

# Board Meeting Minutes—165th Meeting

April 3, 2019

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**Board members present:** Susan Brodahl, Roger Hamilton, Eric Hayes, Elee Jen, Debbie Kitchin, Alan Meyer, Anne Root, Roland Risser, Steve Bloom (Oregon Public Utility Commission ex officio), Ruchi Sadhir for Janine Benner (Oregon Department of Energy special advisor)

**Board members attending remotely:** Mark Kendall

**Board members absent:** Melissa Cribbins, Ernesto Fonseca, Lindsey Hardy, Henry Lorenzen

**Staff attending:** Wendy Bredemeyer, Sarah Castor, Amber Cole, Chris Crocket, Hannah Cruz, Phil Degens, Alison Ebbott, Cheryle Easton, Fred Gordon, Betsy Kauffman, Steve Lacey, Marshall Johnson, Jed Jorgensen, Debbie Menashe, Spencer Moersfelder, Alex Polley, Pati Presnail, Thad Roth, Dan Rubado, Lizzie Rubado, Katie Sager, Michelle Spampinato, Julianne Thacher, Rachel Torres, John Volkman, Jay Ward, Peter West, Whitney Windsor, Lily Xu

**Others attending:** John Charles (Cascade Policy Institute), Sara Fredrickson (CLEAResult), Kari Greer (Pacific Power), Anna Kim (OPUC), Jeremy Litow (Northwest Energy Efficiency Alliance), Joe Marcotte (Lockheed Martin), Brendan McCarthy (Portland General Electric), Julie O'Shea (Farmers Conservation Alliance), Dan Reese (CLEAResult)

## Business Meeting

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Roger Hamilton called the meeting back to order at 10:29 a.m. and noted that consent agenda items can be changed to regular agenda items at any time.

## General Public Comments

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There were no public comments.

## Consent Agenda

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### RESOLUTION 873 CONSENT AGENDA

#### **MOTION: Approve 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 at the request of any board member.*

- February 19, 2019 Board Orientation/Training Minutes
- February 20, 2019 Annual Board Meeting Minutes

Moved by: Roland Risser

Seconded by: Anne Root

Vote: In Favor: 8

Abstained: 0

Opposed: 0

## President's Report

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Roger Hamilton presented a brief overview of community solar programs in the United States. States use a number of different program models, including some driven by utilities and some driven by nonprofits. Massachusetts, New York, Minnesota and Colorado have the most community solar activity. Oregon, Illinois and New Jersey are developing community solar policies.

Debbie Kitchin joined the meeting at 10:33 a.m.

The board discussed the status of Oregon's Community Solar Program.

## **Staff Report**

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### ***Board Review***

Mike Colgrove provided an update on the consultant that will conduct a review of board processes. Mike Colgrove, Debbie Menashe, Cheryle Easton and Henry Lorenzen reviewed three proposals and interviewed two consultants. A consultant is expected to be selected prior to the May board strategic planning retreat.

Mike noted a handout summarizing Oregon legislation under consideration. The board discussed several bills that could potentially impact Energy Trust.

Mike shared a news story about Energy Trust's irrigation modernization work in Central Oregon.

## **Committee Reports**

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### ***Compensation Committee (Roland Risser for Melissa Cribbins)***

In 2018, Energy Trust conducted a competitive solicitation for an administrator of its tax deferred 401k plan. The organization selected Principal Financial as the plan administrator and Cable Hill Partners to provide advisory services to staff. Cable Hill recommended that Energy Trust adopt an investment policy statement to guide investment decisions. The compensation committee reviewed the proposed policy statement and recommended two changes, including removing references to company stock and changing the description of how to review plan investments. The statement will be reviewed by the compensation committee on an annual basis and is consistent with Energy Trust's standard practices.

The board clarified that the plan is a defined contribution 401k plan. Principal Financial sets up fund options and employees select contribution amounts and investments. The board oversees the overall administration of the plan and how the investment options are performing against the criteria set in the organization's investment policy.

