

# Energy Trust Board of Directors

August 13, 2020

---

Register in advance for this meeting:

<https://zoom.us/meeting/register/tJMsc-6qzovGdNwyBmIY1cVh3vBqmnDmjPH>

After registering, you will receive a confirmation email containing information about joining the meeting.

# 180th Board Meeting

August 13, 2020

## Agenda

---

- |   |          |
|---|----------|
| <b>1:30 p.m. Board Meeting Call to Order</b> (Melissa Cribbins)   |          |
| <b>General Public Comment</b><br><i>The president may defer specific public comment to the appropriate agenda topic.</i>  |          |
| <b>1:45 p.m. Executive Director Report</b> (Michael Colgrove) <ul style="list-style-type: none"><li>• Q2 results</li></ul>  | Info     |
| <b>2:00 p.m. Executive Session</b><br><i>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." <b>The Executive Session is not open to the public.</b></i> | Info     |
| <b>2:30 p.m. Energy Programs</b> (Oliver Kesting, Amanda Potter and Tyrone Henry) <ul style="list-style-type: none"><li>• Authorize transition contracts, a program management contract and a program delivery contract for business program management and delivery</li></ul>  | 1 Action |
| <b>3:00 p.m. Adjourn Meeting</b> (Melissa Cribbins)   |          |

Register in advance for this meeting:

<https://zoom.us/join/zoom/register/tJMsc-6grzovGdNwyBmIY1cVh3vBqmnDmjPH>

After registering, you will receive a confirmation email containing information about joining the meeting. Contact [cheryle.easton@energytrust.org](mailto:cheryle.easton@energytrust.org) if you do not receive your confirmation email prior to the meeting date.

The next meeting of the Energy Trust Board of Directors will be October 13, 2020 and will be held virtually on Zoom.

## Table of Contents

**Tab 1 Board Briefing and Decision Paper Authorize transition contracts, a program management contract and a program delivery contract for business program management and delivery**

- Resolution R915 Authorize Transition Contract and a Program Management Contract with TRC Environmental Corporation for Business Program Services
- Resolution R916 Authorize Transition Contract and a Program Delivery Contract with CLEARResult for Lighting Program Services

# Tab 1

# Board Briefing and Decision Paper

## Authorize Transition Contracts, a Program Management Contract and a Program Delivery Contract for Business Program Management and Delivery

August 13, 2020

---

### Summary

Approve negotiation and execution of the following contracts<sup>1</sup>:

- Transition Contract and Program Management Contract: TRC Environmental
- Transition Contract and Program Delivery Contract: CLEAResult

The contract terms for both of the transition contracts would be from September 1, 2020 to December 31, 2020. The contract term for both the program management contract and the program delivery contract would begin January 1, 2021 and be for three years, with two optional one-year extensions, and would not exceed a total of five years. Statements of work for the program management contract and program delivery contract are approved on an annual basis, subject to annual budgets and savings goals.

### Background—Business Program Structure Changes

- Currently, one program management contractor (PMC) delivers Energy Trust's Existing Buildings program services, including delivery to NW Natural commercial customers in Southwest Washington; one PMC delivers the Existing Multifamily program services; and one program delivery contractor (PDC) delivers lighting for the industrial and agriculture programs. Lighting program services for Existing Buildings and Existing Multifamily programs are currently delivered through their respective PMCs.
- Energy Trust is restructuring some of its business programs to combine multifamily program services into the Existing Buildings program management contract and to combine program delivery of its business lighting services for commercial, multifamily and industrial customers into a single program delivery contract.
- This is to improve the long-term viability and cost-effectiveness of the lighting and multifamily programs, and to support goals to deliver clean energy benefits directly to communities of color, rural businesses and smaller businesses.
- The decision was informed by the organization's Diversity, Equity and Inclusion Operations Plan and 2019 savings and cost assessments of the multifamily program and commercial and industrial lighting offerings (completed with involvement from Energy Trust's Conservation Advisory Council).
- With the board's approval of the resolutions below, management and delivery of business programs will be contracted as follows:
  - A PMC will design, develop and implement Energy Trust's non-lighting retrofit program offerings for Existing Buildings, Existing Multifamily and energy

---

<sup>1</sup> Program Management Contractors (PMCs) are responsible for managing and delivering comprehensive program strategy, design and marketing services to achieve savings and other program goals across multiple customer/market segments. Program Delivery Contractors (PDCs) are responsible for a narrower subset of program outreach and delivery services.

