

# Board Meeting Minutes—191st Meeting

July 21, 2021

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**Board members present:** Alan Meyer, Alexia Kelly, Elee Jen, Erik Andersson, Ernesto Fonseca, Henry Lorenzen, Lindsey Hardy, Mark Kendall, Susan Brodahl, Roland Risser, Janine Benner (Oregon Department of Energy special advisor), Letha Tawney (Oregon Public Utility Commission ex officio)

**Board members absent:** Anne Root, Eric Hayes, Melissa Cribbins

**Staff attending:** Adam Bartini, Amanda Potter, Amanda Thompson, Andy Cameron, Betsy Kauffman, Cheryle Easton, Debbie Menashe, Elaine Dado, Elizabeth Fox, Emily Estrada, Emma Clark, Eric Braddock, Fred Gordon, Hannah Cruz, Jay Ward, Karl Whinnery, Melanie Bissonnette, Michael Colgrove, Quinn Cherf, Sarah Castor, Scott Clark, Steve Lacey, Sue Fletcher, Tara Crookshank, Thad Roth, Tracy Scott

**Others attending:** Anna Kim (Oregon Public Utility Commission), Beth Glynn (Cascade Energy), Brooke Landon (CLEAResult), Chris Smit (Energy 350), Daniel Meek, Jeff Bernacki (Cascade Energy), Jeff Manternach (Red Rock Biofuels, LLC), Kari Greer (Pacific Corp.), Matthew Tidwell (PGN), Rachel Dawson (Cascade Policy Institute), Rick Hodges (NW Natural Gas), Ross Finney (RHT Energy), Susan Badger-Jones (Diversity Advisory Council)

## Business Meeting

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Vice President Henry Lorenzen called the meeting to order at 10 a.m. Henry reminded board members of their ability to request that consent agenda items be removed to the regular agenda items at any time. He also described the public meeting process and outlined the Zoom process for public comments and presentations for meeting participants and members of the public in attendance.

## General Public Comments

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Henry asked for public comments, and there were none at the meeting. However, Henry stated that a written public comment submitted to the board earlier in the day by Tom Cusack with concerns expressed about Red Rock Biofuels, LLC. Those comments are attached at the end of the minutes and were delivered to board later in the meeting.

## Consent Agenda

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*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 upon the request from any member of the board.*

Secretary Mark Kendall notified the board that he had reviewed the minutes in the board packet and found them accurate. The board approved the minutes as part of the consent agenda.

### **MOTION: Approve consent agenda**

Consent agenda includes:

1. May 18, 2021 Board Learning Session Minutes
2. May 19, 2021 Board Meeting Minutes  
Request approval of Andy Cameron as Oregon Department of Energy member to the Evaluation Committee R#944

Moved by: Roland Risser

Seconded by: Mark Kendall

Vote: In favor: 10

Abstained:

Opposed: 0

**RESOLUTION 944**  
**BOARD COMMITTEE APPOINTMENTS**  
*(REPLACES RESOLUTION 932)*

## WHEREAS:

1. **Energy Trust of Oregon, Inc. Board of Directors are authorized to appoint by resolution committees to carry out the Board's business.**
2. **Oregon Department of Energy (ODOE) director and special advisor and ex-officio member to the board, Janine Benner, has requested that Andy Cameron, ODOE Energy Efficiency and Conservation Manager, replace Warren Cook as the ODOE representative on the Energy Trust Program Evaluation Committee.**
3. **The Board President recommends the appointment of Andy Cameron to the Program Evaluation Committee in place of Warren Cook.**

## It is therefore RESOLVED:

1. **This resolution replaces Resolution 932 adopted by the board at its February 24, 2021 meeting to reflect the addition of Andy Cameron on the Evaluation Committee; and**
2. **That the Board of Directors hereby appoints the following directors to the following committees for terms that will continue until a subsequent resolution changing committee appointments is adopted:**

<b>Audit Committee</b>
Anne Root, Chair
Henry Lorenzen
Mark Kendall
Karen Ward, outside expert
Melissa Cribbins (ex officio)
Pati Presnail, staff liaison
<b>Board Nominating Committee</b>
Anne Root, Chair
Alan Meyer
Alexia Kelly
Ernesto Fonseca
Lindsey Hardy
Letha Tawney OPUC (ex officio)
Melissa Cribbins (ex officio)
Greg Stokes, staff liaison

