly to try and avoid these situations.

**AMENDED RESOLUTION 795
CASCADE NATURAL GAS FUNDING TEMPORARY ADJUSTMENT USING
CONTINGENCY RESERVES ACCOUNT ORGANIZATION POOL**

WHEREAS:

1. Actual Cascade Natural Gas 2016 revenues were \$1.69 million, \$206,000 lower than 4th quarter forecasts.
2. In November 2016, based on revenue and expense forecasts available at that time, Energy Trust's board of directors approved a transfer of up to \$200,000 from the Contingency Reserve organization contingency pool to continue program implementation in 2016 and for program reserve replenishment.
3. Preliminary results indicate that Energy Trust achieved 111% of its goal in Cascade Natural Gas territory in 2016. While actual expenses to achieve these results were less than forecast, actual revenues for 2016 were also less than projected, and Energy Trust transferred \$335,865 from the organization contingency pool to cover the revenue shortfall, \$135,865 more than authorized by board action in November 2016.
4. Energy Trust's Using Reserve Accounts Policy requires that the board acts prior to a transfer from the organization contingency pool, but because of the timing of the discovery of the full shortfall, prior board action could not be obtained if the shortfall was to be covered for year-end financial statements.
5. Energy Trust now requests that the board of directors ratify the temporary transfer of \$135,865 from the Contingency Reserve organization contingency pool to the Cascade Natural Gas operating account for 2016 Cascade Natural Gas program implementation.
6. Energy Trust's Contingency Reserves Account organization pool of approximately \$4.6 million is adequate to temporarily fund the shortfall.
7. Cascade Natural Gas has committed to repay fully any amount taken on its behalf from the Energy Trust organization pool not later than December 31, 2017.
8. Energy Trust's Using Reserve Accounts Policy requires prior board approval before utilizing the Contingency Reserves Account organization contingency pool.
9. Given timing between board meetings, Energy Trust's transfer of \$135,865 to cover actual year-end shortfall was not the result of prior board action. Such transfer was not, therefore, in compliance with board policy. To address this situation in the future, the board of directors Policy Committee shall review the Using Reserve Accounts Policy in 2017 and shall recommend changes to the Using Reserve Accounts Policy. Such changes shall include specified conditions and provisions, including board ratification, for transfers from the organization contingency pool if prior board action is not practicable.

It is therefore RESOLVED that:

1. In November 2016, the board of directors authorized the Executive Director to transfer of up to \$200,000 of Contingency Reserves Account organization contingency pool funds to the Cascade Natural Gas operations account.
2. The Executive Director's transfer of an additional \$135,865 of Contingency Reserves Account organization contingency pool funds to the Cascade Natural Gas operations account is hereby ratified.
3. This transfer is authorized with:
 - a. The express understanding that Cascade Natural Gas will repay fully the funds transfer not later than December 31, 2017, and
 - b. Direction to the Policy Committee to review the Using Reserve Accounts Policy and recommend changes to the Using Reserve Accounts Policy such that transfers from the Contingency Reserves Account organization contingency pool may be affected prior to board action under specified conditions and provisions including board ratification at the next regularly scheduled board of directors meeting.

Moved by: John Reynolds
 Vote: In favor: 12
 Opposed: 0

Seconded by: Ken Canon
 Abstained: 0

Policy Committee, Roger Hamilton

The Policy Committee reviewed proposed changes to the Contract Execution and Oversight Policy, and recommended that the full board approve the changes which, among other things, clarify the executive director may sign contracts under which Energy Trust receives funds in any amount without board approval.

Debbie Menashe noted a discussion on the Corporate Governance Guidelines section on board training will be set with Debbie Kitchin in advance of a proposal to revise this section of the Guidelines.

**RESOLUTION 796
 CONTRACT EXECUTION AND OVERSIGHT POLICY**

WHEREAS:

1. **The Board Policy on Contract Execution and Oversight requires Board approval for any Energy Trust commitment to expend more than \$500,000.**
2. **The policy does not address receipt of funds. Historically, the Executive Director has signed contracts under which Energy Trust receives funds in any amount.**
3. **During routine review of the policy in 2017, the Policy Committee recommended that the policy be amended to reflect this established practice.**

It is therefore RESOLVED that the Board of Directors of Energy Trust of Oregon, Inc. amends the Board policy on contract execution authority as shown in Attachment 1, to clarify that the Executive Director may sign contracts under which Energy Trust receives funds in any amount.

