

Board Meeting Minutes—149th Meeting

April 5, 2017

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

Board members absent: Debbie Kitchin, Eddie Sherman

Staff attending: Sarah Castor, Amber Cole, Mike Colgrove, Hannah Cruz, Jessica Iplikci, Corey Kehoe, Debbie Menashe, Peter West, Steve Lacey, Fred Gordon, Mike Bailey, Sam Walker, Quinn Cherf, Lindsey Dierksen, Oliver Kesting, Greg Stokes, Cheryle Easton, Cheryl Gibson, Katie Sager, Alison Ebbott, Pati Presnail, Elizabeth Fox, Juliet Eck, Justin Buttles, Rachanney Ros, Wendy Bredemeyer, Dan Rubado, Phil Degens, Thad Roth, Sue Fletcher, Zach Sippel, Whitney Winsor

Others attending: Warren Cook (Oregon Department of Energy), Whitney Rideout (Evergreen), BJ Moghadam (NEEA), Anne Snyder Grassman (PGE), Lonny Peet (Nexant), Allison Spector (Cascade Natural Gas), Rick Hodges (NW Natural), Jennifer Price (Moss Adams), Ashley Osten (Moss Adams)

Business Meeting

Ken Canon called the meeting to order at 10:30 a.m. Reminder that consent agenda items can be changed to regular agenda items at any time.

General Public Comments

There were no public comments.

Oregon Department of Energy Special Advisor Update

Ken Canon announced Warren Cook, as the Oregon Department of Energy Special Advisor to the board, will be replaced today by Janine Benner. Janine joined the department two months ago. The board looks forward to working with Janine and expressed its appreciation of Warren for his sage advice and service.

Roger Hamilton joined the board meeting at 10:32 a.m.

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. February 22, 2017, board meeting minutes
2. Lost Opportunities Policy—R799
3. Amend Using Reserve Accounts Policy –R800
4. Amend Corporate Governance Guidelines –R801

RESOLUTION 799 AMEND LOST OPPORTUNITIES POLICY

WHEREAS:

1. In 2002, Energy Trust's Lost Opportunities Policy was established to document Energy Trust's favoring of "lost opportunities," i.e., situations in which an opportunity to implement an efficient solution will be lost if not done when new equipment is selected and new facilities are constructed.

- 2. Under current funding structures, Energy Trust programs aim to capture all cost-effective energy efficiency, so the prioritization for “lost opportunities” has little ongoing effect.
- 3. Notwithstanding the foregoing, Energy Trust staff recommends retaining the Lost Opportunities policy to serve as a statement of the principle and direction with minor editorial revisions to reflect current context.
- 4. Up for its regular three year review at this time, Energy Trust staff presented the recommended revisions to the board’s Policy Committee on March 9, 2017. Based on suggestions for clarification from the Policy Committee and with the recommendation of the Policy Committee, staff recommends the policy revisions indicated below at this time.

It is therefore **RESOLVED** that the Energy Trust policy on lost opportunities is amended as shown below.

Moved by: Roger Hamilton
 Vote: In favor: 11
 Opposed: 0

Seconded by: Melissa Cribbins
 Abstained: 0

- 5. Using Reserve Accounts Policy 5.05.010-P–R800

**RESOLUTION 800
 AMEND USING RESERVE ACCOUNTS POLICY**

WHEREAS:

- 1. The Using Reserve Accounts Policy, in its current form, requires Energy Trust staff to obtain prior board approval before drawing on the organization contingency pool of the contingency reserves account.
- 2. In some circumstances, it is not practicable to obtain prior board approval to draw on the organization contingency pool for permitted purposes, and the board of directors seeks to amend the policy to provide for a compliant path for such circumstances.
- 3. In circumstances where prior board approval is not practicable, Energy Trust’s board of directors wishes to authorize the executive director to approve appropriate use of the organization contingency reserve pool with board ratification at the board meeting immediately following executive director authorization.
- 4. Energy Trust staff presented recommended revisions to provide for executive director authorization and ratification to the board’s Policy Committee on March 9, 2017. Based on suggestions for clarification from the Policy Committee and with Policy Committee recommendation, staff recommends the policy revisions indicated below at this time.