## **Board Decision**

### **ADOPT AN INVESTMENT POLICY STATEMENT**

Adopted: April 3, 2019

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#### **RESOLUTION #876 ADPOT INVESTMENT POLICY STATEMENT**

#### **WHEREAS:**

- 1. Energy Trust sponsors a defined contribution plan 401(k) Retirement Plan (the Plan) for the benefit of its employees and their designated beneficiaries.**
- 2. Energy Trust, acting through its board of directors and the board's Compensation Committee, has fiduciary oversight responsibility of the Plan.**
- 3. At its February 14, 2019 Compensation Committee meeting, the committee reviewed and discussed an Investment Policy Statement presented by Cable Hill Partners, a certified financial advising firm engaged by Energy Trust to provide retirement plan investment and oversight support.**
- 4. The Investment Policy Statement presented is intended to assist the Energy Trust board as fiduciary, acting through its Compensation Committee, by establishing nonbinding guidelines for making investment-related decisions with respect to the Plan.**

- 5. **The Compensation Committee reviewed and discussed the proposed Investment Policy Statement and proposed some modest revisions to align the Investment Policy Statement with Energy Trust's not-for-profit structure.**
- 6. **With the revisions proposed, Energy Trust's Compensation Committee recommends that the board adopt an Investment Policy Statement in the form attached to this resolution document.**

**IT IS THEREFORE RESOLVED: That Energy Trust of Oregon, Inc., Board of Directors adopts the Investment Policy Statement attached hereto as Exhibit A.**

Moved by:                          Debbie Kitchin                          Seconded by:    Mark Kendell

Vote:        In Favor:        8                          Abstained:        0  
              Opposed:       0

## **Financial Audit Results**

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### ***Presentation of Audit Results (Jenn Price, Ashley Osten, and Wendy Campos of Moss Adams)***

Energy Trust received an unmodified financial audit for 2018, which means financial statements are presented in accordance with Generally Accepted Accounting Principles. Energy Trust had no deficiencies in internal controls.

Susan Brodahl joined the meeting at 11:06 a.m.

Wendy Campos presented tax changes that are relevant to nonprofits. A change that could potentially impact Energy Trust is a requirement that costs to provide transportation benefits, such as bus passes, are taxed at a 21 percent rate as unrelated business income. This applies to 2018 forward. The board asked clarifying questions about the tax and how it could affect Energy Trust.

The board asked about potential tax implications of Energy Trust receiving alternative sources of revenue, such as a foundation grant. Commissioner Bloom asked about potential tax implications of Energy Trust's subcontract to help administer part of the Oregon Community Solar Program. Wendy recommended that Energy Trust discuss this further with auditors.

The board asked if Energy Trust completes 1099 forms for contractors and people who receive rebates. Pati Presnail, director of finance, replied that Energy Trust provides 1099 forms to contractors and commercial and industrial customers.

The board thanked Moss Adams and the Energy Trust Finance Team for excellent work.

The board took a break for lunch at 11:32 a.m.

## **Strategic Planning Discussion**

### ***Review Draft 2020-2024 Plan (Mark Kendall, Debbie Menashe, Mike Colgrove)***

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The board reconvened at 11:46 a.m., except for Mark and Susan.

Roland Risser introduced a strategic planning discussion and invited comments, concerns and questions. There will be more opportunities for discussion at the board strategic planning retreat in May.

Debbie Menashe, director of legal and HR, described the draft 2020-2024 strategic plan and a cover memo sent to the board.

Mark rejoined on the phone at 11:50 a.m.

The board discussed potential changes to the draft plan, including adding language explaining that energy efficiency is the least-cost resource and acquiring all cost-effective energy efficiency benefits the utility system and all ratepayers.

The board discussed if and how to include distributed energy resources in the draft strategic plan. Ruchi Sadhir provided the Oregon Department of Energy's broad definition of distributed energy resources used in its biennial energy report.

The board suggested using less technical language and a more positive tone in the draft plan.

The board requested that measures for success be added to the draft plan.