- performance management in Oregon, as well as for NW Natural commercial customers in Southwest Washington.
  - A PDC will design, develop and deliver Energy Trust’s commercial and industrial lighting program offerings.
  - Both the PMC and PDC will also develop and deliver new customer strategies and opportunity areas to support longer-term strategic program planning, pilot development and outreach to communities of color, rural customers and those with low incomes.
- Restructuring the business programs is intended to:
  - **Enable the development of a balanced portfolio of cost-effective energy savings** that meets goals and aligns the cost of program delivery to the value of expected energy savings over the next five years.
  - **Achieve administrative cost savings and efficiencies** to improve program-level cost-effectiveness by incorporating multifamily in the Existing Buildings program and consolidating commercial and industrial lighting programs.
  - **Collaborate and coordinate with other Energy Trust PMCs and PDCs** to ensure customers receive comprehensive customer service and are guided toward the solutions that best meet their needs.
  - **Leverage key partners** such as the utilities, Oregon Department of Energy, Northwest Energy Efficiency Alliance (NEEA) and Bonneville Power Administration (BPA).
  - **Increase management and delivery flexibility** with services and offers that reach all market segments and customer types and encourage repeat and comprehensive participation.
  - **Support Energy Trust in meeting diversity, equity and inclusion goals** including increasing participation for minority-owned, woman-owned, emerging small and service-disabled veteran-owned business enterprises and community-based organizations that serve communities of color and rural communities across Energy Trust’s service territory.
  - **Increase spending and collaboration with diverse contractors** through required diversity, equity and inclusion goals in contracting plans.
- When changing from one PMC/PDC to another PMC/PDC, Energy Trust enters into transition contracts with the incoming PMC/PDC to manage the complex process of ensuring a smooth transition for customers.
  - With the board’s approval of the resolutions below, Energy Trust will enter into transition contracts with the selected PMC and PDC.

## **Background—2020 Business Program Management and Delivery RFP**

- In March 2020, staff issued a request for proposals (RFP) for one PMC and one PDC to deliver services for business program management and delivery. Respondents could bid on a single contract (PMC or PDC) or a combination of both contracts.
- The RFP was announced via the Energy Trust website, a press release, and an email to a list of interested parties and industry contacts. The RFP was also announced at Energy Trust advisory council meetings and to trade allies at a business networking event.
- The RFP reflected new program structures for delivering lighting and multifamily offerings and significantly more requirements for diversity, equity and inclusion in hiring, subcontracting and community engagement. Diversity, equity and inclusion components were weighted substantially higher than in past solicitations.
- Energy Trust received seven intents to respond, and 10 firms indicated interest in teaming with prime bidders.

- Proposals were initially due in April 2020, and Energy Trust extended the proposal due date to May 2020 to provide additional time for proposal development in light of COVID-19 challenges.
- Energy Trust received two proposals for PMC services, two proposals for PDC services and one proposal for both PMC and PDC services combined.
- Staff completed a pre-qualification evaluation of all proposals for adherence to financial, legal and minimum requirements. All proposals passed this stage.
- A team of 21 Energy Trust staff members and two external reviewers (a representative from Northwest Energy Efficiency Alliance and a member of Energy Trust's Diversity Advisory Council) reviewed the proposals. The review team:
  - Conducted cost-effectiveness analysis of each proposal
  - Utilized Energy Trust's Diversity, Equity and Inclusion Lens to inform scoring
  - Provided preliminary scores based on written proposals
  - Posed questions to finalists selected for interviews
  - Participated in follow-up discussions and updated scoring
  - Made a recommendation for the selection of the PMC and PDC contracts

## **Discussion**

Proposals were evaluated using the following criteria:

- (40%) Cost and Energy Savings—Price Proposal and Energy Savings
- (25%) Diversity, Equity and Inclusion—Diversity, Equity and Inclusion Qualifications; Program Design and Implementation Strategy; and Subcontracting Plan
- (20%) Proposal Strength—Program Design and Strategy
- (15%) Strength and Cohesion of Respondent Team—Project Team Qualifications and Experience

