

Board Meeting Minutes—181st Meeting

September 11, 2020

Board members present: Erik Andersson, Susan Brodahl, Melissa Cribbins, Ernesto Fonseca, Eric Hayes, Alexia Kelly, Mark Kendall, Lindsey Hardy, Henry Lorenzen, Alan Meyer, Anne Root, Roland Risser, Letha Tawney (OPUC ex officio), Janine Benner (Oregon Department of Energy special advisor)

Board members absent: Elee Jen

Staff attending: Michael Colgrove, Cheryle Easton, Peter West, Wendy Bredemeyer, Elizabeth Fox, Oliver Kesting, Tara Crookshank, Debbie Menashe, Julianne Thacher, Naima Muntal, Amber Cole, Steve Lacey, Amanda Potter, Wendy Gibson, Jessica Kramer, Kathleen Belkhat, Tyrone Henry, Karl Whinnery, Scott Clark, Andrew Shepard, Hannah Cruz, Eric Braddock, Kati Harper, Shelly Carlton, Cameron Starr, Sue Fletcher, Ben Cartwright, Kristin Pinit, Alex Novie, Kristin Svaren, Kate Wellington, Abby Spegman, Amanda Zuniga

Others attending: Matthew Gibbs, Evergreen; Neil Schilling, North Coast Electric; Keith Ketterling, Stoll Berne; Joe Marcotte, TRC; Karla Hendrickson, ICF; Melissa Memory, ICF; Grant Callaghan, LEDVANCE; Lisa McGarity, Avista; Keil Mueller, Stoll Berne; Alyn Spector, Cascade; Jason Glendenning, Evergreen; Greg Stiles, Nexant; Michelle Missfeldt, ICF; Tracy Scott, TRC; Jim Volkman, Strategic Energy Group; Anna Kim, OPUC; Alex Berolucci, CLEAResult; Aaron Wines, TRC; Jonathan Budner, Franklin Energy; Aaron Lazelle, ICF; Robert Catalina; Laura Hall, ICF; Ben Crandall, CLEAResult; Douglas Oppedal, Evergreen; Michael Budds, CLEAResult; Greg Harr, Evergreen; Sara Fredrickson, CLEAResult; Don Jones, Pacific Power; Chad Belcher, ICF; Scott Scheuneman, RHT Energy; Nick Michel, TRC; Zandi Cox, Cox Electric; Jon Eicher, ICF; Vijay Patel; Rick Hodges, NW Natural; Raymond White, North Coast Electric; Sesan Nolan, Tri Phase Electric Supply Co.; Colin Podelnyk, ICF; Linda Woodley, Prisma Point; Aaron Leatherwood, Evergreen; Whitney Rideout, Evergreen; Victoria Parker, Waypoint Energy; Jacob James, Nexant; Jocelyn Brink, ICF; Adam Boyd, ColeBreit; Robert Catalina; Aaron Lazelle; Dionne Sims, Evergreen; Kathleen Rienhardt-Waring, ICF; Roger Flanagan, TRC; Lyn Schmidt, ICF; Matthew Gibbs, Evergreen; David Burchfield, Burch Energy; Aaron Frechette, Cascade; Rory Schmick, Stillwater Energy; Robin Clark, ICF; Kwasi Boateng, Burch Energy; Patricia Watts; Andrea White, CLEAResult; Brian Zoeller, ICF; Andrea Estrada, ICF; Danielle Tavizon; Dave Backen, Backen Consulting; Erik Holman, Cascade; Kalinda Carnahan; Emily Pearce, Evergreen; Chad Gillless, Stillwater; Lisa Littleton, TRC; Chris Smith, Energy 350; Ottis Burchfield; Kasandra Kraaz; Brian Lynch, AESC; Christopher Crockett; Angel Swanson, ICF; Kevin Fish, Strategic Energy Group; David Bruder, ICF; Johnathon Fata, Waypoint Energy; Holly Braun, NW Natural; Ross Finney, RHT Energy; Christopher Crockett, Nexant

Executive Session

In accordance with Energy Trust Bylaws 3.19.3 “Trade secrets, proprietary or other confidential commercial or financial information” and 3.19.4 “Information regarding negotiations whose disclosure would likely frustrate corporate purposes.” The Executive Session is not open to the public.

Board Meeting Call to Order

Board President Melissa Cribbins called the public meeting to order at 2:02 p.m. The board held an executive session immediately prior to the public meeting.

Board President Melissa Cribbins offered remarks to frame this meeting. At an August 13 board meeting, staff recommended contractors for commercial and lighting programs following a competitive bid process. In response to public comments offered at that meeting that raised concerns about the fairness of selection process, the board felt it was critical to examine the process before taking action. It

decided to engage an independent reviewer to ensure the selection process was fair and equitable for bidders. Melissa stated the board is also very interested in sound subcontracting plans, certified subcontractors and supplier diversity spending and has asked staff to share more about those plans.