The board discussed how to describe underserved customers in the draft plan and suggested adding data to show which customers are underserved and why. The board also discussed the term "underserved," noting that the ratepayers' perspective should be considered in selecting the appropriate term. If a ratepayer identifies as underserved, Energy Trust should use that language in the draft plan. The board noted that alternative language could be "not yet served."

Janine joined on the phone at 12:17 p.m.

The board continued to discuss if and how distributed energy resources should be addressed in the plan and considered the addition of smart meters.

The board discussed changing the order of the focus areas in the plan.

Susan rejoined the meeting at 12:28 p.m.

The board suggested that the plan should acknowledge the possibility that technology and markets could change in ways that make savings cheaper instead of more expensive.

The board suggested adding that Energy Trust has adapted to the market when developing programs and will continue to do so.

Mark invited board members to submit any further feedback to himself or Debbie Menashe by April 15. The board will receive an updated draft prior to the May board strategic planning workshop.

Debbie Menashe added that Energy Trust staff recently met with OPUC staff and Commissioner Bloom to receive guidance and input on the draft strategic plan.

## Energy Programs

### *Farmers Conservation Alliance—Irrigation Modernization Program Services Contract (R874) (Jed Jorgensen and Julie O'Shea, Farmers Conservation Alliance)*

Jed Jorgensen, senior renewables program manager, presented a recommendation to sign a contract with the Farmers Conservation Alliance. Jed explained Oregon's irrigation system, which moves 480 billion gallons of water per year through open canal systems to 6,500 farms and ranches. Canals can block fish from moving upstream and lose water to evaporation. Modernized irrigation systems move water through pipes instead of canals, which saves water, facilitates fish passage, saves energy, reduces costs and creates opportunities to generate energy through in-pipe hydropower systems.

The irrigation modernization program launched in 2015. Energy Trust has two contracts with Farmers Conservation Alliance, including the program management contract discussed today. The irrigation modernization program is currently working with 25 percent of Oregon's irrigation infrastructure, including nine districts with 38 megawatts of hydropower generation potential and 60,000 megawatt hours of energy savings potential. In addition, Energy Trust and Farmers Conservation Alliance have helped irrigation districts receive \$2.8 million from the United States Department of Agriculture Natural Resources Conservation Service (NRCS) to assist with permitting and \$75 million from NRCS to support piping.

Jed described a recent successful event at Three Sisters Irrigation District earlier this month, which resulted in positive attention from stakeholders and the media.

Jed explained the purpose of the proposed contract, which is to maintain existing services; integrate on-farm energy efficiency opportunities with Energy Trust programs; and allow Farmers Conservation Alliance to expand participation, communication and funding for irrigation modernization projects. The contract is for up to \$500,000 annually, not to exceed \$2.5 million over five years.

Julie O'Shea, executive director of Farmers Conservation Alliance, described the broader benefits of irrigation modernization for Oregon and the nation, including investments in local economies and improvements to critical infrastructure. She explained the challenges and opportunities ahead as the initiative scales up.

The board asked about sources of funding for irrigation projects. Julie explained that Farmers Conservation Alliance receives Energy Trust funding, then leveraged Energy Trust funds to receive NRCS dollars. Irrigation districts are seeing as much as 75 percent of their funding from NRCS. Farmers Conservation Alliance helps districts apply for loans and state funding. Revenue from hydropower generation is a key tool for helping districts afford the resulting loan payments.

The board asked about the cost to modernize all irrigation in the state of Oregon. Julie estimated it would cost roughly between \$30 billion and \$50 billion to modernize infrastructure in the state.

The board asked about contract performance metrics. Performance metrics would be determined during contract negotiations.

The board asked why all the irrigation districts engaged are east of Interstate 5. Those districts work very differently from districts further west, and they face different challenges. Farmers Conservation Alliance is working with three districts on the Interstate 5 corridor in Southern Oregon.

## Recommendation

Authorize the executive director to negotiate and sign a contract with Farmers Conservation Alliance for up to \$500,000 in Energy Trust funds per year, for up to five years, for management of the Irrigation Modernization Program.