It is therefore **RESOLVED** that the Energy Trust policy on using reserve accounts is amended as shown below.

Moved by: Roger Hamilton
 Vote: In favor: 11
 Opposed: 0

Seconded by: Melissa Cribbins
 Abstained: 0

- 6. Corporate Governance Guidelines Policy 2.03.000–R801

**RESOLUTION 801
AMEND CORPORATE GOVERNANCE GUIDELINES**

WHEREAS:

- 1. The Corporate Governance Guidelines provide useful information to Energy Trust board and staff.**
- 2. In order to provide more specific clarification regarding the board president's decisions on continuing education for board members, Energy Trust staff, after conferring with the board president, proposed some slight revisions to the guidelines.**
- 3. Energy Trust staff presented its recommended revisions to the board's Policy Committee on March 9, 2017. The Policy Committee recommends that the guidelines revisions as indicated below be forwarded to the full board for approval.**

It is therefore RESOLVED that the Energy Trust Corporate Governance Guidelines are amended as shown below.

Moved by: Roger Hamilton
Vote: In favor: 11
Opposed: 0

Seconded by: Melissa Cribbins
Abstained: 0

Vice President's Report

Ken Canon provided information on an industrial Program Delivery Contractor (PDC) meeting he attended in early March. For many programs, Program Management Contractors (PMC) manage and deliver the program. In the industrial sector, the management of the program is internal with program delivery conducted by PDCs. Ken displayed the industrial staff names and roles. Three PDCs—Energy 350, PGE Customer Technical Services and RHT—are assigned geographic territories. Two PDCs are assigned non-geographic territories: Cascade Energy delivers the streamlined track for smaller industrial customers, and Evergreen delivers lighting for all industrial customers. Ken displayed a chart of electric and natural gas savings goals and achievements from 2013-2017. The sector has a strong pipeline for 2017. Last year's sources of savings came from custom projects (47 percent), lighting projects (30 percent), streamlined industrial projects (15 percent) and Strategic Energy Management (15 percent). Slides showed the growth in savings from LEDs as well as the potential for savings from LEDs over the next 18 years. Ken described the sector is completing more projects while the average savings are decreasing per project. Overall, there are challenges the sector faces in the coming years, including a declining customer base. Three of the largest eight customers in Eastern Oregon are no longer in business.

Ken provided information on a tablet-based scoping tool Energy Trust is working on. The tool would be used by PDCs as they walk through large industrial complexes. The tablet will allow staff and PDCs to respond quicker to customers on options available at their sites. Ken reflected Energy Trust staff are very skilled and motivated, and the PDCs are confident they can hit their savings goals this year.

The board talked about the global trend of automation and discussed opportunities for customers. They discussed the processes used in industrial operations, and the opportunities for projects and savings.

Ken highlighted the unanimous written consent by the board of directors in honor of OPUC Commissioner John Savage, who retired after more than 30 years in serving Oregonians in varying capacities.

Roger Hamilton: After personally retiring from the commission and beginning my work on transmission issues, I saw time and again how John commanded tremendous respect across the entire western region for his work on transmission for renewables. He is a leader in clean energy throughout the West.

Mark Kendall: He also played a key role in the creation of Energy Trust.

Audit Committee

Ken Canon introduced the Finance group, which supported the annual financial audit and helped ensure Energy Trust remains a good steward of ratepayer money. He then introduced Jennifer Price and Ashley Osten of Moss Adams LLP, who conducted the 2016 annual financial audit. The Audit Committee heard full details on the audit at the last committee meeting. Energy Trust obtained an unmodified 2016 financial audit opinion.

