Board Meeting Minutes—152nd Meeting

July 26, 2017

Board members present: Susan Brodahl, Ken Canon, Dan Enloe, Roger Hamilton, Lindsey Hardy, Debbie Kitchin, Alan Meyer, John Reynolds, Anne Root, Steve Bloom (OPUC ex officio)

Board members absent: Heather Beusse Eberhardt, Melissa Cribbins, Mark Kendall, Eddie Sherman, Janine Benner (Oregon Department of Energy special advisor)

Staff attending: Mike Bailey, Sarah Castor, Shelly Carlton, Scott Clark, Mike Colgrove, Hannah Cruz, Phil Degens, Andy Eiden, Sue Fletcher, Fred Gordon, Kate Hawley, Susan Jamison, Marshall Johnson, Corey Kehoe, Erika Kociolek, Steve Lacey, Debbie Menashe, Thad Roth, Dan Rubado, Mariet Steenkamp, Julianne Thacher, John Volkman, Sam Walker, Jay Ward, Peter West

Others attending: BJ Moghadam (NEEA), Greg Stiles (Ecova), Linda Woodley (public), Bob Stull (Ecova), Matt Braman (CLEAResult), Kari Greer (Pacific Power), E.D. Mondainé (NAACP Portland), Lisa Wright (NAACP Portland), John Charles (Cascade Policy Institute), Emily Fiecco (Secretary of State), David Kelliher (Ecova), Alecia Dodd (Ecova), Anne Snyder Grassman (PGE), Mike Christenson (Energy 350), Trent Brackenridge (CLEAResult), Roger Kainu (ODOE), Whitney Rideout (Evergreen)

Business Meeting

Debbie Kitchin called the meeting to order at 10:31 a.m. Reminder that consent agenda items can be changed to regular agenda items at any time. There were no changes to the agenda.

General Public Comments

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

Susan Brodahl joined the meeting at 10:34 a.m.

Reverend E.D. Mondainé Jr., vice president of the Portland branch of the National Association for the Advancement of Colored People, Portland homeowner and Po' Shines restaurant owner, provided comment on the Energy Trust staff recommendation to the board of directors for residential sector program management and delivery contracts. Reverend Mondainé read from a letter from the Portland NAACP to the Energy Trust board and signed by Portland Branch President Jo Ann Hardesty. As written in the letter, the Portland NAACP requested the board reject the contract approval recommendations for the residential programs and reopen the competitive bid process with greater emphasis on diversity, equity and inclusion for underserved communities.

Reverend Mondaine read a copy of the letter. Although the letter was not delivered in paper form at the time of public comment, it was delivered to the board and to Energy Trust staff several days after the board meeting. A copy is included here:

NAACP
PORTLAND, OREGON BRANCH

July 17, 2017

To: Debbie Kitchen, President, Energy Trust of Oregon

Ken Canon, Vice President, Energy Trust of Oregon

Alan Meyer, Secretary, Energy Trust of Oregon

Board Members: Susan Brodahl, Dan Enloe, Melissa Cribbins, Heather Beusse Eberthardt, Lindsey Hardy

Roger Hamilton, Anne Haworth Root, Mark Kendall, John Reynolds, Eddie Sherman, Steve Bloom, Jamie Benner

From: The Board of the NAACP Portland Branch Executive Committee

Re: Request you reject contract for residential programs for 2018/2019 at your July 26 2017 board meeting until you are presented with a contract that ensures that all communities in Oregon benefit from the use of our public purpose funds.

Dear Board President Kitchen,

I am writing you today as the President of the NAACP Portland Branch. I have become aware of your intention to approve a contract for residential programs for 2018-2019. I strongly request that you reject this staff recommendation and send your staff back to the drawing board. I was troubled that your RFP only provided ***5***% points for a plan to ensure services were made available to low-income communities and communities of color.

While low-income communities and communities of color all pay the public purpose fees on our utility bills in addition to paying more for utilities in the first place, the fact that ETO put so little value on engaging these communities clearly shows the need to reject this proposal.

Energy Trust has managed the Oregon public purpose funds 2002, yet still hasn't figured out a way to ensure that rural communities, low-income and diverse communities benefit from this mandated payment. The numbers of people paying this public purpose fund without any benefits continues to grow yet it appears that the Energy Trust of Oregon continues to ignore this growing inequity.

On June 10, 2017 NAACP Presidents from Eugene, Corvallis, Salem and Portland met with the Governor and legislative leadership to provide them with a copy of our research report Just Energy Policies: Reducing Pollution and Creating Jobs. The report clearly shows that while there are significant incentives in Oregon for energy improvements, those benefits and incentives benefit only a small segment of the population.

PORTLAND NAACP BRANCH 1120 | P.O. BOX 12333 | PORTLAND, OREGON 97212

NAACP
PORTLAND, OREGON
BRANCH

PRESIDENT - JO ANN HARDESTY
1ST V.P. - E.D. MONDAINE
2ND V.P. - NONI CAUSEY
SECRETARY - MELISSA LANG
TREASURER - CLEOPHAS CHAMBLISS

Almost all the incentives are for home owners yet 40% of our population are renters, low-income and people of color. Where are our benefits? With the Energy Trust budget schedule to be approximately $198.6 million in 2017, it is critical that the needs of diverse communities are addressed as these funds are disbursed. Oregon rate payers are not a homogenous group. However, Energy Trust of Oregon continues to operate in an environment which does not acknowledge the diversity of it's service area. We believe the lack of diversity in the Energy Trust of Oregon's staff and Board of Directors has resulted in inequalities in the way that public purpose funds are utilized. Under current Energy Trust policies and practices, it is unrealistic to assume that public purpose funds will be used for the benefit of all rate payers when there are no decision makers among Energy Trust staff with a vested interest in designing programs which diverse communities can access. Also, because there is very limited diversity among contractors and trade allies, it reinforces the difficulty of successfully designing and implementing programs for diverse people and income levels.

