

Board Workshop Minutes – 212th Meeting

May 10th, 2023

Board members present: Ellen Zuckerman, Ellsworth Lang, Eric Hayes, Henry Lorenzen, Peter Therkelsen, Silvia Tanner, Susan Brodahl, Thelma Fleming, Janine Benner (Oregon Department of Energy special advisor, ex officio) Letha Tawney (Oregon Public Utility Commission, ex officio),

Board members absent: Anne Haworth Root, Jane Peters, Melissa Cribbins, Roland Risser, William Tovey

Staff attending: Alanna Hoyman-Browe, Alex Novie, Amanda Thompson, Betsy Kauffman, Cheryle Easton, Cody Kleinsmith, Chris Dunning, Danielle Rhodes, Dave McClelland, Dave Modal, Debbie Menashe, Elaine Dado, Emma Clark, Fred Gordon, Greg Stokes, Hannah Cruz, Jay Ward, Jeni Hall, Karen Chase, Kyle Petrocine, Laura Schaefer, Lizzie Rubado, Lori Lull, Melanie Bissonnette, Mia Deonate, Michael Colgrove, Michael Fritz, Natalia Ojeda, Oliver Kesting, Scott Clark, Sloan Schang, Spencer Moersfelder, Steve Lacey, Sue Fletcher, Susan Jowaiszas, Tara Crookshank, Thad Roth, Themba Mutepfa, Tracy Scott

Others attending: Aaron Wines (TRC Companies), Anna Kim (Oregon Public Utility Commission), Bridget Callahan (Sustainable NW), Brooke Landon (CLEAResult), Griffin DeWitt (D Three), Jaclyn Sarna (Hacienda DC), Jessica Reeves (Win-R Insulation), Karl Rábago (Rábago Energy LLC), Lisa McGarity (Avista, Corp), Roy Payne (DThree)

Energy Trust Board President Henry Lorenzen called the meeting to order at 10:04 a.m.

Executive Director Michael Colgrove gave a summary of the meeting topics for the day: presentation of 2022 annual results, update on progress on the goals and strategies of the Energy Trust 2020-2024 Strategic Plan, and then market intelligence gathered by Energy Trust programs and market actors to inform planning and budgeting for 2024. Michael then described the final portions of the meeting agenda, which is future thinking from three guest speakers to help the board begin thinking about the next strategic plan for 2025 through 2029 as a benchmark year, and to identify topics of interest to the board. With this discussion and information, staff will begin planning for preparation of board learning topic papers for the strategic plan development process.

2022 Annual Results (Michael Colgrove)

Michael Colgrove then presented the 2022 Annual Report, noting that the Annual Report is available on the Energy Trust's website.

Michael noted that the 2022 context was challenging, in some ways the most challenging year since the start of the pandemic. 2022 saw economic uncertainty, supply and labor shortages, and inflation, all of which impacted customers and contractors, business customers especially. These challenges are reflected in Energy Trust's year-end results.

Michael explained that Energy Trust fell short of its 2022 energy savings goals but met or exceeded its renewable generation goals. Energy Trust also met its goals related to support for community-led approaches that are expected to increase future access to clean energy, as well as creating development capabilities to enable expansion of funding to advance Energy Trust's work.

2022 also saw and implemented new work strategies in our changing environment. Michael further described changes undertaken internally and externally to support and advance Energy Trust's work going forward, using examples such as Energy Trust's launch of an Innovation and Development group and the OPUC's new equity metrics for the organization.

Michael presented a slide deck with information on each 2022 goal. With respect to Goal 1 on energy savings and generation, Energy Trust did not meet its energy savings objectives, but exceeded its goals in renewable generation. Energy Trust achieved 92% of its overall electric savings goal, with 105% of its goal met in Portland General Electric Service area and 76% in Pacific Power service area. On the gas side, Energy Trust achieved 82% of its overall gas savings goal, with 87% of its goal met in Northwest Natural Service territory, 67% in Cascade Natural Gas service territory, and 54% in Avista service territory. Michael noted that the market is dynamic, as exemplified by these numbers in terms of project timing and planning, and this affected goal performance. Some projects slid into 2023, which impacted results, but put the organization in a better pipeline position for 2023.

With respect to generation results, Energy Trust achieved 145% of its goal overall, with 162% of its goal met in Portland General Electric service area and 123% in Pacific Power service area. These numbers were driven mostly by continued high demand for residential solar energy systems. Michael explained that as the solar market continues to mature, Energy Trust has prioritized equity-focused solar offers; more than half of the solar incentives paid in 2022 went to income-qualified customers.

Goal 2 focused on expanding support for community-led approaches to increase access to clean energy. Goal 2 was achieved, and Michael described meeting these metrics with examples such as the success of the Working Together Grants, enrolling community-based organizations (CBOs) in a new Community Partner program, which engages CBOs to help deliver Energy Trust program offerings, as well as the formation of a Tribal Working Group.

Goal 3 to create development capabilities to increase leveraged funding for Energy Trust programs was achieved, with the creation of the Innovation and Development Group among other things.

The final goal for 2022, Goal 4, was to implement new strategies to adapt and thrive in the changing work environment. This goal was also achieved. Energy Trust built strategies to support and implement a flexible work model in a "Learning Lab" process undertaken over six months in 2022.

Board members asked questions as to whether metrics were set to determine how Goals 1 – 4 are achieved. Michael answered that Energy Trust does set internal metrics, some of which are quantitative, and some qualitative. Board members asked that these metrics be shared with the board.

Board members asked additional questions about funding availability and ways to ensure that Energy Trust programs can continue to focus where needed, including to continue to support renewable energy project demand. Additional discussion ensued among board members and staff on innovative program designs to help customers overcome supply chain and other equipment challenges.

Michael continued with information about Energy Trust's performance in 2022 as compared to the 2022 OPUC Performance Measures, noting that the organization met all OPUC measures except with respect to staffing and administrative costs. Energy Trust worked closely with OPUC staff and commissioners to secure waivers for those specific measures. Michael noted additionally that Energy Trust underspent its overall 2022 budget.

Michael also provided historical progress to organizational goals and IRP savings targets from 2010 through 2022. Moreover, Michael provided 2022 information on the cost/benefit ratios of each of Energy Trust programs, as calculated both by the Utility Cost Test and Total Resources Cost Test.

Michael ended his presentation with a look ahead to 2023, explaining that with forecasting improvements and deeper conversations with customers about the market, led by Tracy Scott, Director of Programs, goals are set more conservatively, but with adequate reserves should demand increase beyond expectations.

Board members asked questions regarding the current cost-effectiveness exception for the New Buildings program. Commissioner Tawney explained the complexity and high expense of collecting data to calculate costs for determining Total Resource Cost cost-effectiveness on a measure level for

new construction projects. The program's offerings continue to be cost-effective from the Utility Cost Test perspective, and the OPUC strongly supports the program.

Community and Market Perspectives Panel

Tracy Scott, Director of Programs, next facilitated a panel to discuss customer and market perspectives on challenges and opportunities for energy efficiency programs and offerings. The purpose of the panel discussion was to help the board plan for the coming years.

Panel members all work either directly with Energy Trust or participate in Energy Trust's programs. Tracy welcomed Aaron Wines, Vice President, Advanced Energy and TRC; Brooke Landon, Program Director-Pacific Northwest, CLEAResult; Jaclyn Sarna, Chief Operating Officer, Hacienda CDC; Bridget Callahan, Clean Energy Program Director at Sustainable Northwest; and Jessica Reeves, Owner, Win-R Insulation.

Tracy facilitated a lively discussion among panel members. Challenges and opportunities identified by panel members included: the uniqueness of the current economy, including supply chain challenges and fear of inflation, which results in financing uncertainty and projects taking longer to complete; program design in light of accelerated code changes and public policies on clean energy; annual contracting rather than longer term program focus; influx of federal funding, which creates opportunities and administrative challenges; supplier diversity requirements; electrification; capacity building in community-based organizations; and workforce development for the clean energy infrastructure.

Board members expressed appreciation for the panel discussion and asked several questions of the panelists. Questions included whether panel members would be able to provide suggestions to Energy Trust from their experiences at other organizations, what the role Energy Trust and its Innovation and Development Group could play in helping to navigate federal funding opportunities, and what role Energy Trust could have in addressing workforce development challenges. Panel members responded based on their experiences, and the board thanked them and Tracy for their time and information.

The board broke for lunch at 12:37 pm and reconvened at 1:15 pm for the afternoon portion of the workshop.

Market Intelligence Discussion

Upon returning from lunch, Energy Trust Director of Programs Tracy Scott facilitated a discussion among board members regarding the prior panel discussion. Tracy opened the discussion by summarizing some market conditions that she and the Energy Trust program staff are experiencing, such as the fact that the industry is seeing and expecting significant new funding and there is excitement about investment in clean energy. At the same time, households are feeling economic strain. Staff hears that Energy Trust is in an excellent position to address these conditions, with the ability to convene multiple and culturally specific parties and help navigate funding opportunities.

Board members had a robust discussion which ranged from raising concerns about the administrative burden of working in Energy Trust and other clean energy funding; workforce challenges; housing affordability for both homeowners and renters' storage, resiliency, and the implications of large-scale renewables; and the accelerated and complex environment around decarbonization policy in Oregon and beyond.

After a short break at 1:50 pm, the board reconvened for the remainder of the meeting at 2:00 pm.

Update Progress on the 2020-2024 Strategic Plan

Executive Director Michael Colgrove introduced Greg Stokes, Energy Trust Organization Development Manager, and other members of the internal staff strategic planning team: Marshall Johnson, Senior Program Manager-Residential; Sarah Castor, Evaluation and Engineering Manager-Planning and Evaluation; Amber Cole, Director of Communications and Customer Service; Spencer Moersfelder, Planning Manager-Planning and Evaluation; Danielle Rhodes, Board Services Administration; and

Cheryle Easton, Board Services Administration Manager. As the organization looks ahead to the development of the next five-year strategic plan, an internal staff team has been convened. Michael will be the executive sponsor and Amber Cole will be the staff liaison to the board's ad hoc Strategic Planning Committee once appointed.

Greg then presented briefly and at a high level on the progress of the current 2020-2024 Strategic Plan. Greg noted that the five focus areas of the plan have provided a good foundation for the dynamic energy industry environment of Energy Trust's work. In Focus Area 1, Energy Trust has focused on getting savings and generation for customers, particularly for customers not served effectively. Focus Areas 2-5 have guided work to engage and collaborate with Energy Trust's funding utilities and other funders, to support policymakers, and to continue to ensure the organization is nimble and adaptable enough to respond to change. Greg asked board members to reflect on the work of the current strategic plan as thinking about the next strategic plan begins.

Futurist Guest Speakers

To begin that thinking about the next strategic plan, President Henry Lorenzen and Executive Director Michael Colgrove invited three guest speakers to the workshop to discuss their thoughts on the future for clean energy and Energy Trust's work: Karl Rábago, Executive Director at Rábago Energy, LLC; Robert Lothrop, Policy Manager, Columbia River Inter-Tribal Fish Commission; and J.P. Batmale, Division Administrator for Energy Resources and Planning, Oregon Public Utility Commission.

Karl Rábago discussed his thoughts from a national perspective, noting that changes ahead are large in scale, including a transformation of the energy system, focus on energy justice in all planning, and grappling with price, security, and resilience in a more distributed system. Rob Lothrop provided regional considerations, including the ways in which a tsunami of change to the system in terms of wind and solar resource buildout will impact tribal communities and the Columbia River. J.P. Batmale shared his personal opinions and perspectives on Oregon's energy system considerations. J.P. explained that Portland General Electric and Pacific Power each have significant capacity installation needs to meet statutory requirements for clean electricity. To accomplish this increase and to be mindful of the energy burden and cost to customers, regulators will need to begin thinking differently about the system. In addition to the economics of the system, regulators will have to think about using an equity lens in how decisions are made, who is involved in those decisions, and who is impacted by those decisions. Energy efficiency and distributed energy resources will be more and more important.

Board members asked many detailed questions of the speakers and expressed their appreciation for their excellent presentations.

Board Discussion and Brainstorming for Six Board Learning Topics

Following a brief break, the board returned for the last conversation of the day, which was a brainstorming session on desired board learning topics to assist the board in their work in developing the next strategic plan. Holly Valkama of 1961 Consulting facilitated the discussion.

Holly explained that for the 2020-2024 Strategic Plan development, the board started by identifying several topics about which they wanted to learn that would be relevant or helpful to know heading into development of that strategic plan. Holly clarified that these are not data inputs to the strategic plan, but instead topics about which the board wants to know more. Staff can prepare white papers and presentations for the board on these topics. Holly asked board members to reflect on their understanding of the 2020-2024 Strategic Plan and all the discussions from earlier in the day to suggest topics.

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Board members suggested several topics, including the following:


- Climate forecasts for the next five years
- Population projections for Oregon
- Projected load growth
- System security and resilience
- How certain types of industries like data centers and electrification add to load growth
- Assessment of available energy efficiency resources
- Understanding benefits that can and might be considered in calculating cost/benefit ratios for cost-effectiveness calculations
- Utility clean energy plans
- Energy burdens
- Renter-customer considerations and programing
- Role of local governments and non-utility entities in work related to Energy Trust’s work
- General distribution and accessibility of federal, state, and local government
- Performance of Energy Trust’s implementation contractors

Holly and the Energy Trust internal strategic planning team will put together documentation with a complete list of the suggested topics by category, and then give board members and staff opportunities for additional input. Once that input is received, Holly and the internal team will provide the document to the board’s ad hoc Strategic Planning Committee as they begin their work.

Board members thanked Holly for her facilitation.

Adjourn Meeting

President Henry Lorenzen adjourned the meeting at 4:50 pm.

DocuSigned by:

 Signed: Eric Hayes

7/17/2023 /
 Date

The next regular meeting of the Energy Trust Board of Directors will be held Wednesday, June 15, 2023, at 10:00 a.m. hybrid on Zoom and in Coos Bay, location to be determined.