Moss Adams summarized the audit process and results for the board. The audit process included meetings with the Audit Committee to approve the audit scope and completion of all audit procedures by Moss Adams. Jennifer stated the audit followed this standard process and Energy Trust staff was very well prepared. Moss Adams reported Energy Trust received an unmodified opinion on the 2016 financial statements, resulting in Energy Trust meeting its 2016 Oregon Public Utility Commission minimum performance measure to demonstrate financial integrity. This is consistent with prior years. An unmodified opinion means Energy Trust's financial statements are presented fairly in accordance with generally accepted accounting principles (GAAP) in the U.S. Moss Adams reviewed the highlights of the audit and reported there were no items to be communicated specifically to the board.

Moss Adams described two best practice recommendations, both of which were resolved. The first was a recommendation to have a board member approve executive director expense reports instead of the Chief Financial Officer. Starting in March 2017, such statements are now approved by Board President Debbie Kitchin. The second recommendation concerned electronic processing. In 2015, staff started exploring electronic payments for major vendors. A discussion last year between Management Team and the Audit Committee discussed whether to extend electronic payments to incentive payments. Moss Adams provided information on the pros and cons last year, and now considers recommendation resolved as Management Team continues to explore the topic. Ken noted electronic payments are something staff and the Audit Committee are spending a lot of time considering. The main concern is the need to store customer banking information. The committee is comfortable with an approach that proceeds slowly and is investigated over time.

The board asked Moss Adams to clarify their opinion on electronic payments and whether they are recommending a move toward them. Ashley responded Moss Adams provided no recommendation and suggested Energy Trust weigh its options and to take the opportunity to pay electronically as a serious consideration.

The board then acted to accept the audited financial report for the period ending 12/31/16.

RESOLUTION 802 ACCEPTANCE OF AUDITED FINANCIAL REPORT

BE IT RESOLVED: That Energy Trust of Oregon, Inc., Board of Directors accepts the auditor's report on the financial statements, including an unmodified opinion, submitted by Moss Adams LLP for the calendar year ended December 31, 2016.

Moved by: John Reynolds
Vote: In favor: 11
Opposed: 0

Seconded by: Anne Root
Abstained: 0

Ken provided a brief update that Moss Adams is in the process of conducting an audit of Energy Trust's 401(k) plan.

PMC Program Contract Extension—New Buildings

Oliver Kesting, commercial sector lead, introduced the topic, which is staff's recommendation to extend of the PMC contract with CLEARResult for the New Buildings program. Jessica Iplikci, senior program manager, presented the recommendation and justification. Staff previously presented to the Policy Committee. Staff is proposing a final, one-year contract extension with CLEARResult to end December 2018.

Jessica reviewed CLEARResult's achievement to contract deliverables for the New Buildings program, which addresses commercial new construction, major renovations and tenant improvements. Outlined in the briefing paper are activities that have been completed and the five criteria staff used to assess performance to the contract: cross-program coordination, teamwork, project pipeline, innovation and progress to energy-saving goals. Jessica reviewed CLEARResult's progress against the criteria. Customer satisfaction is consistently strong for the program. A strength for the PMC is in marketing and customer engagement, especially the regional approach starting in 2015. The PMC delivered on a robust approach with outreach managers located throughout state, frequently serving rural communities, engaging the design ally community on how to participate, and delivering hands-on training and education. These efforts resulted in effective traction with design firms incorporating advanced design practices in their projects. CLEARResult is also able to keep pace with the growing and fast-moving market by developing program offerings to move the market, and successfully deploying straight-forward offers for the design community and building owners. The PMC also exhibited innovation through developing program offerings from the customer's viewpoint, for example, Market Solutions for small commercial market and Path to Net Zero.

Oliver clarified the program delivery budget for the contract is \$6.1 million for 2017 and is \$6.03 million for 2018.

The board expressed its appreciation for the PMC and PDC contract terms board briefing paper.

Jessica described the program's market share of new construction fluctuates each year, and as measured by the Program's Process Evaluation ranges, from 50 to 70 percent of the market.