<b>Compensation Committee</b>
Roland Risser, Chair
Mark Kendall
Susan Brodahl
Eric Hayes
Melissa Cribbins (ex officio)
Amanda Sales, staff liaison
<b>Executive Director Review Committee</b>
Elee Jen, Chair
Erik Andersson
Roland Risser
Eric Hayes
Melissa Cribbins (ex officio)
Amanda Sales, staff liaison
<b>Finance Committee</b>
Susan Brodahl, Chair
Anne Root
Henry Lorenzen
Roland Risser
Melissa Cribbins (ex officio)
Pati Presnail, staff liaison
<b>Policy Committee</b>
Henry Lorenzen, Chair
Alan Meyer
Anne Root
Eric Hayes
Erik Andersson
Susan Brodahl
Letha Tawney OPUC (ex officio)
Melissa Cribbins (ex officio)
Debbie Goldberg Menashe, staff liaison
<b>Program Evaluation Committee</b>
Lindsey Hardy, Chair
Alan Meyer
Eric Hayes
Erik Andersson
Jennifer Light, expert outside reviewer
Andy Cameron, ODOE (ex officio)
Melissa Cribbins (ex officio)
Sarah Castor, staff liaison

<b>Strategic Planning Committee</b>
Mark Kendall, Chair
Lindsey Hardy
Roland Risser
Ruchi Sadhir, ODOE (ex officio)
Letha Tawney OPUC (ex officio)
Melissa Cribbins (ex officio)
Debbie Goldberg Menashe, staff liaison
<b>Ad hoc Committee on Board Roles and Responsibilities</b>
Roland Risser, Chair
Alan Meyer
Elee Jen
Eric Hayes
Mark Kendall
Melissa Cribbins (ex officio)
Letha Tawney OPUC (ex officio)
Cheryle Easton, staff liaison
<b>Ad hoc Committee on Board Governance and Structure</b>
Henry Lorenzen, Chair
Alan Meyer
Anne Root
Eric Hayes
Ernesto Fonseca
Susan Brodahl
Letha Tawney OPUC (ex officio)
Melissa Cribbins (ex officio)
Cheryle Easton, staff liaison
<b>Ad hoc Committee on Board Diversity</b>
Mark Kendall, Chair
Elee Jen
Eric Hayes
Ernesto Fonseca
Lindsey Hardy
Letha Tawney OPUC (ex officio)
Ruchi Sadhir, ODOE (ex officio)
Melissa Cribbins (ex officio)
Cheryle Easton, staff liaison

**3. The executive director, chief legal officer or director of finance are authorized to sign routine 401(k) administrative documents on behalf of the board, or other documents if authorized by the Compensation Committee.**

The board also acknowledges that the following board members have committed to attend advisory council meetings:

- a. Conservation Advisory Council: Lindsey Hardy, Elee Jen and Alan Meyer
- b. Renewable Energy Advisory Council: Susan Brodahl and Alexia Kelly
- c. Diversity Advisory Council: Mark Kendall, Ruchi Sadhir

Moved by: Roland Risser    Seconded by: Mark Kendall

Vote:                        In favor: 10    Abstained:

                                Opposed:

## **Executive Director Report**

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Executive Director Michael Colgrove included several items in his report.

Michael first described organizational plans for a hybrid workplace, both in ongoing COVID-19 circumstances and beyond. The workplace model envisioned would permit flexibility for staff to work in or away from the Energy Trust office space. Executive Team is working to identify protocols and procedures for a hybrid workplace and expects to institute a pilot over the next 6-12 months

Board members discussed considerations for their own meetings and whether and how to continue with hybrid, in-person and virtual attendance. Board members will consider and discuss their meeting protocols over the next months.

Henry presented to the board comments received in written form by Tom Cusack regarding his concerns about the Red Rock project. The written comments are attached to the minutes.

Michael then introduced Industry & Agriculture Sector Lead Amanda Potter who presented information on the Red Rock Biofuels project and recommended an extension to the current project funding agreement Board members acknowledged the concerns raised in the written comments and asked questions about the project risk and the funding agreement risk. Jeff Manternach, co-founder and CFO of Red Rock Biofuels, LLC, responded to board member questions about project funding and construction timing.

Board members expressed appreciation for the project, including its economic development benefits for Lake County.