### ***Cost and Energy Savings***

- Staff provided respondents with 2021 savings forecasts and respondents proposed the following:
  - Business Programs PMC: 59 million kWh and 2.6 million therms, \$14.8 million delivery budget
  - Business Lighting PDC: 84 million kWh, \$3.1 million delivery budget
- Proposals were analyzed to confirm they met cost-effectiveness thresholds.
- These proposed savings estimates are about 5% less for electric and 10% more for gas than preliminary 2021 budgeted savings in Energy Trust's 2020 Budget and 2020-2021 Action Plan and are subject to negotiation as we finalize 2021 budgets and contracts.
- For contract negotiation purposes, staff is requesting authorization for a delivery budget of up to \$15.5 million for the business program management contract and up to \$4 million for the Business Lighting program delivery contract.
  - This request is more than the bidders' proposed budgets, allowing some flexibility to increase savings and outreach staffing if needed.
  - These budget amounts are approximately \$5 million less than staff had estimated in the 2021 budget projection included in Energy Trust's 2020 Budget and 2020-2021 Action Plan.
- Staff is also requesting a 2020 transition budget of up to \$1.75 million across the PMC and PDC contracts, which is approximately \$1 million more than planned. Underspending elsewhere in 2020 is expected to cover the additional amount.

### ***Proposal Strength; Strength of Team; Diversity, Equity and Inclusion***

Strengths of the TRC Environmental PMC proposal and team include:

- Demonstrated cohesiveness of team and commitment to collaboration; diverse team makeup; strong analytic capabilities

- Strong implementation plans and strategies including small business engagement, midstream approaches and energy performance management
- Competitive delivery cost
- 20% of 2021 delivery budget allocated to minority-owned businesses, women-owned businesses, emerging small business subcontractors and community-based organizations with diversity, equity and inclusion strategies used holistically throughout the proposed program; national reputation for supplier diversity that can be leveraged locally; strong relationships with minority contractors and community-based organizations
- Comprehensive response to new customer strategies/opportunity areas including community relations and outreach with community-based liaisons, development of new measures, targeted trade ally recruitment and workforce development, COVID-19 recovery strategies, and additional diversity, equity and inclusion strategies
- Strong transition plan and team

Strengths the CLEARResult PDC proposal and team include:

- Significant delivery cost efficiencies achieved through midstream program design and customer and trade ally tools
- Strong track record of successful lighting program implementation
- Diversity, equity and inclusion strategies woven into all aspects of program delivery with strong commitment to support and grow trade ally participation among diverse firms
- 32% of 2021 delivery budget allocated to minority-owned businesses, women-owned businesses, emerging small businesses subcontractors, with significant program elements led by diversity, equity and inclusion subcontractors including small business direct installation
- Strong national supplier diversity program that can be leveraged locally
- Strong lighting design assistance to rural areas led by minority-owned business subcontractor

2021 proposed spending with minority-owned businesses, women-owned businesses, emerging small businesses and community-based organizations as percentage of delivery budget:

<b>TRC Environmental</b>	<b>Percent of Delivery Budget</b>
Minority/Woman-Owned Business	5.1%
Women-Owned Business	9.4%
Minority-Owned Business	1.1%
Service-Disabled Veteran-Owned Business	0%
Emerging Small Business	0%
Community-Based Organization	2.3%
Other/to be determined*	2%
<b>Total</b>	<b>20%</b>

*\*To-be-determined subcontractors may fall into any of the categories*

<b>CLEARResult</b>	<b>Percent of Delivery Budget</b>
Women/Minority-Owned Business	17%
Women-Owned Business	12%
Minority-Owned Business	0%
Service-Disabled Veteran-Owned Business	0%
Emerging Small Business	3%
Community-Based Organization	0%



***Efforts to Engage Minority- and Women-Owned Businesses***

Energy Trust staff (the diversity, equity and inclusion lead and senior customer service strategy manager) has been working with community-based organizations to expand relationships with minority-owned businesses, women-owned businesses, emerging small businesses and businesses owned by service-disabled veterans. Organizations currently engaged include Portland Business Development Group, National Association of Minority Contractors of Oregon and LatinoBuilt. These organizations specialize in promoting and cultivating contracting opportunities with the general contracting community. Staff will continue to expand those relationships with the community-based organizations and/or through the PMC and PDC contracts.

**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 915**  
**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:

Vote:

In favor:

Opposed:

Seconded by:

Abstained:

**RESOLUTION 916  
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:

Vote:

In favor:

Opposed:

Seconded by:

Abstained: