

Board Meeting Minutes—168TH Meeting

July 24, 2019

Board members present: Susan Brodahl, Melissa Cribbins, Roger Hamilton, Elee Jen, Mark Kendall, Debbie Kitchin, Henry Lorenzen, Alan Meyer, Roland Risser, Steve Bloom (OPUC ex officio)

Board members remotely attending: Lindsey Hardy, Eric Hayes, Ruchi Sadhir for Janine Benner (Oregon Department of Energy special advisor)

Board members absent: Ernesto Fonseca, Anne Root

Staff attending: Debbie Menashe, Mike Colgrove, Peter West, Cheryle Easton, Emily Findley, Caryn Appler, Peter West, Jon Volkman, Jay Ward, Kate Wellington, Alex Polley

Others attending: Simone Auger, Brian Zoeller, Charity Fain, Corey Scott, Susan Badger-Jones, Christine Chin-Ryan, Victoria Lara, Lisa McGarity, Misti Nelmes, Nick Ridling, Holly Valkama, Jim Owens, Joe Marcotte, Steve Vincent, Lori Wyman, Dave Bamford

Business Meeting

Roger Hamilton called the meeting to order at 9:32 a.m. Reminder that consent agenda items can be changed to regular agenda items at any time.

Bobbie Conner, Executive Director of Tamástslíkt Cultural Center, delivered welcome remarks and provided background information about the space, its history and purpose, and its partnership with Energy Trust to make capital upgrades and renewable energy investments over many years. She shared that the center's energy costs have gone from \$1.1 million annually to just a quarter million, thanks to projects like air sealing, solar panels installed on carports and other capital upgrades.

General Public Comments

There were no public comments.

Consent Agenda

RESOLUTION 878 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.

- April 3, 2019 Board Meeting Minutes
- May 16-17, 2019 Board Meeting and Strategic Planning Workshop Minutes

Moved by: Debbie Kitchin

Vote:

In Favor: 11

Opposed: 0

Seconded by: Elee Jenn

Abstained: 0

President's Report

Henry Lorenzen gave remarks. He thanked the cultural center and spoke about the long history of his family's residency in Pendleton, emphasizing the purpose of holding the meeting in Pendleton as a way to learn from diverse perspectives.

Henry then introduced members of Synergy Consulting group, which will be undertaking a project to do a full review of benchmarking for our board of directors and its governance process. Victoria Lara, Christine Chin-Ryan and Jim Owens comprise the team. They will review board composition, governance, structure, frequency/style of meetings, processes, committee functions and evaluation and engagement process. Henry will serve as the liaison between the board and this consulting group.

The group members provided some context about the approach they will take with this project. They aim to conduct 30 interviews, including members of Energy Trust's board, as well as board members of 12-13 other nonprofit entities. They will provide a summary of their findings at the next board meeting in October.

Approve Revised Authorization Northwest Energy Efficiency Alliance 2020-2024 Funding Commitment R879 replaces R877a

Mike Colgrove introduced this topic, explaining that Energy Trust's five-year funding agreement with NEEA needs to be re-approved due to an adjustment made to the funding on the natural gas side. Also joining from Portland was Joe Krause, an attorney at NEEA, to answer any questions.

Mike Colgrove explained that the original funding agreement had a mathematical error that led to missing funds on the gas side. He clarified that while there was also an adjustment to the electric savings goal, it did not affect funding for the electric portion of the agreement. The board expressed appreciation for having this brought to them and discussed how to prevent calculation errors going forward. Joe confirmed that it was an administrative error on NEEA's side and that they had implemented a process change to prevent it in the future.

The board engaged in a broader discussion about having a funding agreement spanning five years. While it's difficult to use as a planning tool, NEEA works closely with Energy Trust to create more accurate estimates for each annual budget, and while the funding agreement is for a five-year period, contracts are executed annually. The agreement is meant to provide stability to our ongoing relationship with NEEA and is comparable to Energy Trust's three-year business planning process.

The board inquired about increased levelized costs resulting from three proposed new initiatives. Staff explained that those initiatives were in the beginning of NEEA's development process and are in a pilot-level phase moving toward program rollout. Market transformation work is more costly in the beginning but typically leads to high savings that increase exponentially after moving into the market and standard practice.

