

# Board Meeting Minutes—163<sup>rd</sup> Meeting

## Strategic Planning Workshop

January 28, 2019

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**Board members present:** Susan Brodahl, Melissa Cribbins, Ernesto Fonseca, Roger Hamilton, Eric Hayes, Elee Jen, Mark Kendall, Debbie Kitchin, Roland Riser, Steve Bloom (OPUC ex officio)

**Board members attending by phone:** Anne Root, Janine Benner (Oregon Department of Energy special advisor)

**Board members absent:** Lindsey Hardey, Henry Lorenzen, Alan Meyer

**Staff attending:** Michael Colgrove, Wendy Bredemeyer, Amber Cole (phone), Chris Crocket, Hannah Cruz, Cheryle Easton, Sue Fletcher, Fred Gordon, Kate Hanson, Betsy Kaufman, Steve Lacey, Debbie Menashe, Spencer Moersfelder, Thad Roth, Lizzie Rubado, Zach Sippel, Julianne Thacher, John Volkman, Peter West, Mark Wyman

**Others attending:** Ruchi Sadhir (ODOE), Elaine Prause (OPUC), Brendan McCarthy (PGE), Holly Valkama (1961 Consulting)

### Business Meeting

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Roger Hamilton called the workshop to order at 10:00 a.m.

### Board Workshop

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***Welcome and Framing of What We've Done So Far*** (Mark Kendall, Mike Colgrove)

Mark described the objective of the meeting, which is to see if Energy Trust's role of value statement is broad enough for the work planned for the next five years.

At the December 2018 board meeting, board members reviewed a list of nine possible new opportunities for Energy Trust. The board found potential in seven of these opportunities, and staff consolidated the list down to six opportunities. Today the board will evaluate the organization's unique role of value statement to determine if it allows for exploration of these six opportunities.

Energy Trust's current unique role of value is: "As principal administrator of public-purpose funds for investor-owned utility ratepayers in Oregon, Energy Trust provides innovative, comprehensive clean energy solutions that provide proven value to ratepayers, utility systems, the economy and the environment. Energy Trust's expertise is in integrating private and public efforts to achieve clean energy goals."

Does this statement serve the organization when considering potential opportunities? What is Energy Trust's future unique role of value in the marketplace? What are the capabilities and competencies the board would like Energy Trust to have?

Mike Colgrove clarified that while the amount of cost-effective energy efficiency will decline, there is still a substantial amount of available resource. It is and will remain Energy Trust's primary role to pursue this least-cost resource for utility customers. The organization is facing unique challenges to fulfill its core role of acquiring cost-effective energy efficiency. One challenge is to get better at developing targeted offering for specific communities, market niches, and populations. The second challenge is to get better at offering programs midstream and upstream without losing connection with customers. The third challenge is to get better at engineering and development of innovative measures. The fourth challenge is to develop strengths to work at the intersection of energy efficiency, renewable energy and demand response.

***While staying fully committed to our core mission, is an expansion in our unique role of value statement needed to pursue additional opportunities we may have interest in over the next five years? If so, how does our current role of value statement need to change?*** (Holly Valkama)

Holly Valkama, 1961 Consulting, introduced a discussion about Energy Trust's current unique role of value. The unique role of value statement is intended to guide what Energy Trust should and should not do. Where is the organization uniquely positioned to provide a service or serve a group of customers?

**Opportunities Discussion** (Lizzie Rubado)

Lizzie Rubado, renewables program strategies manager, facilitated a discussion about Energy Trust's current unique role of value. In December, the board was presented with a list of opportunities that emerged from conversations with Conservation Advisory Council, Renewable Energy Advisory Council and staff. The board provided initial feedback and requested additional information on seven of those opportunities to understand how Energy Trust might provide unique value. These opportunities stretch the margins of Energy Trust's role.

Two opportunities were identified as close to Energy Trust's current role: renewable natural gas and distributed energy resources. Renewable natural gas is an example of a role that Energy Trust is uniquely positioned to play and that has substantial overlap with current work. At the other end of the spectrum is the opportunity for advocacy. While Energy Trust is equipped to play this role, there are many others in the market. What could Energy Trust offer that others don't?

Are there opportunities that would require a change to our unique role of value, and if so, how would our unique role of value need to change?

The board discussed potential opportunities and their impact on Energy Trust's unique role of value statement, including Energy Trust's strengths and the pros and cons of several opportunities.

The board favored maintaining Energy Trust's unique strength as a trusted provider of objective information about energy, which is seen as more powerful than taking an advocacy position. The board discussed ways that Energy Trust could better promote this strength as a resource for the state.

The board discussed distributed energy resources as an opportunity, noting that Energy Trust is uniquely positioned to play this role because of its broad focus on energy solutions.

The board discussed renewable natural gas, suggesting exploration of this opportunity through a pilot and expressing skepticism that this work would have long-term financial benefit for the organization. The board noted that renewable natural gas is a priority for the state and that Energy Trust is uniquely positioned due to our existing relationships and expertise with biogas producers. Concern was expressed that it is currently a very expensive resource.

