

Board Meeting Minutes—218th Meeting / Workshop

November 8, 2023

Board members present: Janine Benner (ODOE Special advisor), Melissa Cribbins, Thelma Fleming, Henry Lorenzen, Roland Risser, Silvia Tanner, Letha Tawney (OPUC ex officio), Peter Therkelsen, Bill Tovey, Ellen Zuckerman

Board members absent: Susan Brodahl, Eric Hayes, Ellsworth Lang, Jane Peters, Anne Haworth Root

Staff attending: Melanie Bissonette, Amber Cole, Michael Colgrove, Scott Clark, Tara Crookshank, Hannah Cruz, Elaine Dado, Sletsy Dlamini, Alanna Hoyman Browe, Oliver Kesting, Dave McClelland, Alyson McKay, Dave Moldal, Debbie Menashe, Spencer Moersfelder, Elaine Prause, Jay Robinson, Danielle Rhodes, Peter Roberts, Lizzie Rubado, Tracy Scott, Patrick Urain, Karl Whinnery,

Others attending: Ashnie Butler, (Inner Work, Outer Play), Sydney Forrester (Berkeley Lab), Randy Hastings (DThree PDX), Kari Greer, Brooke Landon (CLEAResult)

Board Meeting Call to Order

Henry Lorenzen called the meeting to order at 10:00 a.m. Henry notes that this is an informational workshop and asked board members to remain on camera. We will not be taking public comment today and will take it next at the meeting in December.

Program Deep Dive: Renewables

The Renewables sector is divided into two programs-Standard Market Solutions and Custom Market Solutions. Standard Market Solutions focuses on commercial and residential solar incentives and solar system standards. The Custom Market Solutions group is focused on unique designs for renewables projects, often for municipalities. Technologies that are supported by Energy Trust's Custom Market Solutions are biopower and small-scale hydropower projects.

Dave McClelland, Senior Program Manager for Standard Market Solutions and Dave Moldal, Senior Program Manager on Custom Market Solutions presented information to the board on their programs, the opportunities for each and their strategic challenges.

Dave McClelland first provided information on Standard Market Solutions work. that Energy Trust's renewables programs have traditionally been based on providing incentives to help plan and install generation. Success is measured by the amount of generation. Cost effectiveness is not a qualifier for Energy Trust's renewables program, and according to original public purpose charge legislation, Energy Trust can pay up to 100% of the "above market cost" of new renewable resources.

Dave then described how things are changing for Energy Trust's renewables programs. The context is changing, and legislative spending authority has changed. Energy Trust's renewables programs now fund resilience projects and batteries, and focus is shifting to underserved customers.

Energy Trust's renewables programs still track on generation, but spending also must support low- and moderate-income customers as well as "distribution system connected technologies," which currently include battery and storage connected projects. OPUC performance metrics include metrics on connections with CBOs and communities as well as generation.

Additionally, there are more funding sources for renewables projects, and Energy Trust aims to coordinate with those sources, such as PCEF, federal and state funding resources.

Dave also described Energy Trust's role in the state's Solar for All grant application in partnership with ODOE and the Bonneville Environmental Foundation. This grant, if received, would build on Energy Trust's experience as program administrator of Oregon's community solar program.

Challenges facing Standard Market Solutions are transitioning away from a general solar project incentive program and focusing more directly on low- and moderate-income customers, on battery and storage solutions, and on more upstream supports like project financing.

Board members had a number of questions, including questions on Energy Trust's role in grid integration and demand management, serving customers outside of Energy Trust's current service territory, concerns about a role in financing, and rate structures that are equitable considering changes in the utility system. Dave McClelland answered questions and engaged in discussion with board members on these topics.

Dave Moldal then presented information on the Custom Market Solutions group. Dave Moldal noted that his group works to support customers install custom and uniquely designed renewable projects, usually for municipal customers doing biopower projects in water resource recovery facilities. Additionally Custom Market Solutions group supports biogas dairy projects, and food waste processing facilities. These types of projects also typically help municipalities and companies meet their greenhouse gas goals. Additionally, the group supports small-scale hydropower projects, typically in-conduit projects that support municipal water sites and farms.

Dave noted that the Custom Market Solutions group is very customer and relationship focused, with projects that are large and require a long-term support and understanding.

The board also received information and updates on the Solar Ambassador program. From that program the Renewables sector gleaned a lot of information on customer interest in resiliency projects and community planning. Board members asked questions regarding the presentations, including about resiliency and grid reliability, in-conduit hydropower projects, customer education, particularly around battery and storage. The board thanked Dave and Dave for their presentations and the discussion.

Program Deep Dive: Commercial

Oliver Kesting, Energy Trust Commercial Programs Sector Lead, introduced the Commercial programs team: Patrick Uhrain, Senior Program Manager-Existing Buildings, Shelly Carlton, Senior Program Manager-New Buildings, Kathleen Belkhat, SEM Program Manager, Amanda Zuniga, Program Manager-Other Initiatives, Katie Hughes, and Slety Dlamini-Business Lighting.

Oliver noted that the Commercial Sector is defined by the customers it serves. Examples are offices, restaurants, schools, data centers. For the Existing Buildings program, there are several tracks: custom and standard solution tracks and energy performance management. The program is Energy Trust's largest in terms of energy efficiency savings and budget, and it is managed by a program management contractor (PMC); currently the PMC is TRC.

The New Buildings program supports new construction for commercial customers. It has three main channels of services: whole building, prescriptive and standard measures, and market transformation. The PMC for the New Buildings program is CLEARResult.

Oliver continued his presentation by describing additional components of the Commercial programs. Energy Trust provides support for multi-family properties, and in that sector, there is interest in SEM, ductless heat pump installation, weatherization, and resilience.

Oliver noted also that the Commercial programs are all focused on greater outreach to historically underserved small and rural business customers. Strategies for this work include enhanced incentive structures, direct install programs for small businesses, and engaging communities.

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Oliver also described how Business Lighting program services are provided across its Commercial and Industrial sectors. Business Lighting is delivered in downstream, midstream, and small business direct install tracks.

Board members then asked several questions about the Commercial programs. Questions and discussions included topics like addressing the split incentive challenge in multifamily properties, business behavioral program opportunities, and providing solutions for high energy user customers, particularly through the SEM program offerings.

Board members expressed their thanks for the information and the discussion.

Lunch

The board convened for lunch at 11:52.

Board Meeting Call to Order

The board reconvened at 12:55.

Developing an Equity Framework for State Regulatory Decision Making

Peter Therkelsen introduced Sydney Forrester from the Lawrence Berkeley National Laboratory (LBNL). Sydney worked on research and developed a report for how states can incorporate equity in state decision making.

Sydney thanked Peter for the introduction. The report, which came out in 2022, is titled Equity Considerations in Regulatory Decision-Making (the Report), and it was developed specifically for the Maine Public Utility Commission because of a legislative mandate to incorporate equity into every decision.

The Report reviewed equity thinking from 19 different states, including DC. With this information, the Report identifies some guiding principles: PUC Activities must include an intentional bridge to state goals; PUCs (and other state agencies) should set clear, specific, actionable equity goals with intermediate targets; identify and seek stakeholder input to identify those goals.

Sydney advised that the Report has a helpful appendix with examples from the states examined for the project. Board members and Sydney discussed questions about the Report. Sydney expressed her thanks for the opportunity to present to the board.

Annual IT Update

Scott Clark and Karl Whinnery, and Peter Roberts presented an overview of Energy Trust's Information Technology group (IT). IT is comprised of two teams: Infrastructure and Business Systems Groups. Scott, Karl and Peter described Energy Trust's enterprise applications for business processes including customer tracking, incentive, savings and generation tracking, and financial and budget data and reporting.

Karl provided additional information to the board on Energy Trust cyber and data security work, noting that the organization has developed structures, policies, and processes to become compliant with ISO 270001 standards.

Peter described Energy Trust's IT infrastructure, including hardware, software and servers. Peter also described Energy Trust's disaster recovery policies and training to ensure the organization and staff is prepared for emergencies.

For 2024, IT expects to add additional enterprise systems, including an updated enterprise financial system, which will be the biggest undertaking and highest priority.

Board members asked questions about cyber risks such as ransomware attacks and other threat vendors. Board members also asked about how Energy Trust manages risks with its third-party vendors. Karl responded with information about system requirements and protections, staff training and testing, protocols for attacks, and requirements for third-party vendors. Karl noted that ISO 270001 has provided guidance in all these areas. Third-party vendors that are small business may raise greater security challenges, and IT and the organization is committed to working with them to understand and address those risks. Karl also noted that IT is working to develop a generative AI policy to manage risk from use of AI technology.

The board thanked Scott, Karl and Peter for a helpful and informative presentation.

Board Effect Training

Board Services Administration Manager Danielle Rhodes introduced and explained Board Effect. Board Effect is a central portal for use by board members and Energy Trust staff. Board resource materials, including meeting packets and calendars, will all be accessible in this web-based product. The board watched a recorded training on using Board Effect, and Danielle advised that she will follow up for individual trainings with each board member.

The board recessed for a short break at 2:45 p.m. and reconvened at 2:55 p.m.

Strategic Planning Workshop

As part of the development of the next organizational strategic plan, the board requested a series of background “learning papers” to help inform them on general areas relevant to Energy Trust’s work. Amber Cole, staff liaison to the board’s ad hoc Strategic Planning Committee introduced Fred Gordon, Director of Planning and Evaluation. Fred prepared the first learning paper topic entitled “Evaluating the Costs and Benefits of Energy Efficiency” and presented on the topic at the meeting.

Fred explained that cost-effectiveness is the investment criteria that governs Energy Trust’s investment in energy efficiency. Fred explained that the basic idea is that Energy Trust offers incentives for energy efficiency projects only if the benefits exceed costs. This is tested in two different ways: Total Resource Cost (TRC) test and the Utility Cost Test (UCT). In Oregon, each energy efficiency measure is screened under each of these tests. In other jurisdictions, the test is applied at the portfolio level instead. The measure level application requires detailed engineering and economic analysis. The OPUC does have an exception policy, which also requires detailed analysis. The OPUC also permits a small number of pilot projects to proceed without application of the TRC or UCT. These tests, approaches, and the application of them are intended to ensure that energy efficiency programs, like Energy Trust’s, offer can evolve and provide benefit to customers and the utility system.

Fred then provided thoughts on how the analysis might change to support additional and accelerated energy efficiency. He mentioned several ideas including: process improvements to that the timing of avoided cost analyses are aligned with Energy Trust’s budget planning, portfolio testing rather than measure level testing, separate testing for low- and moderate-income customers, broader societal test considerations, and quantification of non-energy benefits not currently considered.

Board members had several questions and continued their discussion with Fred. Following questions and discussion, the board thanked Fred for his helpful and succinct paper, his work in this area, and the informative discussion.

DEI Work Plan

The board then discussed its DEI Workplan for the coming year. The board’s DEI Committee has been working with Ashnie Butler of Inner Work/Outer Play to develop a workplan. Danielle Rhodes, staff liaison to the ad hoc DEI Committee, introduced Ashnie to the board.

Ashnie summarized the plans for coming the year, advising the board that the work is intended to create an environment of collaboration. The workplan includes an assessment exercise, coaching, small group cohort discussions on DEI topics, and workshops. Ashnie will be available on an ongoing basis to the board and individual board members.

The board thanked Ashnie for her work and planning and for the outline of what to expect for the coming year.

Adjourn

The meeting was adjourned at 4:00 p.m.

The next regular meeting of the Energy Trust Board of Directors will be held Friday, December 15, 2023, at 10 a.m. online via Zoom and at Energy Trust of Oregon, Inc., 421 SW Oak Street, Suite 300, Portland, Oregon.

DocuSigned by:
Eric Hayes
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Signed: Eric Hayes

12/19/2023/
Date