Moved by: Ken Canon
 Vote: In favor: 12
 Opposed: 0

Seconded by: Susan Brodahl
 Abstained: 0

Strategic Planning Committee, Mark Kendall

The 2017 Board Strategic Planning Workshop will be held at Mercy Corps Northwest in Portland on May 18 and 19. The agenda is being developed with two main themes: mid-term review for the 2015-2019 Strategic Plan and discussing the vision of the next strategic plan. The workshop will include time to review the Strategic Plan Dashboard and accomplishments to date. Then the board will move into issues that are actively being carried forward from the last retreat and the policy landscape over the next few years. A guest speaker will provide perspective on the energy-efficiency market. Small group sessions will discuss key issues Energy Trust identified last year and how they are going, including the Diversity Initiative and how to embed it into current policies, organizational behavior and planning.

The board discussed energy storage and characteristics in terms of energy savings and grid benefits. The topic may not be within Energy Trust's legislative mandate, yet was also not necessarily envisioned in 1999. Energy Trust may need the OPUC's feedback on this topic and Energy Trust's potential role. The workshop could structure the conversation around what criteria to use to evaluate the topic.

The committee meets two more times before the workshop. Asked whether federal policy changes will be a part of the agenda, Mark noted the keynote speaker will be able to address this topic.

Staff Report

Preliminary 2016 Results (Michael Colgrove)

Mike reviewed Energy Trust's preliminary annual results. The 2016 annual report with official results will be available April 14, 2017. Preliminary results show Energy Trust exceeded all efficiency goals, achieving its highest ever annual.

The board positively noted how close to targets the results are, indicating improved forecasting and implementation.

Mike noted programs were more successful in certain areas, largely due to the economic boom, including residential and commercial new construction, projects completing sooner than anticipated and over achievement in lighting. Energy Trust is tracking well against strategic plan goals.

On the renewable energy side, Mike said the preliminary results show Energy Trust exceeded budgeted goals for standard solar by 25 percent and exceeded the OPUC performance measure. The year ended with a strong pipeline of Other Renewables projects expected to complete in 2018 or beyond, including 14 irrigation districts with about 40 energy efficiency and renewable power projects. One large solar project completed while two were delayed to 2017, as previewed during the board budget presentation in fall 2016. Delays are common in large complex projects. Overall, the two project delays led to a shortfall in the overall generation goal, and Energy Trust achieved 67 percent of the annual goal. Energy Trust is still well positioned to meet the strategic plan goal for renewable generation.

Mike provided high-level preliminary financial information on revenues, expenses and reserve levels. He clarified for the board the reserve levels have reached the desired targets after three years of planned drawdowns and as agreed upon with the utilities and OPUC. Energy Trust's incentive spending in 2016 reached \$110 million, \$2 million over budget and \$14 million more than 2015. Michael highlighted a few key areas that contributed to the successful year.

Melissa Cribbins left the meeting at 2:19 p.m.

Mike highlighted recent projects at Springfield Public Schools, including boiler and water heater upgrades at three schools.

The board asked if levelized costs for the year were yet known. Steve Lacey said preliminary analysis shows Energy Trust is well within the levelized cost budget.

Legislative Update (Jay Ward and Hannah Cruz)

Jay Ward summarized Energy Trust's legislative and policy approach. Energy Trust does not take positions on candidates or legislation. Jay described the federal political landscape, including possible reversal of the Clean Power Plan and potential changes to the ENERGY STAR program. In addition, President Trump's proposed budget currently does not allocate funds to the AmeriCorps program, and Energy Trust currently works with agencies to help sponsor two AmeriCorps interns supporting rural energy-efficiency efforts.

The Oregon legislative session began in February and will go through July 10. Oregon is facing a \$1.8 billion deficit for the next biennium. Governor Brown released a budget proposing both cuts and new revenue. Governor Brown and a bipartisan group of legislators are also working to draft a statewide transportation funding package. Both chairs are new for the House Energy & Environment Committee and Senate Environment & Natural Resources Committee.

Hannah Cruz referenced a legislative briefing paper in the board packet featuring 80 bills that are related to energy. There are 2,000 bills introduced in the legislature so far.

The bills that may most directly impact Energy Trust relate to the public purpose charge. SB 539 would change Energy Trust's receipt of SB 1149 funds and direct portions of the fund to cities, counties and schools for energy conservation.

The board requested the full text of the bill and an indication of sponsoring legislators' political party and district area, which Hannah will provide by email after the meeting.