The board asked if the goals were set appropriately for the program. Jessica said the majority of projects are small commercial buildings, which are forecasted well by the program. Large projects are less certain to forecast yet bring in significant savings and are often the reason for exceeding goal. Jessica described how the contract is a performance-based contract, with a small performance budget structured within the contract to keep the PMC focused on achieving reasonable targets across all utility territories.

The board asked whether a market study is needed to assess the total opportunity in Oregon. Jessica said the program leverages program process evaluations, a look back at past performance, to see what's actually built. When forecasting forward, the program looks beyond what's permitted and uses that to develop a pipeline ahead of what's known in the permitting process. The program is designed for early project intervention, to affect early design decisions before a permit is received and initial design plans are set.

Jessica described for the board why certain projects do not participate in the program. It typically depends on the incentive offers available.

The program works hard to have small commercial building owner opportunities available for core and shell construction, and then will approach business customers (business owners) once tenants identify the space they will contract and are ready to fit out a space, often the program approach taken in office, retail, restaurant. The program is designed to go after targeted opportunities. There could be a lot of square footage being built but few savings opportunities.

Oliver added the program tends to get most of the large projects. Smaller projects have a harder time engaging and the program developed a successful streamlined Market Solutions offer offering to support them.

The board commented Energy Trust has good relationships with architects and engineering firms. When it's a project that doesn't use those firms, what venues does Energy Trust need to do better in getting the attention of smaller owners? Oliver said more training would be needed in those venues. If the program knows of an opportunity, it goes after it. There may also be an opportunity to work with city permitting offices to get ahead of the market by providing program materials and increase awareness.

The board discussed how this program is playing a market transformation role. The board asked whether staff has any anecdotal information on how large businesses and corporations are moving toward efficient practices, whether design-build companies have changed their construction practice and behavior, and to what extent Energy Trust has transformed how architects, engineers and design/build firms approach their projects. Jessica confirmed New Buildings is a market transformation program. It maintains relationships with design firms especially during high construction periods when it could be easier for the customer to push aside voluntary efficiency programs. One example of transformation the program is starting to see is with Market Solutions, a tiered Good/Better/Best offering, is that projects are going beyond Good, pursuing Better or Best levels. Evaluations will continue to be used as the mechanism to document movement of the market.

The board had no objections to the one-year contract extension.

The board took a break from 11:33 a.m. to 12:05 p.m.

Committee Reports

Evaluation Committee, Alan Meyer

The Impact Evaluation of the 2013-2014 Existing Buildings Program and accompanying staff memo were reviewed at the last committee meeting. The evaluation provided opportunities to improve the way staff models savings upfront. Based on that recommendation, the program reviewed its modeling guide in late 2016 and will incorporate more details of specific modeling requirements in 2017. Staff identified insulation and food equipment for detailed savings estimates to improve measures and realization rates. The committee and staff discussed the Heating Cooling Interaction Factors and staff will continue with current practice. Staff will work to conduct the next evaluation closer to the implementation year. Phil Degens clarified staff is getting proposals in now for the next Existing Buildings impact, and noted any recommendations incorporated are shared with the PMC to incorporate into program delivery.

The committee also reviewed the Impact Evaluation of Commercial Strategic Energy Management. The evaluation provided good feedback. An issue with commercial SEM over industrial SEM is dealing with smaller facilities, meaning fewer savings per facility. The biggest change coming out of the evaluation is moving management of commercial SEM from internal to the Existing Buildings PMC. Phil noted the 2017 cohorts are broad commercial customers, and not market specific. Staff is also working on simplifying the savings model.

The committee received a presentation on free ridership and spillover, and looked at how other entities measure the interactions and whether Energy Trust should modify how it measures them. Staff will provide a presentation to the full board at an upcoming board meeting, either June or July. Fred Gordon is also developing a memo on attribution and that will be included in the presentation.