The board discussed whether the five-year funding amount was an absolute cap, or if NEEA may ask for more funding later. Staff stated that it has never happened, and that NEEA is motivated to stay within this budget to avoid re-opening the funding agreement.

Authorizing a 2020-2024 Funding Commitment to the Northwest Energy Efficiency Alliance

Adopted - Amended July 24, 2019

RESOLUTION 879 REPLACES 877A AUTHORIZING A 2020-2024 FUNDING COMMITMENT TO 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 July 2014, Energy Trust committed to funding NEEA through its current funding cycle, NEEA "Cycle 5" and for the NEEA 2015-2019 Strategic Plan and Business Plan.**
3. **Pursuant to Energy Trust’s Cycle 5 contribution, through the first quarter of 2019, Energy Trust has acquired approximately 30 aMW of savings attributable to NEEA.**
4. **The NEEA board has adopted a new 2020-2024 Strategic Plan and Business Plan and is seeking corresponding commitments for the period 2020-2024 funding cycle.**
5. **The NEEA 2020-2024 Business Plan proposes to support between 360 and 500 aMW in regional electric savings and between 11 and 18 million therms in natural gas savings from market transformation investments over five years. Of this amount, approximately 20.1 percent of the electric savings and 34 percent of the natural gas savings are anticipated as Energy Trust savings.**
6. **Planned NEEA savings acquisition levelized costs compare favorably to levelized costs projected from other Energy Trust programs, and also comply with minimum OPUC performance measures established for Energy Trust.**
7. **The 2020-2024 NEEA Strategic Plan and Business Plan prioritize regional coordination and collaboration to accelerate development of emerging energy efficiency technologies, a critical strategy for Energy Trust’s savings acquisition goals.**
8. **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.**

It is therefore RESOLVED:

1. **The executive director or his designee is authorized to negotiate and sign a five-year contract with NEEA authorizing funding of up to \$40,386,000 to support an estimate of up to 100.9 aMW of electric energy savings and up to 6.1 million therms of natural gas savings.**
2. **Funding shall be consistent with Energy Trust’s board-approved annual budgets and two-year action plans.**

Moved by: Mark Kendall Seconded by: Roland Risser

Vote: In favor: 11 Abstained: 0

Opposed: 0

Adopted April 3, 2019 amended July 24, 2019

Approve Diversity Advisory Charter R880

Debbie Menashe presented a proposed charter to guide Energy Trust's new Diversity Advisory Council (DAC), joined by Charity Fain, Executive Director of Community Energy Project, and a key member of Energy Trust's Foundational DAC.

Debbie reviewed the diversity, equity and inclusion policy and activities that led to the formation of the Foundational DAC. Charity Fain clarified that while her professional industry experience was helpful in helping the Foundational DAC understand Energy Trust's work, their task was to write the charter, which didn't require energy experience. Energy Trust staff was also very responsive and gave presentations to increase understanding of Energy Trust's limitations and the regulations that affect its scope.

Debbie continued to review the Draft DAC charter resulting from the work of the Foundational DAC. While the group referenced the RAC and CAC charters, this new charter was built from the ground up and contains more detail about how the council will operate, as well as guidelines about content.

Per the charter, the DAC will have 11 members, with a required regional distribution of at least four members outside the Portland Metro area. It also offers the possibility of stipends for DAC members as a way to remove financial barriers that might prevent their participation on the council. Recruitment will involve a review and approval process whereby applicants will be evaluated on a skills matrix. At least one meeting per year will take place outside of Portland.

The 11 DAC members will not include Energy Trust staff, but there will be staff support. The board inquired how the draft charter compares with similar ones adopted by other organizations. Staff informed them that among the other charters they referenced, stipends are common.

The board discussed whether stipends will definitely be implemented or may simply be made available. Staff confirmed stipends will be made available, but eligibility is still to be determined in procedures that will also be brought to the board. The concept of stipends is intended to be authorized by the charter.

The board expressed concern regarding the stipend, cautioning that it will have tax and equity implications, and we need to be consistent in applying it. The board requested to review and approve the criteria before implementation begins. Staff responded that we have heard from many stakeholders that this is an important element to include in the charter to increase involvement from people with lower incomes and bring new voices to the table. The board discussed that the stipend shouldn't be dismissed simply because there is not a precedent, since that could be a form of implicit bias.