The board discussed the opportunity of financing and noted that Energy Trust's role in financing would be to catalyze market activity. The board sees financing as within Energy Trust's current scope and not a new opportunity that would require a change to the unique role of value statement.

The board discussed the need for scaling programs to support smaller local activities, such as community-led climate change efforts.

The board discussed the potential opportunity to adapt cost-effectiveness tests and consider valuing other non-energy benefits. Elaine Prause stated that Energy Trust has the ability to address cost-effectiveness tests within its current role through conversations with the OPUC. The OPUC does not support changing cost-effectiveness tests at this time.

Steve Bloom suggested that Energy Trust maintain focus on its current role and continue to demonstrate wise stewardship of ratepayer funds and benefits for Oregonians.

Elaine Prause noted that parts of Energy Trust's unique role of value statement are too vague, such as "comprehensive clean energy solutions." She also suggested incorporating Energy Trust's role as an unbiased information resource into the statement. She emphasized that this role has proven of great value to State policymakers including OPUC and ODOE.

### **Possible Changes in Role of Value Statement—Initial Discussion** (Holly Valkama)

Holly asked the board to discuss changes to the unique role of value statement. This statement gives the organization boundary conditions and will guide decisions about opportunities to pursue in the next five years.

The board discussed potential changes to the unique role of value statement. One option is to broaden the statement to say that Energy Trust "administers energy-related programs benefiting the Pacific Northwest," given that all opportunities under consideration are energy related.

The board discussed the benefit of a fairly broad unique role of value statement, which would enable the organization to adapt in a rapidly changing environment.

The board discussed the word "innovative" in the current statement, which could imply that Energy Trust pursued new opportunities outside of its current scope.

The board discussed the need to decide whether or not the organization should pursue new activities outside of its current role.

The board discussed the first clause of the unique role of value statement, "as principal administrator of the public purpose charge," which could imply that Energy Trust cannot do work outside of its current role. The board agreed that administration of the public purpose charge clause should stay front and center in the unique role of value statement, because this is the core of Energy Trust's work.

The board discussed adding language to the unique role of value statement indicating Energy Trust's track record of consistent accountability and meeting its goals within budget.

The board considered a need to do a better job of informing stakeholders about the organization's current unique role of value.

## **General Public Comments**

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Brendan McCarthy, PGE, suggested that expanding Energy Trust's mission beyond administration of the public purpose charge and adding new funding sources could make it easier for legislators to argue that public purpose dollars should be used for another purpose.

## **Board Workshop**

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### **Possible Changes in Role of Value Statement—Final Thoughts for Drafting a Future Role of Value Statement** (Holly Valkama)

The board discussed potential for more public awareness of climate change and more interest in clean energy solutions in future years. The unique role of value statement should give Energy Trust the ability to act amid this change.

Elaine noted that Energy Trust's potential subcontract role in administering the state's community solar program will be an opportunity for the organization to figure out how to do an activity outside of its core mission. She also suggested that Energy Trust's role as an objective technical resource, such as providing information to evaluate new policies, could lead to new opportunities.

The board discussed additional strengths of Energy Trust that could be added to the unique role of value statement, including its role as a trusted information resource, independence from direct political

pressure, and a process for engaging stakeholders and the public through the Conservation Advisory Council, Renewable Energy Advisory Council and trade allies.

The board discussed whether the “principal administrator of the public purpose charge” statement should be at the beginning or the end of the unique role of value statement.

Ruchi Sadhir suggested adding language indicating that Energy Trust has been a steward of public funds. Being a steward for another type of funding could be a new opportunity.

The board discussed that scalability is not addressed in the current unique role of value statement, noting that the organization needs to be more nimble and dynamic to scale its work to support smaller community efforts.

Other considerations were to add language about complementary energy-related programs and clarifying that Energy Trust’s unique role of value is to help customers use less energy.

Janine Benner suggested that Energy Trust remain flexible as the environment is changing. More may be known in May about the proposed Oregon Climate Authority, and that should influence Energy Trust’s strategic planning.

**Next Steps** (Debbie Menashe)

Debbie summarized next steps, which include seeking additional input from the Conservation Advisory Council and Renewable Energy Advisory Council, beginning a draft of the plan, updates at the February board meeting, two Strategic Planning Committee meetings and in-depth discussion at the Board Strategic Planning Workshop on May 16 and 17. If the board has additional questions or desires additional discussion, the full board can be convened prior to the May workshop.

Mike noted staff will send the board a summary of feedback from today’s meeting.

**The meeting adjourned at 12:12 p.m.**

**The next regular meeting of the Energy Trust Board of Directors** will be held Wednesday, February 20, 2019, at 9:30 a.m. at Energy Trust of Oregon, Inc., 421 SW Oak Street, Suite 300, Portland, Oregon.

\_\_\_\_\_/k/ Mark Kendall  
Signed: Mark Kendall, Secretary

02/20/2019  
Date