

## Board Meeting Minutes—213th Meeting

June 15, 2023

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**Board members present:** Janine Benner, (Oregon Department of Energy special advisor), Susan Brodahl, Thelma Fleming, Henry Lorenzen, Jane S. Peters, Roland Risser, Silvia Tanner, Letha Tawney (Oregon Public Utility Commission ex officio), Peter Therkelsen, Bill Tovey

**Board members attending via teleconference:** Anne Root

**Board members absent:** Eric Hayes, Ellsworth Lang, Ellen Zuckerman

**Staff attending:** Danielle Rhodes, Karen Chase, Michael Colgrove, Amber Cole, Mia Deonate, Cheryle Easton, Emily Estrada, Elaine Dado, Steve Lacey, Alex Novie, Alex Polley, Tracy Scott

**Staffing attending via Teleconference:** Chris Dunning, Hannah Cruz, Scott Clark, Abby Spegman, Dave McClelland, Fred Gordon, Marshall Johnson, Julianne Thacher, Betsy Kauffman, Sloan Schang, Natalia Ojeda, Amanda Potter, Whitney Winsor, Thad Roth, Sarah Castor, Bayoan Ware, Kenji Spielman,

**Others attending:** Randy Hastings (DThree), Edward Barbian, Lisa McGarity (Avista), Ross Finney (RHT), Steph Berkland (TRC), Alyn Spector (CNGC), John Chang, Laney Ralph (NW Natural), Joe Abraham (PUC), Brooke Landon (CLEAResult), Noemi Ortiz (CGNC), Shannon Todd (TRC), Don MacOdrum (TRC), Jonathan Graber (Miluk Energy), Dylan Brainard (Miluk Energy), Marissa Chase (RHT), Heather McNeill (RHT), Ciera Milkewicz (CLEAResult), Sam Carter (RHT Energy), Tracy Piece (NW Natural), David Miliron (City Manager of North Bend, Rodger Craddock (City Manager of Coos Bay)

### Business Meeting

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Henry Lorenzen called the meeting to order at 10:05 a.m. He reminded all attendees that consent agenda items can be changed to regular agenda items at any time.

### General Public Comments

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There were no public comments.

### 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 of any member of the board.*

### MOTION: Approve consent agenda

Consent agenda includes:

1. April 12, 2023. Board Meeting Minutes
2. April 18, 2023, Special Board Meeting Minutes
3. May 09, 2023, Board Meeting & Orientation Minutes
4. May 10, 2023, Board Meeting & Workshop Minutes
5. Establishing ad hoc Strategic Planning Committee R#1003
6. Committee and Advisory Council Assignments R#1004

Moved by: Roland Risser

Seconded by: Thelma Fleming

Vote: In favor: 7

Abstained: 0

Opposed: 0

**RESOLUTION 1003  
RESOLUTION ESTABLISHING BOARD AD HOC STRATEGIC PLANNING COMMITTEE**

**WHEREAS:**

- **The board of directors of Energy Trust of Oregon, Inc. (the “Board”) desires to appoint an ad hoc Strategic Planning Committee whose function and workplan is expected to be completed by December 31, 2024;**
- **It is expected that the ad hoc Strategic Planning Committee will develop a workplan for developing a recommended Energy Trust 2025-2030 Strategic Plan (the” 2025-2030 Strategic Plan”) and make recommendations to the Board on the 2025-2030 Strategic Plan, including recommended metrics and objectives for measuring success in implementing the 2025-2030 Strategic Plan.**

**IT IS THEREFORE RESOLVED:** That Energy Trust of Oregon, Inc., Board of Directors hereby establishes an ad hoc Strategic Planning Committee whose function is to assist the board in developing the Energy Trust 2025-2030 Strategic Plan, consistent with the above recitals.

Moved by: Roland Risser

Seconded by: Thelma Fleming

Vote: In favor: 7

Abstained: 0

Opposed: 0

**RESOLUTION R1004**  
**BOARD COMMITTEE APPOINTMENTS**  
*(SUPERSEDES RESOLUTIONS R984)*

**WHEREAS:**

1. Energy Trust's board is authorized to appoint members of committees to carry out the Board's business.
2. The board President has nominated new directors to serve on the following committees.