**RESOLUTION 874  
AUTHORIZING A CONTRACT WITH FARMERS CONSERVATION ALLIANCE FOR MANAGEMENT  
OF THE IRRIGATION MODERNIZATION PROGRAM**

**WHEREAS:**

1. **Modernizing agricultural water delivery infrastructure creates significant opportunities for new, in-conduit hydroelectric projects and substantial electricity savings by eliminating irrigation pumping loads;**
2. **Farmers Conservation Alliance (FCA), as Energy Trust's contractor since 2015, has built a highly successful program supporting irrigation modernization;**
3. **FCA has attracted \$75 million in federal funding for modernization projects in central Oregon, requiring a 25 percent non-federal match;**
4. **Energy Trust wishes to continue growing the Irrigation Modernization Program to accelerate energy efficiency and renewable energy projects, penetrate more deeply into on-farm opportunities, and attract non-federal and federal funding to achieve these and other, non-energy benefits.**

It is therefore **RESOLVED**, that the board of directors of Energy Trust of Oregon, Inc. authorizes the executive director to negotiate and sign a contract with Farmers Conservation Alliance for Irrigation Modernization program management services consistent with, but not limited to, the following terms:

1. **An initial term of two years, with three potential one-year extensions.**
2. **A budget of up to \$500,000 per year, not to exceed a total of \$2.5 million over five years.**
3. **To achieve the following purposes (among others):**
  - **Maintain existing program services with the goal of accelerating energy efficiency and renewable energy project implementation;**
  - **Extend participation to new irrigation districts or similar agricultural water providers;**
  - **Expand communications to improve stakeholders' understanding of irrigation modernization benefits and cultivate opportunities for development and implementation funding and partnerships;**
  - **Expand non-federal development and implementation funding and partnerships;**
  - **Grow external funding for program management and project planning;**
  - **Integrate on-farm energy efficiency and renewable energy opportunities in coordination with Energy Trust programs;**
  - **Seek federal funding for modernization activities, which is expected to be available under the P.L. 83-566 program over the next five years.**

Moved by: Debbie Kitchin                      Seconded by: Roland Risser

Vote:    In Favor: 8                      Abstained: 0

    Opposed: 0

***Contract Extension offer for Residential Program Management Contractor Services with CLEAResult Consulting (Thad Roth and Marshall Johnson)***

Thad Roth, residential sector lead, proposed extending three contracts, a Program Management Contractor (PMC) contract with CLEAResult, a Program Delivery Contractor (PDC) contract for new home construction services with TRC and a PDC contract for retail services with CLEAResult. All contracts would extend through the end of 2020. This contract structure represents a consolidated and

streamlined approach to management and delivery of Energy Trust's residential programs, which reduced duplicative services and costs.

In 2018, the Residential program exceeded savings goals and acquired savings at a lower cost than budgeted.

For the PMC contract, CLEAResult performed well against five criteria, including collaboration, project pipeline, innovation, teamwork and satisfactory execution of services. CLEAResult demonstrated particular strength in coordinating with the two Residential PDCs and the Existing Multifamily program.

The board asked for examples of new measures in development. Marshall Johnson, senior residential program manager, provided examples, including extended capacity heat pumps, air conditioning and heat pumps for manufactured homes.

Commissioner Bloom left the meeting at 1:35 p.m.

The board had no objections to extend the PMC contract with CLEAResult.

***Contract Extension offer for EPS New Construction Program Delivery Contractor, TRC Consulting (Thad Roth and Marshall Johnson)***

For the PDC contract with TRC, TRC performed well against the same five criteria as for the PMC contract.

The board had no objections to extending the PDC contract with TRC.

***Contract Extension offer for Residential Retail Program Delivery Contractor with CLEAResult Consulting (Thad Roth and Marshall Johnson)***

Thad noted that Energy Trust will evaluate the scope of a PDC contract for retail program delivery given expected changes in the residential lighting market.

For the PDC contract with CLEAResult, CLEAResult performed well against the same five criteria as for the PMC contract.

The board asked how Energy Trust will transition out of residential retail lighting. The program will reduce incentives for LEDs or exit the retail LED market in a way that continues to support some markets, such as for small stores in rural areas. Energy Trust will continue to participate in the retail market for other products, such as smart thermostats and efficient tank water heaters.

The board asked what could happen to the PDC contract in 2021. Energy Trust will figure out the best approach in 2020. Possible solutions could include selecting a PDC that specializes in delivering midstream offerings or folding the PDC contract into a PMC contract.

The board asked about emerging technologies that could provide savings in absence of LEDs. There are emerging technologies and significant opportunities (such as retrofitting 180,000 inefficient manufactured homes that could be upgraded with heat pumps), yet these opportunities are more expensive compared to LEDs. Water heaters are another opportunity.

The board asked if ductless heat pumps have a market in Oregon. There is a market for ductless heat pumps; however, Energy Trust can only claim energy savings in homes that upgrade from electric resistance heating.

Thad added that the Residential program is focusing on savings opportunities with customers who have not yet participated, saving energy in constrained geographic areas through Energy Trust's targeted load management pilots with Pacific Power and NW Natural, and coordinating with PGE's demand response programs where qualifying efficient equipment can also be used for demand response.

The board had no objections to extending the PDC contract with CLEAResult.

### **2019 Budget Amendment (R875)**

***Amend 2019 Budget, 2020 Projection and 2019-2020 Action Plan (R875) (Lizzie Rubado and Pati Presnail)***

Pati presented a resolution recommending the board adopt Energy Trust's amended budget, which was modified to reflect revenues and expenditures for supporting the Oregon Community Solar Program in 2019 and 2020 through a subcontract with the primary program administrator, Energy Solutions.

The board asked about the process for collecting revenue. As a subcontractor, Energy Trust will receive revenue on a time and materials basis not to exceed the amount listed in the contract. Energy Solutions and Energy Trust will be paid from funds collected from all ratepayers during the startup period, as authorized by the OPUC.

The board asked what Energy Trust will do with the net assets. Net assets will serve as a reserve for delivering the Oregon Community Solar Program, and will be available for any other mission-specific purposes because they are not derived in any way from public purpose funds. Pati described Energy Trust's mechanism for ensuring separation of funds from the Oregon Community Solar Program and public purpose charge dollars. The Community Solar net assets will show up separately from other net assets in financial reports and the budget.

The board asked if Energy Trust has a process for deciding how to spend net assets. Mike Colgrove is working on a process to approve use of these unrestricted net assets, and this process was tested when Energy Trust made the decision to consider applying as a subcontractor to Oregon Community Solar Program last year. Mike suggested that the board policy committee make sure that policies describe Energy Trust's current and intended practices for deciding how to spend net dollars.



**RESOLUTION 875**  
**AMEND 2019 BUDGET, 2019-2020 ACTION PLAN AND 2020 PROJECTION**

**BE IT RESOLVED** that Energy Trust of Oregon, Inc. Board of Directors amends the Energy Trust 2019 Budget, 2020 Projection and 2019-2020 Action Plan as presented to the board at its meeting on December 14, 2018 to adjust for additional revenue and expenses arising out of Energy Trust's contract with Energy Solutions to provide program delivery services as a subcontractor to Energy Solutions in its role as Oregon Community Solar Program Administrator and as shown in the Energy Trust Income Statement 2018 to 2020 below.