Charity Fain pointed out that not every single member would want, or apply for, the stipend. It would be an option for those who need it based on resources available to them through their jobs. Their funding structures may not allow them to be there, and their time would not be covered, which puts the organizations in an unfair position.

The board suggested that Energy Trust staff should work with audit staff about our plans to ensure that the stipends wouldn't be questioned in an audit, and staff stated that we would use the same process we already use with our low income groups, which is reported as a consultant service.

The board reiterated its overall support for the charter, with its feedback being to tread carefully and be equitable. It expressed that these are exciting and important conversations, and in order to begin thinking differently, we should continue having them.

Debbie Menashe reviewed changes previously made between the initial draft and the one currently being put forward, which made the geographic diversity requirement more robust and increased the transparency of the member approval process. The board expressed that it felt more comfortable with the charter due to those revisions, and it hopes we continue to evaluate the committee to ensure it is positioned properly to serve Energy Trust's interests in an advisory capacity.

DIVERSITY ADVISORY COUNCIL CHARTER

Adopted: April 3, 2019

RESOLUTION R880 RESOLUTION DIVERSITY ADVISORY COUNCIL CHARTER

WHEREAS:

1. In December 2017, the Energy Trust Board of Directors revised the board Equity Policy into a Diversity, Equity and Inclusion Policy 4.08.000-P. The Diversity, Equity and Inclusion Policy (the DEI Policy) was reaffirmed by the board in December 2018.
2. The DEI Policy calls for Energy Trust to establish a diversity advisory council to “provide advice and resources to the board of directors to support Energy Trust’s diversity, equity and inclusion operations plan and to advise the board of directors on assessing and measuring progress toward goals of such plan.”
3. Beginning in January 2019, Energy Trust convened and supported a group of community members interested in supporting Energy Trust’s efforts to establish a diversity advisory council (DAC) and experienced in DEI and similar advisory councils (the Foundational DAC).
4. Through a series of meetings, the Foundational DAC, working with Energy Trust board members Susan Brodahl and Ernesto Fonseca and a group of Energy Trust staff, drafted a proposed DAC charter which was presented for consideration to the Energy Trust Policy Committee in May and June 2019.
5. Responding to comments of the Policy Committee, the Foundational DAC and involved board and staff members revised the proposed DAC charter and present it to the full board for review.
6. Members of the Policy Committee supported bringing the proposed DAC charter to the full board for review and approval in the form attached to this resolution as Exhibit A.

IT IS THEREFORE RESOLVED: That Energy Trust of Oregon, Inc., Board of Directors approves the Diversity Advisory Council Charter in the form attached as Exhibit A.

Moved by: Melissa Cribbins

Seconded by: Mark Kendall

Vote: In favor: 11

Abstained: 0

Opposed: 0

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

2019 Legislative Session Update

Jay Ward, senior community relations manager, joined from Portland to present on Energy Trust’s participation in the 2019 legislative session.

Energy Trust monitored 80 bills and tracked 10 bills during this session that were likely, or had potential to, affect our work. Jay stated that the most significant bill being tracked was HB2020, also known as Cap and Invest, which did not pass. He shared that Governor Brown has directed her staff to explore alternative paths to achieving the goals of that bill, and while no special session is forthcoming, it may emerge in short session next year.

Jay went on to review highlights from the bills being tracked that passed. These included a modestly funded bill to establish a residential statewide solar incentive for installations paired with storage; a

manufactured home replacement bill directing OHCS to create a program administering up to \$9.5 million in loans to those projects; and a bill to create a renewable natural gas program for large natural gas utilities for up to five percent of their portfolio by 2020.

Jay also summarized some significant bills that did not pass, including one that would have extended the public purpose charge through 2036; one would have given authority to acknowledge the discrepancy of energy burden among consumers; and the Home Wrap bill, which sought to reinstate statewide energy efficiency incentives.

The board had no questions and thanked Jay, stating that it hopes he can help the review committee in the upcoming short session.

The board took a short break at 11:17 a.m.

Strategic Planning Discussion Purpose and Vision

Reconvened at 11:22 a.m.

Board members also referenced handouts available at each place. One of them presented different options for the vision and purpose statements with survey results.

Mike Colgrove, Debbie Menashe and Amber Cole led an interactive discussion to move toward selecting new, revised value and purpose statements. The board referenced handouts listing different options for each category of statements. The board previously voted on their preferences through an online survey, and the handout displayed the options in order of preference.

The board discussed that the audience for the vision and purpose statements is the general public, and how they may align with or be different from the language outlined in the public purpose charge grant agreement. Due to anxiety around whether the public purpose charge will be renewed, it may be beneficial to focus on what the grant agreement references with these public-facing statements.

Mike Colgrove reminded the group of the definitions of vision and purpose statements: vision is aspirational, while purpose is Energy Trust's core reason for being. The board discussed the reason behind re-evaluating the statements. It identified that it's a best practice to check-in periodically to ensure the language still meets our needs. The current statements may not fully capture what we want them to in encouraging customer participation and may require additional explanation through our marketing and communications. The new statements should be succinct, meaningful and memorable for both staff and customers.

Debbie reviewed the purpose statement options with the group. She asked the board to arrange themselves into small groups, within the room and remotely, and discuss if there were one or two options that stood out, as well as words or phrases that resonated.

After discussing, the groups reported out on their discussion and conclusions. Statements and phrases that stood out were relayed as follows by the groups:

In charge of energy use, affordable energy use, prosperous, cleaner, innovative, better life, reducing overall energy costs, customers, empower, enable, affordable, clean, all cost-effective, energy solutions, and deliver clean energy solutions.

The board discussed the importance of emphasizing affordability compared with clean energy, and whether the term clean energy encompassed energy efficiency. Ideally the statement would indicate our primary focus is energy efficiency with renewables to some extent. The option of emphasizing "reduce overall energy costs," was also proposed and the board debated whether reducing energy costs conveyed the same meaning as Energy Trust's work to achieve bill savings.

The board requested more time to continue the discussion.

The board took a break at 12:08 p.m. to go outside and get food to bring back before continuing the discussion.

The Board reconvened at 12:37 p.m. Lindsey Hardy left the call.

Amber Cole presented an overview of options for the vision statements and shared two initial responses from the online survey: one expressed concern about the term clean energy as prioritizing new energy generation, and another expressed a desire to not limit the vision to Oregon or the Pacific Northwest region.

Amber introduced an interactive exercise offering the opportunity to “try on” vision statements by reading them out loud to the audience. Four board members volunteered to read the top four choices out loud, then the board divided into discussion groups based on their top choice among the statements. Then, each group was invited to report out why that statement rose to the top for them.

Remote attendees stated they chose “energy for all” which spoke to what Energy Trust is trying to achieve. They explained that this statement looks toward the future, and that we should consider what the younger generation will want out of the vision.

Another group chose the “Every Oregonian” option, modified out of clarification to “affordable and sustainable” energy choices and added “We believe” to the beginning. They stated that it broadens applicability of our work.

A third group selected the “energy for all” statement and discussed whether “for all” was accurate, considering we serve ratepayers. However, the term ‘ratepayers’ might not be understandable to the general public. The group suggested modifying the statement to “Efficient, clean and affordable energy”.

The board brought up the idea of incorporating the term “least cost,” which appears in our grant agreement. Some concerns are that least cost only applies to energy efficiency, and that it’s a utility term likely to confuse the general public.

Eric disagreed with taking out “for all”. That creates an “us vs them” dynamic, along with creating two different situations.

The next steps are to reconvene with the internal strategic plan group, then provide revised options to the strategic planning committee on September 16. This meeting will also be opened up to the full board as a public meeting, and the new statement will be incorporated into the strategic plan prior to it being finalized.

Lindsey Hardy returned to the call at 1:00 p.m.

Management Review

Holly Valkama and Steve Lacey presented from the Portland office on an update of the management review. They are close to the end of the process, with a draft due to staff on August 1. Holly reviewed the topic areas they were asked to assess. Energy Trust is being asked to look at this now that it is taking on programs using non-public purpose charge funds. The review looked at the feasibility of implementing time tracking and met with staff to discover what's possible. They also interviewed other organizations to learn about different innovation approaches. The final report will be available in September or October.