**IT IS THEREFORE RESOLVED:**

1. That this resolution supersedes Resolution R984 adopted by the board at its July 20, 2022, meeting.
2. That the Board of Directors hereby appoints the following directors to serve on the following committees for terms that will continue until a subsequent resolution relating to committee appointments is adopted:

<b>Compensation &amp; Human Resources Committee</b>
Eric Hayes, Chair
Bill Tovey
Ellsworth Lang
Henry Lorenzen (ex officio)
Amanda Sales, staff liaison
<b>Finance &amp; Audit Committee</b>
Susan Brodahl, Chair
Anne Haworth Root
Karen Ward (outside expert)
Peter Therkelsen
Silvia Tanner
Thelma Fleming
Henry Lorenzen (ex officio)
Chris Dunning, staff liaison
<b>Nominating &amp; Governance Committee</b>
Roland Risser, Chair
Anne Haworth Root
Greg Stokes, staff subject matter expert support
Jane Peters
Melissa Cribbins
Henry Lorenzen (ex officio)
Janine Benner, (ODOE ex officio)
Letha Tawney (OPUC ex officio)
Debbie Menashe, staff liaison

	<b>Ad hoc Board Diversity Equity and Inclusion Committee</b>
	<b>Melissa Cribbins, Chair</b>
	<b>Bill Tovey</b>
	<b>Eric Hayes</b>
	<b>Susan Badger-Jones, Diversity Advisory Council subject matter expert support</b>
	<b>Susan Brodahl</b>
	<b>Henry Lorenzen (ex officio)</b>
	<b>Ruchi Sadhir for Janine Benner (ODOE, ex officio)</b>
	<b>Danielle Rhodes, staff liaison</b>
	<b>Ad hoc Strategic Planning Committee</b>
	<b>Susan Brodahl, Chair</b>
	<b>Ellen Zuckerman</b>
	<b>Jane Peters</b>
	<b>Peter Therkelsen</b>
	<b>Amber Cole, Staff Liaison</b>

Moved by: Roland Risser

Seconded by: Thelma Fleming

Vote: In favor: 7

Abstained: 0

Opposed: 0

## President's Report

Henry Lorenzen, President, welcomed attendees to our 213<sup>th</sup> board meeting. After thanking both external and internal teams for the board meeting's Coos Bay focus, the board and Michael Colgrove expressed gratitude to Steve Lacey, Operations, and Cheryle Easton, Board Services, who are both retiring this summer; and this marked their last board meeting. The board and staff also thanked Steve Lacey and Cheryle Easton for their service to Energy Trust.

Henry advised the board of the development of our new Strategic Planning Committee, chaired by Susan Brodahl. Three board members will be formal members (Jane S. Peters, Ellen Zuckerman, Peter Therkelsen). This is not an exclusionary process; meetings are open to those who wish to attend in order for the Strategic Planning Committee to be as inclusive as possible. Janine Benner is not mentioned specifically because board bylaws state that a party from ODOE must attend board meetings and strategic planning sessions. Thus, she will participate formally as dictated by bylaw. The Strategic Planning Committee's first order of business will be to develop a charter. Susan Brodahl requested that Letha Tawney serve as joint special advisor with Janine Benner. Letha will not be available to participate due to scheduling conflicts; however, she will make sure the OPUC is an engaged and effective partner in the process.

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## Executive Director Report

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### Commercial and Industrial Updates:

Michael Colgrove, Executive Director, presented updates on Commercial and Industrial Activity. In the industrial arena, forecasting for projects and goal completion is moving along as planned and expected. Regarding commercial projects, Michael noted that it will be important to monitor NWN, Avista, and PGE to stay on track with goal objectives. He shared graphs comparing projected versus actual goals for the year to date and project goals for the remainder of the year. PGE will be driving lighting projects, and new buildings programs are slightly behind projected goals on the gas objectives. Strategic energy management is looking positive and on track as we close 2023 and head into 2024.

We do not have midyear incentives built into our contracts this year, although we have historically had them. Letha Tawney inquired as to why gas progress seemed low and what may be preventing staying on track with natural gas customers. Avista is showing they are ahead of objectives and the data may need more investigation to determine what is driving these figures. One theory, as posited by Tracy Scott, is that the commercial office space bust could be contributing to these figures, as buildings are underutilized and owners are not investing in upgrades. It's still early to determine factors, but the data set does inform where Energy Trust needs to focus. Some of the macroeconomic conditions are just starting to abate, so improvement could be seen in some of the figures. Henry Lorenzen noted vacant buildings are going into debt, which means a lower cash flow and less funding availability for energy transitions, which will make it difficult to make energy efficiency investments in the near term. Michael noted that the first two quarters of the year are based on project planning and forecasts, and implementing a multi-year planning process could alleviate the disparities in projections versus actuals. Tracy noted that this will also help us better align with business processes, as economic impacts do not adhere to a fiscal calendar schedule. Mike shared a geographic map with a breakdown of existing buildings with multifamily, new buildings, and production efficiency projects, complete with a rural versus urban breakdown.