Presentation of Independent Review

The Stoll Berne law firm was selected by the board to review the selection process and representatives Keith Ketterling and Keil Mueller presented a summary and findings of their investigation. Their charge was to determine if Energy Trust's process was properly applied, including whether staff engaged with any bidders inappropriately. Investigators reviewed documents, emails and other communications and interviewed staff members. They found Energy Trust staff was cooperative with the investigation and did not withhold any information. Investigators concluded Energy Trust has a fair and competitive selection process, that staff did not communicate inappropriately with bidders, that staff maintained confidentiality and that the recommendation was based only on the strength and weakness of each proposal.

The board complimented staff on the process and its willingness to thoroughly cooperate with the investigation. The board asked staff to proceed with presentations on the recommended contracts.

Energy Programs (Oliver Kesting, Amanda Potter, Tyrone Henry)

Energy Trust's Oliver Kesting, Amanda Potter and Tyrone Henry presented information on staff's recommendation to the board to authorize a transition contract and program management contract for business program services with TRC Environmental and to authorize a transition contract and program delivery contract for business lighting with CLEARResult.

These contracts allow for a restructuring of commercial programs to address cost-effectiveness challenges; promote diversity, equity and inclusion in subcontracting and customer participation; and promote innovative pilots and outreach strategies. The selection process emphasized diversity, equity and inclusion in scoring and required bidders submit plans on how they would promote diverse contracting. Tyrone Henry noted characteristics of the winning proposal which showed significant commitment to diversity, equity and inclusion, including in customer and trade ally participation and subcontract spending.

If approved by the board, staff would negotiate transition contracts and contracts starting in 2021. These contracts will mean changes for trade allies, subcontractors and customers, so communication will be critical in the transition phase.

Linda Woodley from Prisma Point asked about tracking of contractors. Tyrone Henry said Energy Trust is working on a system to track minority- and women-owned contracts with PDCs and PMCs and will use that process to start supplier diversity programs within Energy Trust to track professional services contractors.

The board asked whether staff had any significant observations in reviewing the proposals and what stood out in terms of program delivery or reaching new customers. Staff said some proposed included new measures and various delivery methods, while TRC's community-based liaison concept was impressive. Staff also noted community-based organizations play a pivotal role in reaching customers and diverse contractors and that it was great to see PMCs and PDCs connecting with them. CLEARResult's experience with midstream lighting and connection with a woman-owned trade ally for direct install offers also stood out.

The board took a 10-minute break. The meeting resumed at 3:13 p.m.

General Public Comments

Holly Braun from NW Natural said it was reassuring to hear Energy Trust followed its contracting process, but the focus of investigation seemed narrower than the concerns raised. How is Energy Trust addressing other concerns, including those about inflated pricing and budgets?

Linda Woodley from Prisma Point asked why text messages weren't reviewed in the investigation and raised concerns about accountability and support related to supplier diversity.

Chad Gillless from Stillwater Energy said the investigation was narrow, so the outcome was to be expected. Investigators didn't review the process itself, sufficiency or appropriateness of the bids beyond scoring. Why not dig deeper to investigate the process? If that requires an extension, that would be appropriate.

Energy Programs

Staff requested board authorization of contracts as described in R#918 and R#919. In its discussion, the board said it is critical to get reporting on cost effectiveness accountability in the final contracts to ensure Energy Trust gets the desired outcome and encouraged staff to include robust reporting requirements on cost effectiveness of various measures in contracts. It also noted there may be opportunities for saving in the transition and other costs and that those should be pursued. Responding to public comments regarding the scope of the investigation, the board reiterated its confidence in Stoll Berne's experience and comprehensive review, having had an opportunity to review their findings in detail at an earlier executive session meeting of the board. The board also noted the opportunities to discuss questions with staff. The board noted that in investigations there is a point at which an investigation reaches diminishing returns. In this case, where Stoll Berne found no evidence of any wrongdoing, the board does not find reason to continue. As a result, board president Melissa Cribbins asked for motion to approve the proposed recommended contract approvals.

Recommendations

Authorize staff to negotiate and sign a **Transition Contract** for a term of September 1, 2020 through December 31, 2020 and a **Business Program Management Contract with TRC Environmental Corporation** for a three-year term, beginning January 1, 2021, with potential for two one-year performance-based extensions and a total contract term not to exceed five years. If the board follows this recommendation, then staff will provide notice to the OPUC that Energy Trust is entering into this PMC agreement.