Finance Committee, Susan Brodahl

Energy Trust revenues look good for the start of the year. The January revenues were based on December 2016 collections. Revenues from PGE and Pacific Power will go up a little as rate increases went into effect in January.

Reserves are down as planned and will increase over the year until the funding is used during the high project season in Quarter 4.

Susan reviewed the total incentives and variances. She described the cash flow projections, reviewing the two-year tables in the board packet and noting the future commitments line indicates incentive dollars reserved for projects that have submitted an application but not yet been installed. Susan will spend time monitoring future commitments and reserve levels.

Susan reviewed the "Summary of All Units" tables on pages 8 and 9, noting there is no income from NW Natural Industrial or NW Natural Washington because Energy Trust is paid for these categories three times a year. She reviewed the program revenues, down 9 percent, and expenses, down 22 percent, are trending as anticipated.

The board commented on how revenue can fluctuate with weather changes, and recommended projected the financial tables on PowerPoint next time.

Policy Committee, Roger Hamilton

The committee met in March and reviewed the New Buildings PMC contract extension and board policies accepted in the Consent Agenda today. The committee also reviewed membership criteria for the Conservation Advisory Council and Renewable Energy Advisory Council, and added relevant experience as a criterion for membership selection for both councils.

A "constrained areas project" was reviewed where Energy Trust will work with Pacific Power on two locations to apply energy efficiency and lower demand in targeted localities. The board noted the utility has constraints on the transmission and distribution system and instead of making infrastructure investments, the project is seeing if Energy Trust can deploy concentrated energy efficiency to lower demand. Over time, the utility probably won't avoid upgrades but it could defer them. This has happened once or twice in the region and is called a non-wires solution. It's notable Pacific Power is interested in working with Energy Trust with an on-the-ground approach. The board highlighted this topic was something former Board President Tom Foley pushed for.

The committee also reviewed an issue with an Air Generate heat pump water heater. Energy Trust was notified in February that a customer who had installed the equipment had a fire in the garage. There were no injuries and the cause is being investigated. Because of the history of these units, Energy Trust has a remediation plan in place with NEEA. Debbie Menashe said the customer reached out thinking Energy Trust was the installer. Everything has been repaired and a new water heater installed. Staff was not able to get information on the cause of the fire and does not know whether the unit caused the fire, and is continuing to monitor these products. Staff will continue with the remediation plan and look at any future incidents that may arise.

Strategic Planning Committee, Mark Kendall

The committee met in March and is finalizing the agenda for the May 18-19 Annual Strategic Planning Workshop. The workshop will be an inflection point for the board. The workshop will use the Strategic Plan dashboard to review progress to goals and objectives of the current plan. The rest of workshop looks out to the future and is an opportunity for the board to weigh in and guide staff on areas to explore in 2018 in preparation for developing the 2020-2024 Strategic Plan in 2019. The keynote speaker is a long-term expert in this field, Scott Johnstone, executive director of Vermont Energy Investment Corporation.

Compensation Committee, Dan Enloe

In March, the committee reviewed staff compensation and the 401(k) program. For compensation, over the last year, staff completed a compensation study utilizing four market surveys, which led to updating pay grade levels. The annual merit review process was also completed.

Overall, Energy Trust is required to stay within the OPUC's 7.75 percent staffing performance measure and landed at 6.59 percent for the year. Dan recommended the board review the materials HR prepared that go into the details.

On retirement funds, the committee continued discussion on the Wells Fargo fund and decided to keep it because of its high performance and low cost. In the retirement plan, participation dropped a little from 95 percent to 89 percent from 2016 to 2017. Management Team will keep encouraging participation. Energy Trust continues to have low operating costs for maintaining the retirement plan.

Staff Report

Executive Director Update (Mike Colgrove)

Mike provided highlights of projects at Pendleton School District, which is building two elementary schools and renovating an existing building into a learning center. Solar and efficient lighting were installed at these locations, while also installing improvements at two other schools. This is an example of cooperation between Energy Trust and the Oregon Department of Energy where both organizations can collaboratively support school districts and maximize benefits for students in these communities. Mike is traveling later this spring to the Milton-Freewater School District for a ribbon cutting celebrating projects they have completed.

Mike presented the final annual report to the Oregon Public Utility Commission (OPUC), and with the now-accepted annual financial audit, staff will submit the report to the OPUC on April 14. 2016 was Energy Trust's highest savings year for both electricity and natural gas. Levelized costs continued to be low at 2.6 cents per kilowatt hour and 27.9 cents per therm. The renewable energy sector exceeded generation goals and the OPUC performance measure for standard solar, and did fall short of the annual board generation goal due to two delayed custom solar projects. Sector contributions of savings continues the trend of residential programs bringing in one-third of savings and business programs bringing in two-thirds of savings. Energy Trust's network of 2,400 trade ally contractors and allied businesses helped customers install projects at 80,000 homes and businesses across the state. Highlights of the year include engaging more first-time participants, serving more moderate-income customers with Savings Within Reach enhanced incentives, completing 250 projects at existing multifamily affordable housing projects and 20 new construction affordable housing projects, conducting outreach to Klamath Basin farmers and completing the first Klamath Falls industrial SEM cohort. Other notable accomplishments include exceeding or meeting all OPUC performance measures, tracking well to Strategic Plan goals and developing initial offerings for Avista customers, among other accomplishments detailed in the annual report.

Mike provided an update on three internal projects kicking off. The budget review project is taking a closer look at the annual budgeting process and identifying efficiencies as well as pros and cons to potentially moving to a two-year budget.

The final deliverable is a scoping report on elements of the budget process Energy Trust should consider modifying. It's important to understand how external stakeholders, especially the OPUC and utilities, view a successful budgeting process and engagement approach. If Energy Trust moved to a two-year budget, it would start with a two-year 2019-2020 budget.

The organizational review project is launching next week. The goal is to deliver a scoping report to identify an organizational structure and processes that can be considered, reviewed, amended or modified to help ensure Energy Trust has continued success. The board asked what skillsets were looked for when selecting team participants. Mike said staff were selected based on experience with project management and change management, being engaged and active listeners, and bringing a higher-level view of the organization to the table.

The Lean Start-Up training is under way with two teams. One team is focused on low-income customers and the other on K-12 education. The teams are in the customer discovery phase of the training, conducting interviews to understand customer pain points related to energy and barriers to participation.

Energy Trust Staff Diversity Survey Report (Michael Colgrove)

Mike provided a presentation of a survey of staff and board demographics and perspectives on diversity. Earlier this year, staff and board were sent a survey to help Energy Trust develop diversity metric baselines. The survey was used to assess diversity of staff and the board, compare staff and the board to the Oregon population and establish a baseline. The survey was voluntary and anonymous. Staff discussed whether the comparison to Oregon's population is the right comparison point, and Mike invited feedback in this area. Mike reviewed the survey findings. Energy Trust staff are more likely to be male, white; more than one race; lesbian, gay or bisexual; and younger than the average adult Oregonian as compared to the statewide data set. The board discussed looking further into the various characteristics in a way that maintains anonymity. The board asked if the survey is looking at trends for future growth in any of the areas. Mike said not at this time. Trends do start to factor in when staff starts to establish goals for the organization. Mike provided the remaining findings of the survey, listed on the PowerPoint slide. For the board, it is more likely to be male; white or Native American; lesbian or gay; military veterans; and older than the average Oregon population compared to the statewide data set. For next steps, the findings will be presented to staff, the survey will be repeated annually and staff will continue looking for additional data.

State Legislative Update (Hannah Cruz)

Hannah Cruz presented an update on state bills and recent activities in the Oregon Legislature. Energy Trust tracks and reports on a wide variety of energy issues including state legislation. Staff also respond to information requests from the media, stakeholders and elected officials. Energy Trust does not take positions or lobby in support of, or in opposition to, legislation.