### Rural Activity:

Karen Chase of Energy Trust and Marissa West, and Heather McNeill from RHT Energy provided rural updates and Karen welcomed other local field staff. Karen shared Coos County demographics and information about the area. Coos County is comprised of 1.5% of the Oregon population, with 40.7 people per square mile. Two Native tribes reside in Coos County: The Coquille and the Confederated Tribes of the Coos. The county's median household income is significantly lower than the Oregon median, and there exists a much higher percentage of residents living in poverty – up to 20%. There are fewer people with higher education, more veterans, and many 65+ in age. Residents are white and Native/Hawaiian, and Coos County has more Native residents than other areas. Karen specifically discussed how Coos County is geographically limited in that there are only two ways out of the area (north and south, two lane highways), and shared some of the problems and issues that the community faces, including how to handle emergency response, being cut off from inland resources, and a lack of resources in emergencies. In short, the county is both rural and isolated.

Karen discussed how Coos County is comprised of only seven incorporated communities, and economic drivers include forestry, fishing, tourism, and agriculture. It is the only true port between Portland and San Francisco. Its electricity is provided by several sources, including Lincoln PUD to the north of the bay, Pacific Power, and Coos-Curry Electric, which extends down to Curry County. The city of Bandon has its own municipal utility, and NWN has pipes from Reedsport. One of Energy Trust's first solar trade allies, SolCoast, is from Coos County, which has been one of the strongest trade allies and a voice for solar statewide. However, there are currently not enough contractors to carry out the work demand in Coos County, and contractors may come from far away, increasing costs.

Karen noted that one of the first economic drivers for Coos County was coal mining, and exports of coal to San Francisco continued for decades. Coos County was key in supporting the infrastructure of bigger cities. In terms of energy, there have been several smaller projects proposed and/or implemented,

including a failed attempt at wind generation and several small hydropower projects installed for agricultural purposes. There was a proposed LNG project and offshore wind projects, but neither have been constructed. Currently, there is an effort to expand the port, connected by rail to Eugene, which would help connect Coos County to the world.

Karen introduced Marissa West and Heather McNeill from RHT Energy. Marissa is the Outreach Manager for the New Buildings program, joining in 2018. She began in Existing Buildings and moved to New Buildings in 2020. She discussed the Southwestern Oregon Community College's new Umpqua building that the board toured earlier in the morning, which is the first and only building to go path to net zero and received incentives to do so. Marissa emphasized a need for outreach in rural communities, as they need assistance in starting design phases.

Heather McNeill has worked for RHT since 2015, starting in New Buildings, and joined Existing Buildings this year. Heather also stressed the importance and strengthening relationships in rural communities. The area is large geographically, and it can be hard to find members with need. She noted we rely on relationships with trade allies, such as our general contractors and designers, to keep connections, as they are the first point of contact. The Chamber of Commerce is also key in making these connections and cross-program coordination is essential in outreach. Heather discussed some of the barriers to efficacy, noting that distance can be a factor in delivering programs, and there are not a lot of training opportunities in new technology and information. It is more costly to bring in trade allies and designers from other areas, making rural projects more expensive. Timeframes for rural projects can also be very long, affecting verification processes as energy codes and technologies change.

Heather also discussed a Direct Install No-Cost Lighting Campaign in Coos County: to date, 63 sites have been assessed in Coos County with 23 completions. Local electricians have been difficult to obtain due to booking needs, and the campaign has had to go outside of the region to progress the campaign.

Michael Colgrove then announced that Elaine Prause will be re-joining Energy Trust as our new OPUC and Utility Liaison. This is a new role, created in anticipation of Steve Lacey's retirement, to take over his responsibilities in managing relationships with both OPUC and utilities. Because of the level of engagement Energy Trust needs to have with these partners, a separate role was created to better serve those needs. This role will be housed under CCS. Elaine will be the primary contact for OPUC, utilities and other established funders as they come on board. Elaine used to be a Senior Planning Manager at Energy Trust and has also worked at OPUC, PAC and the Regulatory Assistance Project.