The board had no further questions or comments.

Energy Programs

Kate Wellington presented an update on an ongoing assessment of the Existing Multifamily program. She reviewed that the main objectives of the study are to create resiliency and maintain a robust program in the face of challenges, which include savings reduction, market saturation and increased delivery costs. The project is nearing the end of the stakeholder engagement phase and is beginning to create recommendations so that larger program changes can be included in the 2020 program rebids. Kate described the different concept themes that the program has identified as useful strategy categories they may employ in the redesign.

The board commented that what Kate described seems like a good approach and asked about the response of multifamily tenant associations to these early concepts. Kate clarified that the program will seek their feedback at a later stage.

Next steps for the project are to incorporate near-term solutions into the 2020 budget, finalize recommendations for the 2020 rebid and continue to seek stakeholder feedback.

Committee Reports

Audit Committee

The committee presented an update on the management review report. The Public Utility Commission was engaged to ensure that terms and conditions to implement the plan conformed, and everything was in order.

Compensation Committee (Melissa Cribbins)

Melissa Cribbins shared that she missed the last compensation committee meeting, but everything is covered by the meeting notes.

Evaluation Committee (Lindsey Hardy)

Lindsey Hardy shared significant topics discussed at recent meetings. Highlights included evaluation on strategic focuses such as Targeted Load Management, customer insights, Fast Feedback results and evaluations of programs that have long project timelines, such as New Buildings.

Finance Committee (Susan Brodahl)

Susan Brodahl provided detailed insights from recent financial reports, supported by Peter West. The board discussed the role of reserves and operational procedures regarding reserves, for both public purpose charge funding and additional funding. She also offered perspective on where revenue stands compared with budget for electric and gas utilities. An update on savings goals and program performance was provided.

During the update, staff provided clarification on the process for negotiating funding with utilities and the board asked questions. The board expressed appreciation for the information, stating that it's important for them to stay on top of financials and be aware of significant variances.

The board suggested adding a note in our public reporting documents explaining that our reserve funding includes a significant amount committed to reserved incentives. An external audience may not realize this and think the amount is too high. Staff responded that we can add the information in the management note preceding the summary.

Policy Committee (Alan Meyer)

Alan Meyer presented recent highlights from committee meetings. The committee had a robust discussion about the forthcoming Diversity Advisory Council, which resulted in recommendations that influenced the final draft presented to the board. He reported there is no change to the fuel switching policy or self-direct incentives policy.

Staff discussed how to separate public purpose funding from Community Solar and some concerns from the OPUC. There will be more updates at the next policy committee meeting. Staff clarified that Community Solar funding does not threaten Energy Trust's status as a nonprofit. A separate reserve will be created from the Community Solar revenue.

Strategic Planning Committee (Mark Kendall)

Mark Kendall presented that the committee's major milestone is the draft strategic plan that is out for public comment. Hannah Cruz provided additional detail on the timeline for stakeholder outreach, which is being implemented through a comprehensive plan. The next meeting will kick off discussions on Energy Trust's mission, vision and purpose.

Conservation Advisory Council (Lindsey Hardy)

Lindsey Hardy provided an update on recent topics discussed by the Conservation Advisory Council including: feedback on Energy Trust's organizational goals; an early look at lighting measure strategy; an update on Portland Clean Energy Fund and its potential intersection with Energy Trust; the draft strategic plan; and the Multifamily redesign project.

Renewable Energy Advisory Council (Henry Lorenzen)

The Renewable Energy Advisory Council is planning a field trip to the Durham wastewater recovery facility on July 31. At the May meeting, the council discussed potential to provide Energy Trust incentives to Community Solar projects. At its June meeting, the council talked about the formation of the Diversity Advisory Council, and analysis of renewable resources and above market cost policy.

Adjourn

The meeting adjourned at 3:06 p.m.

The next regular meeting of the Energy Trust Board of Directors will be held on October 16, 2019, at Energy Trust of Oregon, Inc., 421 SW Oak Street, Suite 300, Portland, Oregon.

/k/ Mark Kendall
Signed: Mark Kendall, Secretary

10-28-19
Date