The board asked if Energy trust is ever invited to testify in front of the Legislature, and Hannah confirmed that staff is from time to time. Hannah described recent testimony provided to the House Energy and Environment Committee regarding impact of the state Residential Energy Tax Credit sunset on Energy Trust programs. Hannah described the impact would reduce projects in the residential solar and energy efficiency programs. Hannah described how the cost-effectiveness of some residential projects could also be impacted.

Hannah described questions received from the committee and the parties who testified with various perspectives, and described next steps as the bills move forward. Hannah noted that Governor Brown's position on the state tax credits remains unchanged.

The board asked how much the Residential Energy Tax Credit amounts to and that it would be helpful to have an indication of the magnitude.

Hannah explained staff attempted to match data with the Oregon Department of Energy tax credit data. However, on energy efficiency it is not a one to one relationship while there is very high overlap with solar.

Hannah provided an update on three public purpose charge bills that are active in committees this week. SB 656, SB 657 and SB 659 separately would increase auditing of Energy Trust and reduce the public purpose charge percentage. Hannah explained that concern about utility rates may be driving interest in these bills, and misperception that lowering the public purpose charge will lower utility customer bills. She described OPUC Utility Program Director Jason Eisdorfer's testimony where he clarified that utility customers will have to acquire available cost-effective energy efficiency even if the public purpose charge is reduced. Hannah described a hearing on the bills that occurred earlier this week. The board noted that Senator Olsen was on the Lars Larson show and did not come across as against Energy Trust but perhaps doesn't fully understand Energy Trust's operations. The board suggested staff should explain details so they can be more fully understood by Senator Olsen and Lars Larson.

The board noted that in conversations with legislators, the funds are seen as tax dollars, not ratepayer dollars.

If staff could factually present all the savings acquired as savings to participants and savings to ratepayers that could have correct the misconception for legislators. Also, the perception is that Senator Olsen is pursuing audits because there is a lack of understanding of the oversight already in place while there is such oversight in place. The board asked if the OPUC could include information about Energy Trust in its presentation to the legislative budget committee.

Hannah described HB 3386 relating to the Low Carbon Fuel Standard and an amendment that has been offered that would use Energy Trust public purpose charge funds to help people and organizations comply with the standard. Staff will learn more and report back.

Hannah described HB 3412 introduced by Rep Buehler of Bend. The bill would use Energy Trust reserves as a revolving loan fund to invest in brownfields. Hannah described work by Energy Trust staff to clarify Energy Trust reserves. Staff will continue to watch the bill in the House Economic Development & Trade Committee. The board commented that this conversation reinforces how important it is to maintain minimal reserves and make sure those dollars are being invested.

The board asked what routine communications staff has with legislators when there is news to report on Energy Trust audits and reports. Hannah described Energy Trust's routine communications, including newsletters and annual district reports. The board asked if staff does a return on investment analysis in those district reports. Hannah explained that incentives and projects completed are included, as well as a list of businesses served. Hannah mentioned the biennial report that the OPUC submits on SB 1149 expenditures to the legislature every 18-months with a two-year update. Hannah noted that the report covers one portion of Energy Trust funding, and it is an opportunity for staff to follow up to clarify Energy Trust's full funding.

Mike noted that Megan Decker will start on the Commission on April 12. Mike also noted that Kim Crossman, Sector Lead for the Industrial & Agriculture sector, resigned from Energy Trust to take up new opportunities as of April 21. Mike noted her significant contributions to the organization and described the transition plan.

Adjourn

The meeting adjourned at 1:51 p.m.

The next meeting of the Energy Trust Board of Directors will be the Annual Strategic Workshop on Thursday, May 18 and Friday, May 19 at 8:00 a.m. at Mercy Corps Northwest, 43 SW Naito Parkway, Portland, Oregon.

s/s Alan Meyer

Alan Meyer, Secretary