Hannah reviewed three other public purpose charge bills introduced by Senator Olsen.

The board asked what the legislature is trying to solve with the public purpose charge bills. Hannah said there's interest in ensuring appropriate oversight of Energy Trust spending. Energy Trust does have oversight through the OPUC and reports quarterly and annually to the OPUC, as well as biennially to the legislature through a joint OPUC and Oregon Department of Energy report.

Hannah concluded the bill update, noting there are multiple bills related to the Oregon Department of Energy, including those related to energy tax credits. Of particular note is the Residential Energy Tax Credit, which is currently set to expire at the end of 2017. Expiration of the Residential Energy Tax Credit will impact Energy Trust residential efficiency and solar programs. There are a few bills related to transportation electrification.

Jay noted Governor Brown nominated Megan Decker to serve on the OPUC. If confirmed by the Senate on March 8, she would take her seat as OPUC commissioner on April 1.

The board acknowledged Commissioner John Savage's long commitment to energy efficiency as a commissioner and in other roles. The board discussed writing a letter commending him for his years of service. Debbie Menashe added that the board can do a unanimous written consent outside of a meeting to recognize John Savage.

The board suggested inviting local board members to legislative briefings as a way to provide additional perspective on Energy Trust.

Diversity Initiative Update (Debbie Menashe)

Debbie and staff will provide Diversity Initiative updates to the board on a regular basis. The Diversity Team conducted an interactive Diversity Initiative Workshop on January 23. The workshop attendees included board members, staff and guest speakers. During the workshop, attendees reviewed Energy Trust demographic data about staff, the board, customers and trade allies, as well as state and national data. Staff went into the workshop with the goal of identifying desired outcomes. Workshop attendees discussed the varying and multitude of customer stories that need to be understood first. At the conclusion of the workshop, staff came away with specific actions, including planning a diversity day, exploring and describing people's own stories including internally, and most importantly, externally. Other actions include an added focus on job fairs and university programs for intern positions and other job candidates to ensure communities of color are considered. Staff will also apply to the residential request for proposals the lessons learned from adding diversity and inclusion elements to the Existing Buildings request for proposals. In addition, developing a board level policy on diversity and inclusion will further support success of the initiative.

Debbie said that in addition to the workshop, there will be deeper work on individual readiness by building on the Intercultural Effectiveness Survey staff and the board completed in spring 2016. Staff will soon reach out to organizations within Energy Trust's service territory that represent and serve communities of color. Many organizations are required to do this work, and while Energy Trust is not required, the organization has the ability to think deeply about outcomes and what to achieve. Staff also want to build relationships with these organizations to better understand them and understand what the data means. This is all foundational work, and staff hope to develop more concrete, desired outcomes at the board's Strategic Planning Workshop or by the end of the year.

The board discussed findings from the workshop and talked about the problems Energy Trust is looking to solve with the Diversity Initiative. Staff noted that in order to serve customers, more information is needed on their perspectives and goals.

The board talked about diversity in customers, diversity in staff and the intrinsic value in this approach. Discussion continued about elements of diversity, including race, ethnicity, economic, sexual orientation, political orientation and geographic.

Mike noted staff and board are asking important questions. The Diversity Initiative is about ensuring we are serving in an equitable manner all those that contribute to the public purpose charge. We can expand our reach and services while furthering our energy goals. The conversation from the workshop is that we need to have representatives from these communities to help us understand how they characterize their community. Data is not enough. We need to talk to the people to see how they view themselves.

The board discussed the workshop, including the data gathered, whether starting with the data is the best approach, the diversity of the existing board, how Energy Trust could modify hiring approaches, and how the initiative is an ongoing effort, not a project.

Mike provided final announcements for the board. He updated the board on the internal projects launching related to diversity, systems enhancements, an organizational review, a budget review and Lean Startup training for a sample of staff. He recently conducted regional outreach visits to Eastern Oregon and has trips planned to Southern Oregon and Central Oregon in March. Mike's recent conversation with Commissioner Savage asked about the sustainability of Energy Trust's savings achievements, and a discussion with Portland Business Journal's Craig Wessel has led to his additional interest in changing or softening economic indicators.

Adjourn

The meeting adjourned at 3:25 p.m.

The next regular meeting of the Energy Trust Board of Directors will be held Wednesday, April 5, 2017, at 10:30 a.m. at Energy Trust of Oregon, Inc., 421 SW Oak Street, Suite 300, Portland, Oregon.

s/s Alan Meyer
Alan Meyer, Secretary