Now is the opportunity for the Board of Directors of the Energy Trust of Oregon to recommit to your mission, to serve all Oregonians. Will you be a voice for inclusion and sharing the benefits of a clean energy future with low-income, rural and communities of color? Or will you continue to support the status quo by allowing this emerging clean energy future we all envision to only be available to the wealthy of our community at the expense of ratepayers who can't benefit.

Again, the NAACP Portland Branch strongly encourages you to reject the pending 2018-2019 residential program and start again. The first thing in your new RPF should include a scale of 25-30% of the score to develop residential programs that benefit ratepayers that are low-income, rural and that represent the diverse communities that make up our state. Anything less is unacceptable and doesn't serve the people of Oregon.

Sincerely

Jo Ann Hardesty, President

NAACP Portland Branch

PORTLAND NAACP BRANCH 1120 | P.O. BOX 12333 | PORTLAND, OREGON 97212

The board appreciated Reverend Mondainé's input on behalf of Portland NAACP, and invited Portland NAACP to continue to be involved in helping Energy Trust address this issue. The board discussed that a reweighting of the scoring could be informative and may result in a different numerical result. The process is nearing its end and it is important to move forward with a selection to avoid disruptions in services for residential customers.

Reverend Mondainé said it would be an indication that the board is trying to resolve the issue and is a starting point.

The board thanked Reverend Mondainé for providing them with the Just Energy Policies report and the Portland NAACP's concerns. The board has recognized equitable access to Energy Trust services is essential to consider in designing and delivering programs. Energy Trust started a Diversity, Equity and Inclusion initiative. Recently, the board reviewed the initiative at a May board workshop, discussing what it means to board and staff in terms of programs. The initiative also rated high in terms of prioritization for the organization. From a practical, pragmatic standpoint, Energy Trust is trying to meet energy goals and the only way to do that is to reach more and more people. It is something the board and staff has taken to heart. Energy Trust will have to work through this specific element in a way that doesn't disrupt program availability.

The board discussed follow-on actions Energy Trust and Portland NAACP could take together. Reverend Mondainé welcomed a one-on-one dialogue with Energy Trust staff and Executive Director Mike Colgrove. In response the board's question on whether Portland NAACP has any suggestions for Energy Trust in terms of diversity in income levels and types of housing, Reverend Mondainé said he will prepare that for the one-on-one dialogue.

The board noted Energy Trust needs the NAACP's help in reaching out and structuring programs so the organization delivers in the market sectors noted in the letter. Reverend Mondainé noted one of the things the NAACP is trying to do is to bring forward critical thinking instead of criticizing. They are relieved this is a group of hopefuls and critical thinkers looking to help the community together.

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. May 18-19, 2017, Strategic Planning Workshop minutes
2. June 7, 2017, Board meeting minutes
3. Authorize a Contract Amendment with SBW Consulting, Inc. for Evaluation Services–R809

RESOLUTION 809
AUTHORIZING THE EXECUTIVE DIRECTOR
TO EXECUTE AN AMENDMENT TO A CONTRACT WITH SBW CONSULTING, INC.

WHEREAS:

1. **Following a competitive solicitation process that concluded in March 2016, SBW Consulting was awarded the contract to conduct an impact evaluation for Energy Trust's Production Efficiency program, covering program years 2013-2014.**
2. **The added scope of the amended impact evaluation contract is to cover data collection, impact analysis, and reporting of savings results, observations and recommendations for program improvement for an additional sixteen (16) custom projects.**
3. **The expected not-to-exceed budget for the amended contract is $540,000, which exceeds**

the executive director's signature authority and requires board of directors' approval.

It is therefore RESOLVED that the Board of Directors of Energy Trust of Oregon, Inc., hereby authorizes the executive director to sign an amended contract for evaluation services for the 2013-2014 Production Efficiency program impact evaluation with SBW Consulting with a budget of up to $540,000.

Moved by:	John Reynolds	Seconded by: Ken Canon
Vote:	In favor: 9	Abstained: 0
	Opposed: 0	

President's Report

Debbie presented on resiliency trends and how growing interest in improving the state's resiliency will continue and may affect Energy Trust's work. She read recently about ZincFive from Wilsonville, which won the Oregon Technology Association award for "Most Disruptive Technology off the Year" for its nickel-zinc battery. The battery technology is environmentally safe, maintenance free and recyclable. It could be back-up for critical emergency and other needs like traffic data centers or high-tech data centers. The battery is an example of the large transformations and improvements happening in battery technology that may impact solar, utilities, the electric grid and other energy-related opportunities.

Planning and Evaluation – End Use Load Research Project

Authorize an Amendment to the Regional Energy Efficiency Initiative Agreement with the Northwest Energy Efficiency Alliance–R810

Mike reviewed the resolution, which would authorize Energy Trust to amend its contract with NEEA for an end use load research project. The project would entail continuous metering of various end-use systems in residential and commercial buildings to better understand load shapes and penetration. Mike is on the end use load research steering committee and Phil Degens is part of the associated working group. The project is a five-year project that will cost an estimated $12.5 million total. Energy Trust's funding of the project is based on its proportional funding overall for NEEA, and will amount to approximately $2.5 million over five years. The contract amendment is structured to cap at approximately $2.5 million or Energy Trust's proportional share of NEEA funding, protecting Energy Trust if the cost of the project changes. Bonneville Power Administration and Energy Trust are the largest funders of NEEA, and NEEA wanted the largest funders committed to encourage the rest of funders to commit. Of the 15 funders, 10-12 have already committed.

Mike clarified Energy Trust's funding is proportional based on the overall cost of the project, and is about 20 percent of the project cost.

The board asked for more information on what is driving the cost per site metered. Phil Degens noted that end use metering is expensive. NEEA looked at nonintrusive load metering technologies but they are not as reliable for assessing loads and load patterns for individual energy uses (e.g., water heating or clothes washer). Part of the cost is wiring individual homes. The cost per site is driven by the cost for collection, analysis and monitoring over time. The goal of the project is to have the meters in place for five years.