There were minimal legislative updates; however, it was announced that a quorum was reached on the Oregon senate floor and the legislature will reconvene. Many of the bills Energy Trust was following were held up in the senate stalemate and repackaged into two omnibus bills. This news may make it possible for those bills to move forward.

### **Adjourn for Working Lunch with Coos Bay and North Bend City Managers**

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The meeting adjourned at 11:39 a.m. Lunch meeting started at 12:00 p.m.

David Milliron, City Administrator for North Bend, shared information about North Bend (named after the north bend of the bay). North Bend is home to the Oregon Coast's only airport and has a thriving downtown main street program. North Bend faces challenges such as leveraging its tax base (the city is technically 5 square miles, but only 2 square miles because of the water boundaries), a shortage of housing, and homelessness. North Bend's priorities are investing in economic development, workforce development, and diversifying their industries. Historically, North Bend was the capital of the timber industry. The city is now researching a container ship project and an import/export port. David noted the Energy Trust partnership that upgraded the North Bend municipal pool that the board toured the day prior. The projects on the building included a roof system, boiler, LED lighting upgrade, air handler system. He also noted the upgrades made to the North Bend public library that included LED lighting and energy efficiency upgrades and shared that four dozen businesses were served through Energy Trust partnership and the No-Cost LED Lighting Upgrade Program.

Roger Craddock, City Manager of Coos Bay, who has served 32.5 years in his role, also shared

information about the city, noting similar challenges to North Bend. Coos Bay is a 150-year-old community with a large need for infrastructure updates. Much of the current infrastructure is over 100 years old, including roads, buildings, and pipes. Incentives provided by Energy Trust are a good way to help the community implement upgrades. Coos Bay has had an amazing relationship with Energy Trust in terms of upgrade projects, such as solar panels on the Visitor's Center, installing solar panels and water reuse systems at the fire station, as well as qualifying it as a silver LEED building. He also discussed the seismic upgrade of City Hall, upgrades to municipal pool, two waste water treatment plans, a streetlamp re-lighting project, and the Council Chambers re-lighting project.

Karen Chase expressed that there was no harder job than city management and expressed appreciation for their longevity and commitment to their communities. Roland Risser asked what else Energy Trust can do other than provide larger incentives. David Milliron mentioned engaging in fast-tracking permit processes and encouraging pre-planning conferences would be key, as Energy Trust's engagement early in the process and outreach would have an impact.

Janine Benner mentioned that ODOE is poised to receive money from the infrastructure/IRA act and asked what the best way is to get information from the State of Oregon to the local community. David expressed that the Oregon City County Association, Oregon Economic Development Association, League of Cities, Main St. Managers will be allies in that process – the closer you get to city managers, the better. Roger added it is key to include economic development organizations, CCD development corporations, and special districts such as the fire stations, airport, and ports.

Silvia Tanner inquired as to how Energy Trust can improve on alleviating energy burdens in the community. David mentioned that more investment in residential projects would be an improvement, as homes cannot take advantage of programs without additional assistance from state and federal grant programs. Roger added that Coos Bay is considered rent-burdened and looks for way to lessen utility costs, and is thin on personnel, adding that property taxes do not currently cover needs.

Bill Tovey asked how the cities work with the two tribes in the area. Roger noted that Coos Bay has an inter-governmental agreement with the tribes, and development agreements with CTCLUSI tribes (Confederated Tribes of the Coos, Lower Umpqua, and Siuslaw Indians), noting what's good for one entity is good for the entire region. David added that there are reserved opportunities for tribes that are not available to other communities, and the city assists the tribes to obtain those services, and those services then benefit not only the tribes, but the broader community. There are regular communications and meetings between city managers, city staff, and the tribes.

## **Business Meeting**

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Henry Lorenzen called the meeting to order at 12:49 p.m. Board Member Anne Root joined the afternoon session virtually.

## **General Public Comments**

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There were no public comments.

## **Committee Reports**

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### **Compensation & Human Resources Committee**

Whitney Winsor filled in for Amanda Sales and introduced herself as Senior HR Manager. There were no updates, and Whitney referred to the meeting minutes of prior committee meetings.

**Finance & Audit Committee**

Chris Dunning, CFO, referred to the packet and minutes from both March and April meetings and financial reporting package presented in March. There are some thematic trends in our reporting: financial figures are running about 4% below expenses; however, incentives are running higher. Chris pointed out revenue issues are due to timing, as April revenue was not delivered until May, and as of May, we are caught up, and will continue to monitor these figures. In March, the committee discussed the climate of bank failures and what Energy Trust should be undertaking to minimize risk and presented a financial audit from Moss Adams. In April, the committee received the first of a series of reports from Lizzie Rubado, head of Innovation and Development.

In May, the committee was presented with a report on investments and discussed a framework for proposed revisions and will be presented with draft edits at the June meeting. In terms of the outlook on incentives, in April electric savings were forecasted at 99% of goal and gas savings at 95% of goal. At the July meeting, the committee will be able to have a broader picture of the rest of 2023 forecasts. Tracy Scott reported that new figures have since been input, and PAC went up 1%, PGE dropped 1%. Gas savings are now 94%, and there is a likelihood of drawing into reserves for Avista. CNG is down 4% (93%). NWN at 95%. There is nothing unusual that needs to be brought to the board's attention.

**Nomination & Governance Committee**

Roland Risser noted that committee meeting notes from April 20, 2023, are comprehensive. There are three topics of note to report: The policy that is up for review, formally known as the Board Governance Guideline Policy, and has been renamed. The second issue is a note of an upcoming Fuel Switching Policy that is not up for review but is being revised to be more aligned with PUC perspective. It will be brought back to the board for approval. Lastly, Roland addressed the three advisory councils – DAC, CAC and RAC - and how to properly structure these councils so that board and staff roles are clear.

Silvia Tanner requested redline versions be provided for policy revisions, and staff noted that there was an error in the board packet for this meeting. Roland also noted editorial revisions to R1005:

**RESOLUTION 1005 (Replaces Resolution 801)  
APPROVE CORPORATE GOVERNANCE GUIDELINE POLICY REVISIONS**

**WHEREAS:**

- 1. The Corporate Governance Guidelines Policy-2.03.000 were originally approved by the Energy Trust board of directors in 2014 and regularly reviewed through 2021 by the board's then existing Policy Committee.**
- 2. In 2021, the Energy Trust board of directors undertook a board initiative to review its governance operations and its roles and responsibilities. Through that initiative, committee structures were revised and the board's focus on governance was discussed and clarified. As a result of the initiative, the board established and chartered a new Nominating & Governance Committee, among other committees. The Nominating & Governance Committee's charter requires it to "develop, amend, review, and repeal Board Policies" and to focus board policies on governance.**
- 3. Since chartered, the board's Nominating & Governance Committee has begun its review of board policies. The Corporate Governance Guidelines Policy-2.03.000 was among the first reviewed by the committee. To ensure the policy is focused on needed board governance issues, the committee examined the policy extensively and over several meetings throughout 2022 and the beginning of 2023. Topics examined and revised in the policy included, but were not limited to, board meeting norms, clarifying procedures, board compensation and expense reimbursement, board continuing education. The result of this review process is an extensive revision to the policy, including a revised policy name.**



- 4. The final discussion of the policy occurred at the board's Nominating & Governance Committee meeting on April 20, 2023. All proposed revisions of the policy were reviewed at that time, and the Nominating & Governance Committee recommends that the policy as indicated in *Attachment A* be approved by the board to replace the current Board Governance Guidelines Policy**

**It is therefore RESOLVED that the Energy Trust Board of Directors Statement of Board Norms and Corporate Governance Guidelines as set forth below in *Attachment A* are approved to replace the Corporate Governance Guidelines.**

Moved by: Roland Risser

Seconded by: Jane S. Peters

Vote: In favor: 7

Abstained: 0

## ATTACHMENT A

### 2.03.000-P Energy Trust Board of Directors Statement of Board Norms and Corporate Governance Guidelines

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History			
Source	Date	Action/Notes	Next Review Date
Board Decision	04/05/17	Adopted (R801)	02/20
Board Decision	06/15/23	Adopted (R1005)	06/26

#### STATEMENT OF BOARD NORMS AND GOVERNANCE GUIDELINES

The Board believes that Energy Trust's long-term credibility and success is dependent upon the maintenance of an ethical business and operational environment that focuses on adherence to both the letter and spirit of regulatory and legal mandates, as well as Energy Trust's Public Purpose Policy and Conflict of Interest Policies. The Board commits to conducting its proceedings in an atmosphere that fosters respectful and meaningful communication, demonstrates a commitment to continuous learning, and supports camaraderie among its members. The Board expects all directors and management to conduct operations in an ethical manner consistent with applicable laws, rules and regulations and Board policies.

The following corporate governance guidelines (these "Guidelines") have been approved by the Board of Directors (the "Board") of Energy Trust of Oregon, Inc. ("Energy Trust") to provide a corporate governance framework within which the Board and management can effectively pursue Energy Trust's objectives of planning for and pursuing cost effective energy efficiency resources and renewable energy resources and distribution system-connected technologies for the customers of its funder utilities. These guidelines, along with Energy Trust's Articles of Incorporation, Bylaws, Public Interest Policy, Conflict of Interest Policies, and the charters of the various Board committees, provide the foundation for Energy Trust's corporate governance.

#### I. REGULAR BOARD GOVERNANCE FUNCTIONS

The Board, directly and through its appropriate committees, shall:

- Review and approve strategic plans and annual operating plans, including goals/objectives;
- Review Energy Trust's financial and annual operating and strategic plan performance;
- Oversee and evaluate management's systems for internal control, financial reporting and public disclosure;
- Determine the reasonable risk exposure of Energy Trust with respect to, for example, financial safety, cybersecurity, political, and reputational risk, and oversee implementation of systems for managing risk;
- Establish corporate governance standards;
- Select, evaluate, and compensate Energy Trust's Executive Director;
- Maintain a close relationship with Energy Trust's Executive Director and work with management to encourage entrepreneurship, appropriate risk-taking, and investment to

promote the long-term success of the organization and to navigate material changes in economic, social, and political conditions.

- Organize the business and maintain the collegiality of the Board and its Committees so that matters that Board and Board Committees are expected to oversee receives the appropriate attention of the Directors.
- Oversee and evaluate employee compensation frameworks;
- Plan for effective succession of the Executive Director and senior management;
- Set a tone for a climate of trust and confidence;
- Develop an understanding of stakeholder perspectives on Energy Trust and foster long-term relationships with stakeholders;
- Set standards for director qualification;
- Set standards for director orientation and continuing education; and
- Undertake performance assessments of the Board as needed.

The Board shall also retain legal, accounting and other advisors who report directly to the Board, to the extent the Board deems necessary or appropriate to carry out its responsibilities. Such advisors may be the regular advisors to Energy Trust.

## **II. SELECTION OF THE BOARD**

The Board Nominating & Governance Committee is responsible for selecting nominees for the Board and recommending them for election to the Board by the Board. The Board Nominating & Governance Committee has primary responsibility for the screening process necessary to identify qualified candidates and recommend such candidates to the Board. The Board Nominating & Governance Committee shall regularly review the appropriate experience, skills and qualifications expected of Board member candidates in the context of the current membership of the Board.

This assessment should include, in the context of the perceived needs of the Board at that time, issues of experience, reputation, judgment, diversity and skills. When the Board Nominating & Governance Committee determines that adding or replacing a director is advisable, the Committee shall initiate a search for a suitable candidate, which may include working with other directors, management, or a search firm retained to assist in the search, each as the Board Nominating & Governance Committee deems necessary or appropriate. The Board Nominating & Governance Committee shall establish a process to consider nominations for directors, including but not limited to those received from Energy Trust's advisory committees and shall consider all appropriate candidates. The Board Nominating & Governance Committee should evaluate the candidates based on the needs of the Board at that time as identified in the assessment process outlined above to enhance the overall composition of the Board. The Board Nominating & Governance Committee shall then meet to consider the selected candidate(s) and submit the approved candidate(s) to the full Board for approval as a nominee.

## **III. BOARD COMPOSITION**

### **A. Size of the Board**

Energy Trust's Articles of Incorporation and Bylaws provide that the number of directors of Energy Trust shall be fixed from time to time by most of the Board, but it shall never be less than five (5) nor more than thirteen (13), not including *ex officio* members. The Board Nominating & Governance Committee, in consultation with the President of the Board, shall periodically examine the composition of the Board and determine whether the Board would better serve its purposes with the addition or subtraction of one or more directors consistent with

the bylaws. The Board shall determine, after considering the recommendations of the Board Nominating & Governance Committee, the number of members of the Board appropriate to provide that all of the necessary or desirable core competencies are possessed by the Board as a whole.

#### **B. Director Interests Reporting**

At least once per year, and as required by Oregon law, the Board shall review each relationship that exists between a director and his or her related interests for the purpose of determining whether the director is compliant with Energy Trust's Board Conflict of Interest policy and Oregon's Government Ethics Law. This information shall be collected by Energy Trust's chief legal counsel and submitted to the Oregon Ethics Board in compliance with Oregon law.

#### **C. Service on Board of Directors**

Directors must be willing to devote sufficient time to carrying out their duties and responsibilities effectively. It is expected that, at the time of initial appointment, a director should be committed to regular meeting attendance and participation and to serving on the Board for the full appointed term. In deciding whether to serve on the Energy Trust board, a nominee should consider his or her time commitments and interest in the objectives and mission of Energy Trust. Directors and nominees should also consider the time commitment of service on Energy Trust's board when deciding whether to participate or serve on other organization boards of directors.

The expectation is that board members devote time to actively participate on at least one of the Board's committees and attend or follow the work and discussions of Energy Trust's advisory councils.

#### **D. Term Limits**

The Board has determined not to establish formal term limits. However, the Board Nominating & Governance Committee shall review each director's continued service on the Board shortly before the end of such director's term.

This review shall be conducted in connection with the Board Nominating & Governance Committee's evaluation of governance and Board effectiveness, consideration of nominations to the Board for the annual meeting at which such director's term will expire, and the Board's annual self-evaluation.

### **IV. BOARD MEETINGS**

#### **A. Schedule of Meetings**

The President of the Board will work with Energy Trust's Executive Director to determine an appropriate schedule of Board meetings to ensure that the directors can perform their duties responsibly without interfering with the flow of Energy Trust's operations. Energy Trust's Board typically meets in regular board meetings at least eight times annually. Board committee meetings occur regularly throughout the year as well.

#### **B. Selection of Agenda Items for Board Meetings**

The President and the Vice President of the Board shall work with Energy Trust's Executive Director to establish the agenda for each Board meeting. Each other Board member may suggest the inclusion of items on the agenda. Each director may raise, at any Board meeting, subjects that are not on the agenda for that meeting.

### **C. Attendance at Board Meetings and Review of Board Materials**

Each director is expected to attend all meetings of the Board and committees on which the director serves. In advance of each Board meeting, and generally not less than one week before each Board meeting, an agenda and pre-reading materials and information that is important to an understanding of the business to be discussed, shall be distributed. It is expected that each director shall review these materials prior to the Board meeting. All pre-read materials and information will be presented in order of the agenda and clearly labeled with topic, date, and page numbers.

### **D. Board Meeting Presentations Standards and Expectations**

Presenters should assume that Directors have reviewed the pre-read materials and, therefore, should avoid reading slides or repeating the pre-read materials. Presenters should plan to spend a significant amount of the allotted agenda time for their topic in question-and-answer discussion with Directors. Presentations should begin with a summary statement of the purpose of the presentation and the information used to prepare the presentation and/or recommendation. Professional tone and demeanor is expected from all.

### **E. Executive Sessions**

The President of the Board shall preside over and prepare or have prepared an agenda for all executive sessions in accordance with the Bylaws of Energy Trust.

## **V. BOARD COMMITTEES**

### **A. Number, Structure and Independence of Committees**

The Board shall establish committees in accordance with the Bylaws of Energy Trust. Currently, the Board has established a Compensation & Human Resources Committee, a Finance & Audit Committee, and a Nominating & Governance Committee. In addition, the Board may establish ad hoc committees for specified scopes of work as the need arises. It is expected, for example, that the Board will establish an ad hoc Strategic Planning Committee for the development of Energy Trust's five-year strategic plans. Board members are also encouraged to participate in the Conservation Advisory Council (CAC), the Diversity Advisory Council (DAC) and Renewable Energy Advisory Council (RAC) meetings.

### **B. Assignment of Committee Members**

The President of the Board shall, with consideration of the desires of individual Board members, recommend to the full Board the assignment of directors to committees and selection of the chairperson of the committees.

### **C. Committee Meetings**

Committee chairpersons, in consultation with committee members, will determine the frequency and length of committee meetings; *provided, however*, that each committee shall meet independently and in separate sessions from the Board's regular or special meetings at least twice per fiscal year. Each committee shall meet as set forth in each committee's charter, and otherwise as frequently as required to carry out its responsibilities.