Board members then moved to approve Resolution 945 below as follows:

**RESOLUTION 945  
WAIVING PROGRAM INCENTIVE CAP AND APPROVING INCENTIVES  
FOR THE RED ROCK EFFICIENCY PROJECT**

**WHEREAS:**

1. **The Energy Trust Production Efficiency program has worked with Red Rock Biofuels, LLC (Red Rock) to identify a custom waste heat to energy system project (the Project) in connection with the gasification process at Red Rock's new biofuel production facility, to be constructed and located in Lakeview, Oregon.**
2. **In June 2018, the Energy Trust board of directors authorized the executive director to enter into an incentive funding agreement with Red Rock for up to \$2 million, subject to certain conditions including:**
  - **Energy Trust funding would be contingent on Red Rock's agreement to suspend self-direction at the facility site where the Project is located for at least three years.**
  - **Electric energy generated by the Project will be used by Red Rock on-site to reduce the amount of electricity purchased for the facility.**
  - **Energy Trust funding would be conditioned on Red Rock's construction completion by September 2021 and would be payable annually based on savings performance.**
3. **Energy Trust and Red Rock entered into an incentive funding agreement consistent with the Energy Trust board of directors' approval effective June 19, 2020 (the Red Rock Incentive Agreement).**
4. **Red Rock has commenced construction and completed approximately 60% of the project, but Red Rock will not complete construction by September 2021 and has, therefore, requested an extension of the original construction completion deadline condition in order to secure adequate funding for completion.**
5. **Energy Trust remains supportive of the Red Rock project as it provides very cost effective energy efficiency savings for the benefit of ratepayers.**
6. **Energy Trust staff proposes amending the Red Rock Incentive Agreement to (i) extend the construction completion deadline from September 30, 2021 to December 31, 2023 and (ii) add an additional milestone condition for securing adequate funding not later than March 30, 2022, such funding must be adequate for construction completion by the December 2023 deadline.**

**It is therefore RESOLVED that the board of directors of Energy Trust of Oregon:**

- **Authorizes the executive director to negotiate and sign an amendment to the Red Rock Incentive Agreement that contains the following terms:**
  - **Revises the condition for incentive payment for construction completion by extending the current construction completion deadline in the Red Rock Incentive Agreement from September 30, 2021 to December 31, 2023; and**
  - **Adding an additional condition for incentive payment to secure adequate funding to complete construction not later than March 30, 2022.**

Moved by: Mark Kendal

Seconded by: Erik Andersson

Vote:

In favor: 10

Abstained: 0

Opposed: 0

Michael then updated the board on Energy Trust's ongoing efforts to support wildfire relief efforts, describing plans to create specific wildfire rebuilding measures and the development of a tool to track active fires. This tracking tool enables Energy Trust to focus outreach efforts as and where needed. Board members expressed their support for these efforts.

Janine Benner, Director of Oregon Department of Energy (ODOE) and special advisor to the board, reported that she and Michael are in discussions on how ODOE and Energy Trust can coordinate to advance Energy Trust efforts and funding allocated to ODOE for wildfire rebuilding in the 2021 legislative session.

Michael completed his report by introducing two new employees, Elaine Dado, executive assistant, and Emma Clark, senior outreach manager-communities of color.

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## Committee Reports

### ***Audit Committee***

In committee chair Anne Root's absence, Michael Colgrove referred board members to the committee notes in the board packet.

### ***Evaluation Committee***

Lindsey Hardy reported on the Evaluation Committee, highlighting evaluations on Fast Feedback and a large, complex industrial project.

### ***Finance Committee***

Susan Brodahl asked Michael Colgrove and Steve Lacey, Energy Trust Director of Operations, to describe information presented to the Finance Committee regarding the request to use contingency funds to provide additional funding for Energy Trust's gas efficiency programs until such time as additional revenues can be collected from the gas utilities. Michael and Steve presented information on the program needs, and board members asked questions regarding gas utility and OPUC discussions and involvement. Board members sought to confirm that the utilities were committed to providing future revenue. OPUC Commissioner Letha Tawney, ex officio member of the board, confirmed that Energy Trust and the gas utilities are expected before the OPUC for a tariff adjustment in November to ensure additional funding for Energy Trust in January to replenish the contingency reserves.

Board members then moved to approve Resolution 946 as follows:

**RESOLUTION R946  
AUTHORIZING USE OF PROGRAM AND CONTINGENCY RESERVES TO SUPPORT GAS  
EFFICIENCY PROGRAMS**

**WHEREAS:**

- 1. Energy Trust's board policy on Maintaining, Establishing, and Using Net Assets requires that Energy Trust's board of directors approve expenditures that exceed 50% of Energy Trust's program reserves and in any amounts from Energy Trust's Operational Contingency Reserves.**
- 2. Market conditions and program design have resulted in a higher uptake of incentives in gas efficiency programs, and to support the continuation of these programs, Energy Trust staff is implementing incentive changes and proposes accessing program and operational contingency reserves.**

3. **Energy Trust staff has taken steps to manage gas program incentive demand, including changing incentives and implementing incentive and program caps. To sustain the gas programs, Energy Trust staff also proposes accessing program reserves for NW Natural and Avista and accessing operational contingency funds temporarily in an amount up to \$500,000 for support of Avista gas incentive offerings.**

**It is therefore RESOLVED that in order to sustain and support the continuation of the gas efficiency programs in 2021:**

1. **Energy Trust staff is authorized to access and use the NW Natural and Avista program reserves in amounts that will exceed 50% of those program reserves; and**
2. **Energy Trust staff is authorized to access and use temporarily an amount not to exceed \$500,000 from the operational contingency reserves.**

Moved by	Susan Brodahl	Seconded by:	Roland Risser
Vote:	In favor:10	Abstained:	0
	Opposed: 0		

### ***Policy Committee***

Henry Lorenzen reported on the Policy Committee actions and discussions which included the appointment of Terrance Harris to the Diversity Advisory Council and the review of several policies, including the Combined Heat and Power (CHP) Policy, a review of large contracts, and an update on the legislative session. Committee members asked staff to provide more explanation and options for their review of the policies. Henry noted that a review of many policies will be undertaken in light of legislative changes and the effects on many of Energy Trust's policy statements.

### ***Conservation Advisory Council (CAC)***

Lindsey Hardy reported on the June CAC meeting. At that meeting, staff reported on the business sector incentive pipeline and project management for 2021, which revealed that the year continues to be dynamic. The meeting also included updates on the uptake of gas incentives in the Residential sector, wildfire recovery, the development of the new tracking tool for the Strategic Energy Management program, and on Power and Conservation Council's upcoming power plan draft.

### ***Diversity Advisory Council (DAC)***

Mark Kendall reported on the last DAC meeting. DAC members will be meeting with the board's ad hoc DEI Committee in October to discuss trainings and discussions with the board focused on inclusivity and anti-racism. Board members asked questions regarding the DAC's focus on communities of color, rural communities, and customers with low-income and how board trainings will be connected to all of those communities. Board members discussed the importance of efforts and focus on inclusivity among all communities and the way in which DAC's efforts to raise Energy Trust's awareness of possible preconceptions and assumptions can make our programs more inclusive and accessible to all potential customers.

### ***Ad hoc Board Governance Roles & Responsibilities and Structure Committees***

Roland Risser reported on the board's ad hoc Board Governance and Structure committees. The committees planned the board's June 8<sup>th</sup> workshop. At that workshop, the board discussed legal and fiduciary board responsibilities, best practices, a list of board responsibilities, and committee structures. Another workshop is scheduled for August 25<sup>th</sup> to make decisions on next steps. Workshop 2 will work on these and come to some conclusions.

The Board adjourned for Lunch at 11:58 a.m.



Henry Lorenzen called meeting to order at 12:48

## **General Public Comments**

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There were no public comments.

## **Legislative Report**

Hannah Cruz, Senior Communications Manager, and Jay Ward, Community Outreach Manager, presented an update on the outcomes of the 2021 legislative session. It was a significant session, with focus on rebuilding for wildfire and COVID-19 and racial justice. In addition, the session resulted in significant developments in clean energy policy and legislation.

For Energy Trust, the most direct and substantial impact comes out of HB 3141. HB 3141 extended the sunset for the public purpose charge through 2036 and expands the statutory purposes for renewable energy public purpose funding to include support for distribution system connected technologies that support reliability, resilience and integration of renewable resources into the distribution system and also to require at least 25% of that funding to be focused on low income customers.

The bill reduced the 3 percent public purpose charge on electric utility customer bills and moves all energy efficiency funding from the public purpose charge structure and into regular utility ratemaking, in the same way Energy Trust's current "supplemental funding" through SB 838 has been handled since 2008. By moving cost-effective energy efficiency funding from the public purpose charge and into OPUC ratemaking processes, the sunset on energy efficiency funding is effectively removed. The bill also phases out over time funding caps on large electric customers.

In addition, the bill requires the OPUC to set equity metrics for all utility customer funds managed by Energy Trust. The equity metrics must be set by the end of 2022.

Hannah provided slides depicting the changes to the Energy Trust's funding sources, and the board expressed appreciation for the information.

Steve Lacey reported that the OPUC staff and Energy Trust staff have been in conversations to discuss how to implement the legislative changes. An internal Energy Trust team has convened. The board will be updated regularly.

Board members asked a number of questions and asked to be thoroughly engaged as Energy Trust and the OPUC work through the changes.

Staff provided a brief summary on other relevant and significant bills, including HB 2021 (Clean Electricity) and HB 2475 (authorizing differentiated ratemaking for low income customers and providing intervenor funding). A full report on all bills tracked by Energy Trust and summaries of other significant bills was included in the board packet for the meeting.

Board members asked questions for clarity and expressed interest in the opportunities presented for Energy Trust by the legislation.

## **2022 Business Plan in Support of Organizational Goals**

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Michael Colgrove presented an informational overview of Energy Trust's 2022 business plan and the connection between the activities identified in the plan and the organization's annual goals.

Michael noted that the business plan assigns 82% of available work hours to "running the business" to achieve Energy Trust's core mission. Other hours planned for innovation projects or initiatives are categorized as core, adjacent, transformational. To be more innovative as an organization, the business plan contemplates continued support of an innovation team.

The business plan identifies activities that support the four draft 2022 annual organizational goals: achieving savings and generation goals, expanding support for community-led initiatives, advancing development as a core function, and implementing new operational strategies to support staff and thrive cost-effectively in a changing workplace environment. Michael highlighted examples of activities that are planned to support these goals.

Board members discussed the information presented, urging Michael and staff to ensure that activities, both running the business and innovation, support Energy Trust's core mission of supporting energy efficiency and renewable energy. Michael explained that Energy Trust's core mission is the focus and connects to all of the organization's work and budget, including in setting staffing levels.

## 2020 Annual Results

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Michael Colgrove presented highlights from the Energy Trust 2020 Annual Report.

Board members discussed the highlights, specifically asking questions about partnerships with communities, community-based organizations and utilities. Board members expressed their interest and support for this work and the way it leverages resources to get efficiency and renewable energy resources for the benefit of ratepayers. Board members discussed how to sequence and begin moving on the timeline for responding to opportunities emerging out of HB 3141.

Henry Lorenzen suspended the meeting for a short break at 2:20 p.m. and called the meeting back into session at 2:32 p.m. When the meeting resumed, Michael reported on the annual savings and generation results and number of sites served. He also reported on expenditures for 2020, noting that approximately \$180 million was spent, with 55% of that amount spent in customer incentives.

- Total electric savings were 43.2 aMW saved, achieving 95% of goal
- Total gas savings were 7.2 MMTh saved, achieving 110% of goal
- Total renewable generation was 4.2 aMW generated, achieving 127% of goal
- Total sites served 64,022 across the service territories.

Michael explained the results by utility, noting that while gas savings goals were exceeded, Energy Trust did not meet its goals for Cascade Natural Gas because of a delayed project. Michael also reviewed results by sector.

Board members discussed the results, noting the accomplishments through an unprecedented year. Board members discussed how over-achieving goals is important to watch. In addition, board members urged staff to continue to monitor savings and spending by sector, especially any underachievement in the Industry & Agriculture sector which can provide the most cost-effective savings.

Board members recognized staff for the excellent results for 2020, noting that it takes a truly hardworking organization to pull together to fulfill its duties to ratepayers.

Michael then reported on Energy Trust's performance against the OPUC Performance Measures. The organization met all savings measures except for savings in Cascade Natural Gas and Project Development assistance dollars. In addition, the organization did not meet the measure in staffing costs, caused primarily by excess vacation liability. Michael described steps taken to reduce vacation liability. All of the Diversity, Equity, and Inclusion measures were achieved, except on the number of minority and women-owned business in Energy Trust's trade ally network. The organization continues to work on recruitment of diverse contractors into the network.

## Staff Report: Annual Update Northwest Energy Efficiency Alliance End Use Load Research Project

Sarah Castor, Program Manager-Evaluation and Engineering, and Erika Kociolek, Senior Data and Business Intelligence Analyst, presented the annual update on the NEEA End Use Load Research (EULR) Project.

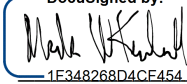
The EULR project is aimed to developing use and load profiles for residential and commercial end users by installing meters. The granular data that will be derived from these meters will be very helpful in tracking levels and timing of energy usage. The project is long term, lasting until 2025. Today, there are 11 commercial buildings that are metered and more than 200 homes throughout the NEEA region. Recruitment for metering was slower than anticipated in 2020 because of COVID-19 restrictions, but recruitment is underway again. Recruitment for commercial buildings has been slower than expected, and the project’s steering team is working on strategies to improve uptake.

Board members asked a number of questions about use of the EULR information.

### Adjourn

The meeting adjourned at approximately 3:45 p.m.

**The next regular meeting of the Energy Trust Board of Directors** will be held Wednesday October 13, 2021 at 9:00 a.m. either via Zoom or at Energy Trust of Oregon, Inc., 421 SW Oak Street, Suite 300, Portland, Oregon.

DocuSigned by:  
  
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Signed: Mark Kendall, Secretary

10/4/2021  
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Date