Phil described end use metering, which involves site visits and a review of the circuit breaker panel to determine which breakers to meter. The breakers will be wired with remote communications so the project team is aware as soon as possible if the metering breaks or is disrupted. Phil noted there is a higher cost to recruiting the 500 sites, and its expected only one in three sites identified will participate due to site-specific factors, including suitability of the wiring and end-uses, and customer willingness. Mike noted the metering will help the project team understand when equipment like a refrigerator draws from the grid and if that is during peak periods. By knowing this information, NEEA and Energy Trust will better understand what end uses provide value in terms of peak load reduction.

Mike clarified industrial funds are not being used to fund the study.

The board asked how the project will be budgeted for Energy Trust's portion. Mike said the budget for the project will be set during the annual budgeting process, and the amount will fluctuate depending on the year.

Fred Gordon noted approximately $150,000 in starter funding was allocated in the 2017 annual budget, and used as a show of commitment to bring other funders to the table. The project will be budgeted as part of the Planning & Evaluation group budget. Fred noted that evaluation budgets today are not apportioned depending on what specific sectors are being studied. This could be something to think about given the amount of this project. Traditionally, Energy Trusts policies have taken the perspective that reductions in load reduce the need for generation and fuel to the benefit of all customers. Fred said staff held on committing to this project until it became clear that peak costs are significant enough that understanding how measures reduce peaks helps determine the value of efficiency. Knowing equipment load shapes will inform efforts to understand that value.

The board asked staff to keep in mind if other studies or activities should be delayed given the cost of the project.

Phil noted the residential sites will be selected based on technologies at the site and not necessarily selecting a representative sample of residential homes. Phil clarified the resolution language and the use of "new" indicates new to the study, not new residential construction.

The board asked whether the sites will also be used to monitor new technologies. Fred noted it is a natural impulse to put many other research objectives into expansive studies, but multi-research often fails. Staff will make sure to prioritize the most important questions first so staff can answer them with some authority. Fred said Energy Trust will never know all load shapes of all equipment based on metered data because that costs too much. We will gain knowledge on the most important measures in terms of overall savings. Some lower priority measures we will estimate based on simulation or small sample data. For others that represent even less savings we will use simple engineering analyses.

The board discussed whether the sampling of the sites should start at around 30 sites instead of 100, citing a high-tech wafer project that conducted multi-varied testing of a smaller quantity of wafers. Staff noted 500 sites is the number needed to adequately test the various end-use technologies, and offered that the wafer project example tested a uniform product while the end-use technologies to be studied here are all different and are operated differently, resulting in multiple load shapes.

Mike clarified the funding request is in addition to the 2017 approved budget.

The board asked whether any other regions in the U.S. have completed a similar study. Phil said a similar study was completed on the East Coast for a couple of end uses. Not all the information was transferrable to the Pacific Northwest region.

The board asked whether there were any process learnings from that study. Phil believes that the commercial roof top unit load shape as well as commercial lighting load shape might be useful when the project starts looking more closely at commercial end use load metering.

Fred described the benefits of the study. Currently, staff is in the process of updating avoided costs. The forecast value of e energy savings is decreasing relative to what was forecast two years ago. The value of winter peak and especially summer peak is going up. This is in alignment with what the Northwest Power and Conservation Council presented to the board a few months ago. The Pacific Northwest is pivoting to an evaluation of how much energy is saved and when it is saved, with the latter value increasing. Mike noted Energy Trust should have started this evaluation three to five years ago as the information is needed now. Fred said the electric utilities will use it to understand the value of demand-side management programs, and PGE is interested in making an additional contribution on top of Energy Trust's contribution.

The board stated that they are pleased the study will be completed.

Phil described how the sites will be selected. For instance, one of the questions from the Residential Building Stock Assessment asks whether the participant is willing to participate in this study.

The board discussed the resolution language, and adding a reporting clause to the resolution. Mike said the board will see the allocation brought forward every year during the annual budgeting process. This contract and resulting amendment does not commit Energy Trust to the amount. The annual authorization happens when the board approves each annual budget. Staff can provide progress updates each year.

John Charles, president of Cascade Policy Institute, provided public comment on the resolution. He said he appreciates the time the board put into deliberating the resolution. The comment about it being an annual authorization is appropriate; it's not appropriate to commit to five years of funding. The board should be very clear that you reserve the right to pull out over time if results don't merit it. He suggested that Energy Trust and NEEA are very comfortable in spending ratepayer dollars because it just appears. Energy Trust should solicit money from foundations. Money is being left on the table if you're not asking for foundation money. Energy Trust should also not be obligated to a share, which is irrelevant, as the project should be considered on its merits as a project. This allows for the possibility that you could put more or less into the project depending on what you are receiving from the project. Reserving the right to back out if needed in the future would be prudent.

The board thanked John Charles for his comments.

The board reviewed the resolution language and discussed revisions to add a reporting loop back to the board and to require a project update during each annual draft budget presentation. Staff will incorporate the revisions and bring the revised resolution back to the board later in the meeting.

Freeridership Study Presentation

The board postponed the presentation to a later date due to time constraints.

Executive Session

The board met in executive session pursuant to bylaws section 3.19.1 to discuss internal personnel matters from 11:45 a.m. to 12:24 p.m.

Planning and Evaluation – End Use Load Research Project

Authorize an Amendment to the Regional Energy Efficiency Initiative Agreement with the Northwest Energy Efficiency Alliance–R810

Staff provided a revised Resolution 810 to address the board's earlier comments to clarify funding is approved on an annual basis and to add a reporting clause.

RESOLUTION 810
AUTHORIZING AN AMENDMENT TO THE REGIONAL ENERGY EFFICIENCY INITIATVE AGREEMENT WITH THE NORTHWEST ENERGY EFFICIENCY ALLIANCE

WHEREAS:

1. **The Northwest Energy Efficiency Alliance (NEEA) remains the premier regional market transformation organization and Energy Trust contractor since our inception.**
2. **In January 2015, Energy Trust entered into a five-year regional funding agreement with NEEA to support NEEA's 2015-2019 Business Plan activities and to acquire market transformation savings from NEEA's program delivery activities.**
3. **NEEA has proposed a five-year, comprehensive regional end use load research project monitoring identified end uses in a set of residential and commercial sites around the region (the EULR Project) which is supplemental to the activities described in its 2015-2019 Business Plan.**
4. **Energy Trust supports the EULR Project and will benefit from the results of the EULR project in designing its residential and commercial programs.**
5. **The proposed regional budget for the EULR Project is $12,500,000. Energy Trust's regional portion, calculated at its current 19.961% funding share, is $2,480,366, payable over five years.**
6. **Staff regards NEEA's work as essential to achieving Energy Trust savings goals over the next few years, helping ensure a full pipeline of efficiency projects to deliver long-term benefits to Oregon and the region, and further regards the EULR Project as an important regional research effort which will benefit Oregon ratepayers.**

It is therefore RESOLVED:

1. **The executive director or his designee shall identify annual budgets for each of the five years of the EULR Project and shall annually provide an update to the Energy Trust board regarding the status of the EULR Project (the "EULR Annual Report"). The EULR Annual Report shall be presented to the board during the presentation of the draft annual budget and two-year action plan.**

2. **The executive director or his designee is authorized to negotiate and sign an amendment to the current Regional Energy Efficiency Initiative Agreement between Energy Trust and NEEA to authorize funding of up to $2,480,366 to support the EULR Project.**

3. **Annual funding for the EULR Project shall be consistent with and subject to Energy Trust's board-approved annual budgets and two-year action plans.**

Moved by: John Reynolds Seconded by: Dan Enloe
Vote: In favor: 9 Abstained: 0
Opposed: 0l

Energy Programs – Residential RFP Decision

Authorize Residential PMC and PDC Contracts–R811, R812, R813

Thad Roth introduced the resolutions. Staff recommends board approval for a Residential Program Management Contract with CLEAResult, Retail Midstream Promotions Program Delivery Contract with Ecova and EPS Whole Home New Construction PDC with TRC Solutions.

Thad described the 2017 residential sector structure, which includes three programs with three PMCs—Existing Homes, New Homes and Products. The structure is organized around how customers access services, either through contractors, builders or retailers. The programs have some similar activities, like project tracking, marketing and outreach.

A 2016 analysis of the program structure led to decision to restructure the sector, which will be implemented through a new PMC and PDC contracting framework. Thad reviewed the objectives of the request for proposals for residential PMC and PDC services, including providing more flexibility to serve customers, streamlining offerings and developing consistent market strategies. These objectives were formed from results of the sector reassessment and results of the RFP. Starting in 2018 if the board approves, the residential sector will continue with the PMC role yet will consolidate management functions into one PMC, like measure development, customer service, marketing and outreach. The individual PMC will support a portfolio of measures with strategy driven by internal staff. Program delivery contracts will be arranged directly between Energy Trust and the PDC, not as a subcontract between the PMC and PDC. The smaller program delivery contracts will be focused on program delivery and not program management. PDCs are akin to subject matter experts. PDCs positions Energy Trust to have direct conversations with retailers. Retail relationships are key to the Retail Midstream Promotions PDC while market expertise and technical expertise focused on the new construction market, reaching builders and expanding opportunities are key to the EPS Whole Home New Construction PDC.

Thad noted the new residential structure is a hybrid of the industrial sector if Energy Trust were to be considered the PMC in that case. Thad noted that through a direct contracting approach with the Energy Trust can define effective working relationships between the PMC and PDC.

The board asked if staff has concerns with any gaps or conflicts forming between the contracts. Thad said that is always a concern and is mitigated by outlining clear roles and scopes of work during the contracting process.

The board asked how staff roles will change with the new contracting structure. Thad said there will be some changes and he is working on restructuring residential staff. Currently there are three program managers managing the three PMC contracts and the rest of staff fulfills the remaining project analysis, marketing, outreach and technical responsibilities. One option for staff restructuring is to have one contract management manager, a measure portfolio manager focused on technologies, one manager for market channel management, and one manager for marketing. The market channel manager informs how Energy Trust reaches out to customers, whether through contractors, retailer or distributors. The rest of the staff would keep the same responsibilities. One of the challenges is the projected change in savings over the next few years is still uncertain in terms of timing and magnitude. For the 2018 budget, overall program size and initiatives, they may not vary substantially from 2017 as staff understands the changes in timing and magnitude for future savings opportunities.

Thad described the RFP process. Respondents could respond to the PMC option, one or both PDC options or a combination of PMC and PDC options. There was a robust response to the RFP. Staff evaluated and scored each contract independently. Over the process, some companies consolidated their final responses with other companies that submitted intents to respond.

Two companies responded to all three contract opportunities. The RFP response review was done by a cross-organizational group of staff and two external evaluators, one from the Northwest Power and Conservation Council and a diversity, equity and inclusion expert.

Thad reviewed the RFP scoring criteria: 40 percent on energy savings and cost, 30 percent on proposal strength, 15 percent on team strength, 10 percent on collaboration, and 5 percent for diversity, equity and inclusion. This was the first time an Energy Trust RFP included an external reviewer specifically focused on diversity, equity and inclusion scoring. The 5 percent of the score was designated to understand the respondent's organizational expertise and resources in diversity, equity and inclusion. In other portions of the RFP scoring, the respondents were asked how to reach and serve all customers, reflecting additional focus and significance to this important aspect of program management and delivery in the RFP scoring process.

Thad noted staff reassessed the scoring results by weighting the diversity, equity and inclusion score at 25 percent after the board request this morning. The change in weighting did not change the ranking of respondents and still aligned with the unanimous recommendation of the RFP team. Staff welcomes continuing the conversation. Thad noted the strategic plan includes a goal of expanding participation and through the RFP, the residential sector sought to broaden its reach and to improve its understanding of customers.