Energy Trust of Oregon Income Statement 2018 to 2020, Amended Budget				
	Budget 2018	Forecast 2018	Budget 2019	Projection 2020
<b>OREGON PPC REVENUE</b>				
Public Purpose Funds-PGE	37,484,629	37,416,478	38,961,842	38,961,842
Incremental Funds - PGE	64,656,625	67,030,916	51,874,804	51,874,804
Public Purpose Funds-PacifiCorp	28,525,981	28,537,673	28,848,138	28,848,138
Incremental Funds - PacifiCorp	31,515,755	32,419,066	32,112,130	32,112,130
Public Purpose Funds-NW Natural	18,279,834	18,558,144	20,558,144	23,558,144
NW Natural - Industrial DSM	520,024	848,774	3,769,769	3,968,028
Public Purpose Funds-Cascade	2,167,052	2,167,052	2,915,331	2,915,331
Public Purpose Funds-Avista	<u>1,156,870</u>	<u>1,325,134</u>	<u>2,091,870</u>	<u>2,091,870</u>
<b>Total Oregon PPC Revenue</b>	<b>184,306,770</b>	<b>188,303,236</b>	<b>181,132,028</b>	<b>184,330,287</b>
NW Natural - Washington	2,466,148	2,428,171	2,194,160	2,542,487
Community Solar Revenue			355,063	546,896
Revenue from Investments	<u>230,000</u>	<u>600,000</u>	<u>600,000</u>	<u>600,000</u>
<b>Total Other Sources of Revenue</b>	<b>2,696,148</b>	<b>3,028,171</b>	<b>3,149,223</b>	<b>3,689,383</b>
<b>TOTAL REVENUE</b>	<b>187,002,918</b>	<b>191,331,407</b>	<b>184,281,250</b>	<b>188,019,670</b>
 <b><u>EXPENSES</u></b>				
Incentives	111,030,753	103,770,760	109,121,220	96,793,877
Program Delivery Subcontracts	58,297,400	58,552,327	61,771,050	59,553,160
Employee Salaries & Fringe Benefits	13,608,430	13,375,998	14,546,606	15,742,300
Agency Contractor Services	1,536,000	1,417,420	1,927,964	1,315,248
Planning and Evaluation Services	4,028,074	3,147,643	3,702,872	3,193,872
Advertising and Marketing Services	2,832,975	2,746,975	3,195,450	2,946,500
Other Professional Services	4,596,049	3,142,084	4,771,018	5,066,672
Travel, Meetings, Trainings & Conference	476,550	451,994	470,440	478,066
Dues, Licenses and Fees	220,091	230,632	253,683	238,183
Software and Hardware	515,379	455,280	526,989	581,291
Depreciation & Amortization	522,465	396,000	264,647	294,978
Office Rent and Equipment	1,054,433	1,054,433	1,059,933	1,060,570
Materials Postage and Telephone	138,650	135,976	137,450	138,355
Miscellaneous Expenses	4,500	4,712	4,500	4,500
<b>TOTAL EXPENSES</b>	<b>198,861,753</b>	<b>188,882,235</b>	<b>201,753,820</b>	<b>187,407,566</b>
<b>TOTAL REVENUE LESS EXPENSES</b>	<b>(11,858,836)</b>	<b>2,449,172</b>	<b>(17,472,570)</b>	<b>612,104</b>
Moved by: Anne Root			Seconded by: Alan Meyer	
Vote: In favor: 9			Abstained: 0	
Opposed: 0				

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## **Northwest Energy Efficiency Alliance Cycle 6 Strategic and Business Plan**

### ***Present NEEA Cycle 7 Strategic and Business Plan (Jeremy Litow)***

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Mike Colgrove introduced a presentation on Northwest Energy Efficiency Alliance's 2020-2024 business plan. NEEA is on the same business planning cycle as Energy Trust and recently approved its 2020-2024 business plan. Energy Trust's board will vote on a resolution about funding Energy Trust's portion of the NEEA business plan at the May board retreat.

Jeremy Litow, chief operating officer for NEEA, introduced NEEA and described its 2020-2024 business plan. NEEA is a nonprofit funded by regional utilities, Bonneville Power Administration and Energy Trust. It works with market partners, including manufacturers, retailers and government agencies. By pooling resources across a four-state region, NEEA has a larger market influence, pools risk and reduces costs through economies of scale. Jeremy explained the market transformation process. Jeremy noted that Mike Colgrove is the secretary of NEEA's board of directors, on NEEA's board executive committee and leads the board strategic planning committee.