Authorize staff to negotiate and sign a **Transition Contract** for a term of September 1, 2020 through December 31, 2020 and a **Business Lighting Program Delivery Contract with CLEAResult** for a three-year term, beginning January 1, 2021, with potential for two one-year performance-based extensions and a total contract term not to exceed five years. If the board follows this recommendation, then staff will provide notice to the OPUC that Energy Trust is entering into this PDC agreement.

**RESOLUTION 918
AUTHORIZE A TRANSITION CONTRACT AND A PROGRAM MANAGEMENT CONTRACT WITH
TRC ENVIRONMENTAL CORPORATION FOR BUSINESS PROGRAM SERVICES**

WHEREAS:

1. With the assistance of outside expertise, Energy Trust staff conducted a fair and open procurement process to select a program management contractor to manage and deliver Business program services for the next 3-5 years;
2. Staff selected TRC Environmental Corporation as providing the Business program management contract proposal that would best meet the needs of Energy Trust and Energy Trust customers;
3. Staff has estimated a total transition budget for the September 1, 2020 through December 31, 2020 transition contract with TRC Environmental Corporation up to \$980,000;
4. Staff has estimated a total first-year Business program management and program delivery budget to be delivered as a PMC contract for 2021 up to \$15,500,000 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 Existing Buildings 2021 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. The executive director or his designee is authorized to negotiate and to enter into a transition contract with TRC Environmental Corporation for a term from September 1, 2020, through December 31, 2020, and a contract budget of up to \$980,000, to perform transition work in preparation for assuming full Business program management and delivery by January 1, 2021.
2. Subject to determination of a contract cost amount based on the board-approved 2021 annual budget, the executive director or his designee is additionally authorized to negotiate and to enter into a contract with TRC Environmental Corporation to manage the Business program for an initial term from January 1, 2021, through December 31, 2023.
3. First-year contract costs and savings goals included in the contract shall be consistent with the board-approved 2021 annual budget and action plan(s). 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.
4. 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, including but not limited to Diversity, Equity, and Inclusion contracting performance criteria. In no event would the total term of the contract plus extensions exceed five years.
5. 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. 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: Henry Lorenzen

Seconded by: Erik Andersson

Vote: In favor: 10

Abstained: 0

Opposed: 0

**RESOLUTION 919
AUTHORIZE A TRANSITION CONTRACT AND A PROGRAM DELIVERY CONTRACT WITH
CLEAResult FOR BUSINESS LIGHTING PROGRAM SERVICES**

WHEREAS:

1. With the assistance of outside expertise, Energy Trust staff has conducted a fair and open procurement process to select a program delivery contractor to manage and deliver Business Lighting program services for the next 3-5 years;
2. Staff selected CLEAResult as providing the Business Lighting program delivery contract proposal that would best meet the needs of Energy Trust and Energy Trust customers;
3. Staff has estimated a total transition budget for the September 1, 2020 through December 31, 2020 transition contract with CLEAResult up to \$770,000;
4. Staff has estimated a total first-year Business Lighting program management and program delivery budget to be delivered as a PDC contract for 2021 up to \$4,000,000 for Oregon based on identified savings levels from the RFP. Final details for the exact cost will be approved by this board as part of the Existing Buildings and Production Efficiency 2021 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. The executive director or his designee is authorized to negotiate and to enter into a transition contract with CLEAResult for a term from September 1, 2020, through December 31, 2020, and a contract budget of up to \$770,000, to perform transition work in preparation for assuming full Business Lighting program management and delivery by January 1, 2021.
2. Subject to determination of a contract cost amount based on the board-approved 2021 annual budget(s), the executive director or his designee is additionally authorized to negotiate and to enter into a contract with CLEAResult to manage and deliver the Business Lighting program for an initial term from January 1, 2021, through December 31, 2023.
3. First-year contract costs and savings goals included in the contract shall be consistent with the board-approved 2021 annual budget and action plan(s). 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.
4. 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, including but not limited to Diversity, Equity, and Inclusion contracting performance criteria. In no event would the total term of the contract plus extensions exceed five years.
5. 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: Mark Kendall

Seconded by: Erik Andersson

Vote: In favor: 10

Abstained: 0

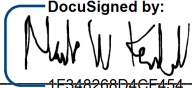
Opposed: 0

In its closing discussion, the board noted the breadth of assertions made in the anonymous letter from the August meeting raises concerns. The board has procedures for reviewing policies, and some of those concerns could be addressed in those reviews.

Adjourn Meeting

The meeting adjourned at 3:40 p.m.

The next regular meeting of the Energy Trust Board of Directors will be held Wednesday, October 14, 2020, at 8:30 a.m. on Zoom.

DocuSigned by:


Signed: Mark Kendall, Secretary

10/29/2020

Date