The board discussed how to share the findings with Portland NAACP, either through a letter or by having Mike set a meeting with Reverend Mondainé. Mike suggested the meeting approach would be the most effective, and the board agreed. Mike will also ensure Reverend Mondainé knows the RFP review committee included a diversity, equity and inclusion expert.

Thad said the evaluation process included a review that the minimum response requirements were met, the company exhibited financial stability and the company received a high score in the weighted evaluative criteria. Out of this evaluation, three PMCs and two PDC bidders received interviews. Each interviewed company was rescored and a selection made based on what companies received the highest scores. The recommendation before the board reflects a consensus decision on all three contracts. Thad noted the 2017 delivery budget of $13.6 million is for the three PMC structure. By adding each resolution under consideration today, it totals $10.72 million, suggesting a savings opportunity of 20 percent based on criteria established for RFP responses. Those numbers could change as staff moves into 2018 budgeting and is dependent on measure portfolio makeup and outreach strategy.

Thad reviewed staff recommendations before board. Staff recommends CLEAResult for the PMC—Residential Program. Strengths of CLEAResult are its experiences as a delivery manager, in-depth knowledge of challenges and opportunities, cost-competitive proposal, engineering and measure development expertise, and business system acumen. Peter noted CLEAResult is currently the Existing Homes and New Homes PMC, and is also the PMC for New Buildings. It is board policy that no one company can be a PMC for more than three programs. If the board approves resolution 811, CLEAResult would be PMC for the residential program and New Buildings, and also has smaller contracts for Strategic Energy Management delivery for commercial and industrial.

Staff recommends Ecova for the PDC—Retail Midstream Promotions. Strengths of Ecova are its ability to navigate the retail lighting market, ability to build from existing business relationships, and experience engaging a wide range of retailers from Dollar Store to Costco. Peter noted Ecova is currently the Products PMC, and also has smaller contracts for specific services, the latter of which will continue.

Staff recommends TRC Solutions for PDC—EPS Whole Home New Construction. TRC has experience in California in advancing new construction, and expert staff based on that experience. TRC showed innovative strategy and processes to gain deeper savings on a per home and per builder basis. TRC also has forecasting expertise and integration for strategic planning. TRC has an office in Portland, and currently contracts with Oregon Housing and Community Services and NEEA. TRC does not have any existing contracts with Energy Trust.

Thad reviewed the next steps if the board were to approve the three resolutions. Three transition contracts would be completed by September 1, transition onboarding and trainings completed by November 15, and 2018 contracts signed by December 22. There are transition costs, below $500,000 board approval threshold per contract.

The board asked if there will be savings in terms of spending given the cost of residential programs going down and the discussion that there will be measure changes in lighting in the near future. Thad said staff will know more through the 2018 budgeting process. While lighting is a large component of the sector's savings, there are other areas of uncertainty. For example, with the expiration of the Oregon Residential Energy Tax Credit, a number of measures that is might be impacted. In addition, the sector is reassessing field staff levels to avoid gaps in services.

The board noted there is currently a New Homes outreach manager in Bend and asked if similar services will be provided in 2018. Thad said staff is committed to covering Energy Trust's service territory, and there might be a new or different way to accomplish that.

The board reflected on Reverend Mondainé's comments and noted an area for concern might be in the retail stores participating in the program. Peter said participation is higher in rural areas than urban areas as the Products program has invested a lot in expanding retail relationships, including to Dollar Tree, Dollar Store and True Value. Field services are an important aspect, and Energy Trust needs a presence throughout its service territory.

The board thank staff for their good work and robust process. They commented they appreciated the comments brought forward by Portland NAACP and the commitment by Energy Trust to enhance participation for low income customers, rural customers and communities of color. There is much more to do.

Linda Woodley, member of the public, provided public comment on the staff recommendation on residential contracts. She said she served recently as a diversity consultant for Energy Trust and listened to the comments from Portland NAACP this morning. She said she does not think that the staff reassessment and explanation regarding the RFP process is responsive to the NAACP comments of earlier in the meeting. The RFP selection committee had one diversity expert and 14 staff members. Ms. Woodley perceived the NAACP comments to indicate that Energy Trust needs to go back to the beginning of the RFP process and look at how diversity was put together and at how the evaluation was done by people that are not of color. The board thanked Ms. Woodley for her comment.

The board noted Energy Trust still has the ability and process within which it can insert how it approaches these priorities as the contracts are scoped and program designed. Thad said part of the process was how Energy Trust could broaden its reach. Staff is always looking for new opportunities and directs these contracts. Peter added there is opportunity and time to put forward actions that help address these concerns as staff starts the 2018 budgeting process.

The board reflected on contracting goals the federal government uses, and how that could be used as a benchmark or consideration for Energy Trust. The board noted Energy Trust is well into the process and will move forward to ensure program continuity. It is the board's intent to move forward but will continue to seek better understanding of underserved populations so Energy Trust can take action.

RESOLUTION 811
AUTHORIZE A NEW PROGRAM MANAGEMENT CONTRACT WITH CLEARESULT FOR THE RESIDENTIAL PROGRAM

WHEREAS:

1. **Energy Trust staff has determined that, as compared to the current Residential program structure, a sole Residential program management contractor, combined with Residential program delivery contractors for (a) retail midstream promotions and (b) energy performance score whole-home new construction, would (i) streamline Residential program management work, (ii) increase process efficiencies, (iii) allow greater flexibility to adapt to future savings opportunities, (iv) establish a more robust and diversified portfolio, and (v) maintain cost-effective offerings for Energy Trust customers;**

2. **With the assistance of outside expertise, Energy Trust staff has conducted a fair and open procurement process to select a sole program management contractor and two program delivery contractors to manage and deliver Residential program services for the next 2-5 years;**

3. **Staff selected CLEAResult Consulting Inc. as providing the Residential program management contract proposal that would best meet the needs of Energy Trust and Energy Trust customers;**

4. **Staff has estimated a total first-year Residential program management and program delivery budget to be delivered as a PMC contract for 2018 at $7,978,915 for Oregon and Washington based on identified savings levels from the RFP. Final details for the exact cost will be approved by this Board as part of the 2018 annual budget approval process; and**

5. **The Energy Trust board will review actual savings and costs each year as part of the annual budget and action plan process.**

It Is Therefore RESOLVED:

1. **Subject to determination of a contract cost amount based on the board-approved 2018 annual budget, the executive director or his designee is authorized to negotiate and to enter into a contract with CLEAResult Consulting Inc. to manage the Residential program for an initial term from January 1, 2018, through December 31, 2019.**

2. **First-year contract costs and savings goals included in the contract shall be consistent with the board-approved 2018 annual budget and two-year action plan. Thereafter, staff may amend the contract consistent with the board's annual budget and action plan decisions and the executive director or his designee is authorized to sign any such contract amendments.**

3. **The contract may include a provision allowing staff to offer one-year extensions beyond the initial term if the program management contractor meets certain established performance criteria. In no event would the total term of the contract plus extensions exceed five years.**

4. **Before extending this contract beyond the initial term, staff will report to the board on the program management contractor's progress and staff's recommendation for any additional extension time periods.**

5. **If the board does not object to extension, contract terms would remain as approved in the most recent action plans, budgets and contract at the time of extension, and the executive director or his designee is authorized to sign any such contract extensions.**

Moved by:	Alan Meyer	Seconded by: John Reynolds
Vote:	In favor: 9	Abstained: 0
	Opposed: 0	

RESOLUTION 812
AUTHORIZE A NEW PROGRAM DELIVERY CONTRACT WITH ECOVA
FOR THE RETAIL MIDSTREAM PROMOTIONS PORTION OF THE RESIDENTIAL PROGRAM

WHEREAS:

1. **Energy Trust staff has determined that, as compared to the current Residential program structure, a retail midstream promotions delivery contractor, combined with a sole Residential program management contractor and a delivery contractor for energy performance score whole-home new construction, would (i) streamline Residential program management contract work, (ii) increase process efficiencies, (iii) allow greater flexibility to adapt to future savings opportunities, (iv) establish a more robust and diversified portfolio, and (v) maintain cost-effective offerings for Energy Trust customers;**

2. **With the assistance of outside expertise, Energy Trust staff has conducted a fair and open procurement process to select a program management contractor and two program delivery contractors, including a retail midstream promotions delivery contractor, to manage and deliver Residential program services for the next 2-5 years;**

3. **Staff selected Ecova, Inc. as providing the retail midstream promotions proposal that would best meet the needs of Energy Trust and Energy Trust customers;**

4. **Staff has estimated a total first-year Residential program delivery budget to be delivered as a PDC contract for 2018 at $922,474 for Oregon and Washington based on identified savings levels from the RFP. Final details for the exact cost will be approved by this Board as part of the 2018 annual budget approval process; and**

5. **The Energy Trust board will review actual savings and costs each year as part of the annual budget and action plan process.**

It Is Therefore RESOLVED:

1. **Subject to determination of a contract cost amount based on the board-approved 2018 annual budget, the executive director or his designee is authorized to negotiate and to enter into a contract with Ecova, Inc. to deliver the retail midstream promotions portion of the Residential program for an initial term from January 1, 2018, through December 31, 2019.**

2. **First-year contract costs and savings goals included in the contract shall be consistent with the board-approved 2018 annual budget and two-year action plan. Thereafter, staff may amend the contract consistent with the board's annual budget and action plan decisions and the executive director or his designee is authorized to sign any such contract amendments.**

3. **The contract may include a provision allowing staff to offer one-year extensions beyond the initial term if the program delivery contractor meets certain established performance criteria. In no event would the total term of the contract plus extensions exceed five years.**

4. **Before extending this contract beyond the initial term, staff will report to the board on the program delivery contractor's progress and staff's recommendation for any additional extension time periods. If the board does not object to extension, contract terms would remain as approved in the most recent action plans, budgets and contract at the time of extension, and the executive director or his designee is authorized to sign any such contract extensions.**

Moved by: Alan Meyer Seconded by: Roger Hamilton
Vote: In favor: 9 Abstained: 0
Opposed: 0

RESOLUTION 813
AUTHORIZE A NEW PROGRAM DELIVERY CONTRACT WITH TRC
FOR THE ENERGY PERFORMANCE SCORE WHOLE-HOME NEW CONSTRUCTION PORTION OF THE RESIDENTIAL PROGRAM

WHEREAS:

1. **Energy Trust staff has determined that, as compared to the current Residential program structure, an energy performance score ("EPS") whole-home new construction delivery contractor, combined with a sole Residential program management contractor and a delivery contractor for retail midstream promotions, would (i) streamline Residential program management contract work, (ii) increase process efficiencies, (iii) allow greater flexibility to adapt to future savings opportunities, (iv) establish a more robust and diversified portfolio, and (v) maintain cost-effective offerings for Energy Trust customers;**

2. **With the assistance of outside expertise, Energy Trust staff has conducted a fair and open procurement process to select a program management contractor and two program delivery contractors, including an EPS whole-home new construction delivery contractor, to manage and deliver Residential program services for the next 2-5 years;**

3. **Staff selected TRC Companies, Inc. as providing the EPS whole-home new construction proposal that would best meet the needs of Energy Trust and Energy Trust customers;**

4. **Staff has estimated a total first-year Residential program delivery budget to be delivered as a PDC contract for 2018 at $1,818,244 for Oregon and Washington based on identified savings levels from the RFP. Final details for the exact cost will be approved by this Board as part of the 2018 annual budget approval process; and**

5. **The Energy Trust board will review actual savings and costs each year as part of the annual budget and action plan process.**

It Is Therefore RESOLVED:

1. **Subject to determination of a contract cost amount based on the board-approved 2018 annual budget, the executive director or his designee is authorized to negotiate and to enter into a contract with TRC Companies, Inc., or its subsidiary, for the EPS whole-home new construction portion of the Residential program for an initial term from January 1, 2018, through December 31, 2019.**

2. **First-year contract costs and savings goals included in the contract shall be consistent with the board-approved 2018 annual budget and two-year action plan. Thereafter, staff may amend the contract consistent with the board's annual budget and action plan decisions and the executive director or his designee is authorized to sign any such contract amendments.**

3. **The contract may include a provision allowing staff to offer one-year extensions beyond the initial term if the program delivery contractor meets certain established performance criteria. In no event would the total term of the contract plus extensions exceed five years.**

4. **Before extending this contract beyond the initial term, staff will report to the board on the program delivery contractor's progress and staff's recommendation for any additional extension time periods. If the board does not object to extension, contract terms would remain as approved in the most recent action plans, budgets and contract at the time of extension, and the executive director or his designee is authorized to sign any such contract extensions.**

Moved by: Alan Meyer Seconded by: Anne Root
Vote: In favor: 9 Abstained: 0
Opposed: 0

Committee Reports

Executive Director Review Committee, Ken Canon

As part of annual review of the executive director's performance, the committee conducted 360-degree review with board and staff, including a self-assessment by Mike Colgrove on what he has accomplished and areas he would like to continue working. The committee reviewed the information and evaluated Mike's performance. Mike will work with Board President Debbie Kitchin on developing a work plan, and the next evaluation will compare performance against the work plan. The committee reviewed Mike's compensation and increased his salary by 4 percent for merit and 2 percent for market changes, effective August 16, 2017. The full board reviewed this information in executive session today.

RESOLUTION 814
EXECUTIVE DIRECTOR PERFORMANCE REVIEW

WHEREAS:

1. **Energy Trust's Executive Director Review Committee completed its evaluation of Michael Colgrove's performance in 2016 - 2017.**

2. **The committee evaluated Michael's performance as excellent.**

3. **The Executive Director Review Committee also considered the following in proposing a merit increase from the review:**

a. **Energy Trust's existing salary structure and Michael's current salary position on that range.**
b. **Survey and market analysis of comparable position salaries performed in 2016.**

It is therefore RESOLVED:

The Board of Directors authorizes increasing Michael's salary by a merit increase of 4.0 percent and a market adjustment of 2.0 percent to be awarded effective August 16, 2017.

Moved by: John Reynolds Seconded by: Susan Brodahl
Vote: In favor: 9 Abstained: 0
Opposed: 0

Mike thanked the board for their review and feedback. He noted this was the smoothest transition he has been a part of and witnessed, due to the support of board and staff.

Finance Committee, Susan Brodahl
The May 2017 financial statements are in the board packet. Energy Trust is receiving more revenue than budgeted due to a stronger economy and an increase in the public purpose charge as approved by the OPUC during the 2017 budget development last fall. The increase in revenue supports energy savings acquisition. PGE revenue is roughly in line with budget. Pacific Power revenue is greater than budgeted and expected to level out over the year. Energy Trust reserves continue to decrease as planned. Staff will evaluate reserve levels and usage at year end. Incentives are 2 percent over budget. All programs are performing well except Existing Homes due to a change in Energy Saver Kits. LED lighting incentives are driving results.

The board asked what the main driver is in the revenue increases. The increases are due to colder than usual winter temperatures early in the year, the economy and rate adjustments for PGE and Pacific Power.

Policy Committee, Roger Hamilton
At the latest committee meeting, the committee reviewed topics the board already discussed in today's board meeting or will hear during the staff report.

Staff Report

Highlights, Mike Colgrove and Staff

Update on Large Customer Funding Report Results, Peter West

Peter West provided background on Energy Trust's ability to support energy efficiency projects at electric customer sites that use more than one average megawatt in one year, termed large customers. Pursuant to SB 838 (2007), large customers are exempt from funding additional cost-effective energy efficiency and cannot benefit from subsequent SB 838 expenditures of those funds by Energy Trust. To ensure compliance with SB 838 requirements, Energy Trust contracts with a third party to conduct an annual review of incentive expenditures for the previous year against the 2007 baseline or threshold year. For 2016, Energy Trust is in compliance for Pacific Power but is not for PGE. The PGE threshold is 18.4 percent and the 2016 results show 18.7 percent due to industrial activity, new construction and a healthy economy. Energy Trust has three years to achieve compliance. Staff is completing a 2017 year-end forecast analysis and 2018 forecast analysis to estimate whether the threshold will be further exceeded in future years. Once the analysis is complete, staff will determine and implement corrective strategies. The proposed actions will be brought to the September 13 Conservation Advisory Council meeting, including identification of projected savings that will not be acquired due to the need to reduce incentive spending for large customers to achieve compliance with SB 838 requirements.

The board discussed the implications of the report, remarking the actions staff need to take to come back into compliance are less about correcting for a negative effect and are about adjusting to something that is positive. Peter agreed, noting the low-cost savings that result from large customer energy efficiency projects provide great value for ratepayers.

The board noted Energy Trust cannot lobby to propose any changes to the funding requirements and asked whether PGE is aware of the situation. Peter said staff is communicating with both PGE and Pacific Power.

Pacific Power Targeted Demand-Side Management Project, Julianne Thacher
Julianne Thacher reviewed the pilot project, which explores how energy efficiency can bring additional value to utility customers and the grid by reducing energy use during peak times. In collaboration with Pacific Power, Energy Trust is testing this concept in the North Santiam Canyon area southeast of Salem. The pilot project uses existing energy efficiency measures, outreach and marketing efforts in a concentrated manner to reach residential, commercial and industrial customers. The pilot also supports objectives within the 2015-2019 Strategic Plan. Marketing and outreach started July 1, 2017, including paper, digital and radio ads. Pacific Power also hosted customer events for residential and business customers, and started community outreach efforts. The pilot project is for two years. Planning started in January 2017; promotion, marketing and outreach will be from July through March 2017; and evaluation will go through mid-2019. Evaluation is important, as the primary goal of the pilot is to learn how Energy Trust's targeted conservation program offering can achieve peak demand reduction, in what amount and for what cost.

2016 Utility Marketing Activity Report, Mike Colgrove
On June 13, Mike and representatives from PGE and Pacific Power presented to the OPUC commissioners on utility-specific marketing expenditures utilizing SB 838 expenditures. Mike provided examples of how the funds supported customer access to Energy Trust programs, including by helping to market direct-install lighting offers for businesses, holding customer events, and dedicating bill inserts to energy efficiency and Energy Trust program information.

2018 Budget Development and Outreach Schedule, Mike Colgrove
Starting in July, staff began developing the 2018 annual budget and 2018-2019 action plan. The process continues through December and includes public and stakeholder outreach. The board will receive budget-related presentations at the next three board meetings. A final proposed budget and action plan will be presented to the board for approval at the December 15 board meeting. New elements to the budget development process are incorporating findings from a sector trends analysis and penetration rate analysis. Staff will also incorporate improved forecasting and easy-to-implement recommendations from the larger cross-organizational budget review project.

State Legislative Update, Jay Ward
The Oregon legislative session concluded on July 7, 2017, during which Energy Trust staff monitored bills that were energy related or could impact Energy Trust. Jay Ward reviewed highlights of bills that passed or failed. A complete list is in the Update on 2017 State Legislation Briefing Paper.

The board took a break from 2:05 to 2:15 p.m.

Commissioner Bloom left the meeting at 2:15 p.m.

Strategic Planning Workshop Next Steps

Strategic Planning Committee, Ken Canon
At the last committee meeting, members commented on the positives of the logistics of the May 2017 Strategic Planning Workshop in terms of location and timing. Committee members and staff discussed the initial list of learning topics that resulted from the workshop exercises, and noted the topics are to provide background and are not necessarily the focus for the next strategic plan. The topics are to support staff and board learning and understanding of what is going on around Energy Trust, and what will be helpful for the board to know more about as it considers the future direction of the organization.

Strategic Planning Workshop Next Steps, Mike Colgrove
From now until the May 2018 Strategic Planning Workshop, staff will provide regular updates to the board during board meetings on progress in researching and exploring the learning topics identified at the 2017 workshop. Out of the workshop, 27 learning topics were identified; of which, 16 were ranked by the board. The remaining topics not ranked by the board due to time constraints at the workshop were ranked by staff using criteria approved by the Strategic Planning Committee.

In mid-July, staff combined the topics into five categories: 1) new opportunities and within mission, for example distribution system work and community engagement; 2) new opportunities and not within mission, for example workforce development, electric vehicles, transportation, solar, storage and community resilience; 3) doing better what we do well, for example expand cost-effectiveness, thinking goals beyond energy use, diversity, equity and inclusion, data and low-income customer approach; 4) customer development like mapping relationships; and 5) transition strategies. Learning objectives for each topic were also drafted. Staff did not remove any topics from the list.

The next step is for the board to review the proposed learning objectives for each topic within each category. The board-approved learning objectives will then guide staff in how to proceed in researching and learning about the topics to inform the board at the 2018 Strategic Planning Workshop in May 2018.

Mike reviewed a slide that shows the approach staff will take in learning more about each topic, such as hiring a research consultant, conducting a literature review or implementing pilots. Staff identified topics that could be removed from the list if the board agreed, including workforce development and microgrids. In addition, staff identified the topics expand opportunities and funding; diversity, equity and inclusion; and low-income customer approach and collaboration as topics that are already being explored with resources allocated to them, and as such, could be removed from the exercise.

The board asked what is being explored on the expand opportunities and funding topic. Staff reviewed internal systems for external grants and is aware of other opportunities that could come through RFPs.

The board recommended the slide column title be changed from “could be cut” to “could be cut or already underway.”

Mike asked what the board expects to receive at the end of the process. The board noted a packaged paper and presentation for each topic is not as important as staff learning and understanding of the topics. Mike noted staff will also provide updates at board meetings between now and the Strategic Planning Workshop in May 2018.

The board noted there should be a place for unidentified, transformational technologies that could impact the organization’s work. Mike noted this is within the transition strategies category.

The board noted topics may need to be removed given ongoing work, and if that happens, to inform the board what the ongoing work is and the objectives of that work.

Mike asked the board to weigh in on the remaining topics and the draft learning objectives. The board noted their feedback should highlight anything that is out of bounds. Mike encouraged the board to look at the topics and draft learning objectives in terms of what they need to guide the organization.

The board noted it would be helpful to have the topics defined and explained. Mike noted the learning objectives drafted for each topic could be helpful.

The board commented researching 16 topics fully is time consuming and a lot of research to conduct in less than a year. Mike noted work is still needed to assign estimated FTE, budget and time allotted for each topic. That assessment will be completed after the board weighs in on the topics list and draft learning objectives. The board asked if each topic should be examined as to the why, meaning whether it furthers the overall objective of the category assigned. Mike said a different question to ask may be whether understanding the topic will support the board in crafting the next strategic plan.

The board commented some members have expertise in the electricity sector and others have expertise in different areas. Mike noted one of the purposes of gathering the board’s feedback on the topics and draft learning objectives is for board members to provide their opinion based on their experience.

The board asked when staff resources will be dedicated to the topics. Mike said the research will be scheduled out in a phased approach, delivering on the committee’s request that information and results be provided to them on an ongoing basis versus only in the May workshop packet.

Board feedback on the topics and draft learning objectives are due to staff in approximately three weeks.

Adjourn

The meeting adjourned at 3:30 p.m.

The next meeting of the Energy Trust Board of Directors will be on Wednesday, September 27, 2017, at 10:30 a.m. at Energy Trust, 421 SW Oak, Suite 300, Portland, Oregon.

s/s Alan Meyer

Alan Meyer, Secretary