Jeremy described NEEA's 2020-2024 business plan, which is the organization's first dual-fuel plan that includes both electric and gas market transformation. Many investments from this period will be realized after 2024.

The board discussed Energy Trust's funding support for NEEA, including paying a slightly larger portion of funding for gas customers than for electric customers because Energy Trust represents a larger percentage of gas customers.

The board discussed the timeframe for return on investment and carbon reduction impacts.

NEEA's primary strategies for achieving market transformation are emerging technology, effective portfolio execution, influencing development of codes and standards, helping convene stakeholders for collaboration, and conducting research analysis to achieve market intelligence and report results. NEEA also does regional studies, such as residential and commercial building stock assessments.

Jeremy provided a snapshot of historical and projected savings from 2010 through 2034 and described NEEA's current electric portfolio and stages of development. He explained NEEA's natural gas portfolio, with all initiatives in concept development or program development stages. Emerging technologies include even more efficient LEDs with built-in controls, much faster and more efficient electric vehicle chargers, a combined gas air and water heater and thinner triple-pane windows.

The board discussed technologies in various stages of development and asked if battery storage is within NEEA's scope. Battery storage is currently outside of NEEA's scope.

## **Committee Reports Continued**

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### ***Evaluation Committee (Eric Hayes)***

Evaluation committee reviewed an evaluation of advanced power strips, a process evaluation of Existing Buildings and an evaluation of ductless heat pumps.

### ***Finance Committee (Susan Brodahl)***

Susan introduced a vote to approve a new finance committee charter that reflects that Energy Trust has a director of finance instead of a chief financial officer. Susan described December 2018 financial statements. The board observed that Energy Trust is achieving highly cost-effective savings and building up reserves. Steve Lacey added that Energy Trust takes reserves into consideration during annual budgeting and adjust them in consultation with the utilities.

## Board Decision

### FINANCE COMMITTEE CHARTER

Adopted: April 3, 2019

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#### RESOLUTION 877 REPLACES R293 RESOLUTION APPROVING FINANCE COMMITTEE CHARTER

#### WHEREAS:

1. At its February 2019 meeting, the board adopted amendments to the Energy Trust bylaws recognizing that the position formerly called Chief Financial Officer has been restructured in a new position called Director of Finance. A conforming amendment to the Finance Committee charter is therefore needed.
2. In addition, the current charter authorizes the Finance Committee to “advise the Board regarding all matters affecting the establishment of accounts with banks or brokers.” The board wishes to make clear that the Committee is also authorized to advise the board regarding the closure of such accounts.

**IT IS THEREFORE RESOLVED:** That Energy Trust of Oregon, Inc., Board of Directors approves revisions to the Finance Committee Charter as indicated in Exhibit A attached hereto.

Moved by: Roland Risser

Seconded by: Debbie Kitchin

Vote: In favor: 9

Abstained: 0

Opposed: 0

Adopted on April 3, 2019, by Energy Trust of Oregon, Inc., Board of Directors.

#### ***Exhibit A***

#### **Energy Trust of Oregon, Inc. Finance Committee Charter**

#### **Purpose and Scope**

The primary function of the Finance Committee (the “Committee”) is to assist the Board of Directors (the “Board”) in fulfilling its responsibilities by advising the Board, and in certain instances by acting on behalf of the Board, on matters relating to the organization’s investment policies and financial activities.

#### **Composition**

The Committee shall be comprised of a minimum of three members of the Board as appointed by the Board, each of whom shall be free from any relationship that, in the opinion of the Board, would interfere with the exercise of his or her independent judgment as a member of the Committee. Basic understanding of financial statements, general accounting policies and practices, investment, cashflow, and operations is encouraged. In addition, the executive director and ~~Chief Financial Officer~~ **Director of Finance** will serve as staff representatives on the committee.

The members of the Committee shall serve until their successors are duly elected or until their resignation or removal. Unless the Board appoints a Committee Chair, the members of the Committee may designate a Chair by majority vote of the full Committee membership.

One member of the Committee shall serve in a liaison role with the Audit Committee.

### **Meetings**

The Committee shall meet as necessary to enable it to fulfill its responsibilities and duties as set forth herein. The Committee shall report its actions to the full Board and keep written minutes of its meetings, which in turn shall be recorded and maintained with the books and records of the organization.

### **Responsibilities**

The Committee shall:

1. Advise the Board regarding any proposed debt, equity or hybrid financing transaction of the organization and review any such proposed transaction for compliance with any applicable rules and regulations promulgated by any governmental or regulatory body exercising authority over the organization ("Regulatory Body").
2. Be responsible for recommending changes to the board-approved accounting policies.
3. Advise the Board regarding all matters affecting the establishment or closure of accounts with banks or brokers.
4. Review and assess the adequacy of the organization's investment guidelines as necessary, assess whether these guidelines are appropriate for the organization, review such guidelines for compliance with any applicable rules and regulations promulgated by any Regulatory Body and review and recommend to the Board any amendments or revisions to the guidelines.
5. Periodically meet with management to review matters within the Committee's authority.
6. Be available to consult with members of the organization's senior management on matters relating to any proposed financing transaction, investment or other finance-related strategy to be pursued by the organization.
7. Regularly meet with staff to review the financial results of the organization's operations, and other financial or management reports which are provided to the Board and provide staff guidance as necessary.
8. Review with staff the annual budget draft and make recommendations to the full Board. Review and recommend any necessary budget changes during the year.
9. Review and assess the adequacy of this Charter periodically as needed and recommend to the Board any modifications to this Charter.

**Authority**

1. To the extent it deems necessary, the Committee may engage outside counsel, investment bankers, accountants and/or independent consultants to review any matter under its responsibility.
2. The Committee may take such other actions in matters under its authority as the Committee deems to be in the best interests of the organization or as required by any Regulatory Body.

***Policy Committee (Alan Meyer)***

The committee reviewed two policies and did not recommend changes to either policy, including the cost-effectiveness policy and a policy about eligibility of self-direct businesses for Energy Trust incentives. The committee requested more data regarding the second policy, which will be discussed at the next policy committee meeting.

***Renewable Energy Advisory Council (Hannah Cruz)***

At the February 27 Renewable Energy Advisory Council meeting, staff previewed Energy Trust's preliminary 2018 annual results and explained how the Solar program is shifting to support higher-value solar. The Renewable Energy Advisory Council was generally supportive of this program shift, and this topic may be brought to the board at a future meeting. There was a presentation about how Energy Trust could define net-zero homes for a potential streamlined energy efficiency and solar incentive.

***Conservation Advisory Council (Hannah Cruz)***

At the February 27 Conservation Advisory Council meeting, members received presentations on preliminary 2018 annual results and a potential program offering for net-zero homes. There were also presentations on results from recent studies and a list of measures that staff will review and potentially change or discontinue in 2020. The Conservation Advisory Council approved its operating principals and continued to ask questions about how their feedback is presented to the board.

Hannah asked for feedback on the February Conservation Advisory Council notes, which are slightly more condensed than prior meeting notes. The board preferred the more detailed version of the notes because it helps to see the perspectives from each individual member and shows transparency. The board discussed the timing of receiving committee meeting notes, and requested to receive them earlier if possible – in a separate email from the board packet. Hannah explained that it takes staff time to clean up the notes and carefully review them. Staff strive to get notes to board members as early as possible, which is currently at the same time as the board packet.

Ruchi Sadhir, Oregon Department of Energy, mentioned that the Built Environment Efficiency Working Group has a public meeting on April 16, and thanked Energy Trust staff in advance for attending and providing information at that meeting.

## Adjourn

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The meeting adjourned at 3:30 p.m.

**The next meeting of the Energy Trust Board of Directors** will be the Annual Strategic Workshop at 8:00 a.m. on Thursday, May 16, 2019 and Friday May 17, 2019 at Energy Trust of Oregon, Inc., 421 SW Oak Street, Suite 300, Portland, OR 97204.

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

07/24/2019  
Date