Committee chairpersons, in consultation with the President of the Board, appropriate members of senior management and staff, will develop the agenda for each committee meeting.

## VI. DIRECTOR OBLIGATIONS

### A. Ethics and Conflicts of Interest

Directors, as well as officers and employees, must act ethically at all times and should acknowledge their adherence to the Board's Public Interest Policy, Conflict of Interest Policies, law and regulation, and these Guidelines. The Board understands that an actual or potential conflict of interest may be created if Energy Trust provides substantial incentive support to organizations with which a director is affiliated, or if Energy Trust enters into consulting or other contracts with, or provides other direct or indirect compensation to, a director or an organization with which the director is affiliated. If an actual or potential conflict of interest arises in such circumstances or exists for other reasons for a director, the director shall promptly inform the Audit Committee and Board President and the Executive Director. All directors shall recuse themselves from any individual discussion or individual decision affecting their personal or professional interests and disclose the existence of such conflict to the remaining members of the Board. If a significant conflict exists, or is perceived to exist, that may impair a director's ability to act on an ongoing basis in the best interests of Energy Trust and the conflict cannot be resolved, the director should submit his or her resignation to the Board.

### B. Reliance on Others; Liability Insurance

In discharging their obligations and responsibilities, Energy Trust's directors are entitled to rely, in good faith, on the honesty, integrity, and capability of the other directors with whom they serve, Energy Trust's management, independent auditors and outside advisors. Further, to promote the ability of each director to act in accordance with the director's good faith business judgment without undue concern for the substantial risk of personal liability faced by public company directors, Energy Trust shall seek to purchase and maintain at all times directors' and officers' liability insurance in amounts deemed reasonably appropriate.

### C. Directors Who Change Their Present Job Responsibility

Directors who change their occupation shall notify the President of Board and the Executive Director in order to identify any changes in actual or potential conflict of interests. As noted in Energy Trust's Board Policy 5.02.001-P Policy on Principles of Conflict of Interest, "[a] conflict of interest occurs when a director's personal or financial interests interfere with, or appear to interfere with, their duties and responsibilities to Energy Trust." Board members shall, as indicated in Section VI.A and in Energy Trust's Conflict of Interest Policies, disclose employment in order to determine whether a Director's employment gives rise to a conflict of interest for the Director that is fundamental and ongoing and cannot be waived. Should a Director's employment be fundamentally in conflict with board service on ongoing basis, the director should submit his or her resignation to the Board.

### D. Removal of a Director

Energy Trust Bylaws provide that directors may be removed with or without cause by the affirmative vote of seventy percent (70%) of the directors then in office. Reasons that the Board may be compelled to remove a sitting Director prior to the conclusion include, but are not limited to:

- A material conflict of interest
- Poor record of attendance at Board meetings
- Inadequate history of constructive contributions to the Board's responsibilities
- Inappropriate behavior directed towards the Executive Director or another member of staff
- Inappropriate behavior directed toward another Board member
- Inappropriate behavior directed toward a member of the public
- Any other behavior judged to be damaging to Energy Trust and/or the Board's reputation

## **VII. DIRECTOR ORIENTATION AND EDUCATION**

Energy Trust will establish, or identify and provide access to, appropriate orientation programs, sessions or materials for newly elected directors. The program or materials will include information to acquaint new directors with Energy Trust, including its strategy, action plans, financial statements, these Guidelines, and the Board's Public Interest and Conflicts of Interest Policies. As part of the orientation, new directors will be introduced to Energy Trust's senior management. The directors will also receive periodic training concerning their fiduciary duties as Energy Trust board members. Additionally, from time to time, directors will receive information and updates on legal and regulatory changes that affect Energy Trust and the directors. All directors are also encouraged to participate in continuing education programs relating to organizational governance. Reasonable expenses for such programs may be reimbursable with prior approval by the President of the Board.

## **VIII. DIRECTOR COMPENSATION**

The Board has determined not to provide director compensation to members of Energy Trust's board of directors. Members of Energy Trust's board of directors shall be reimbursed for expenses associated with travel to and from, and attendance at, board meetings and committee meetings. Members of Energy Trust's board of directors shall also be reimbursed for expenses associated with and travel to and from training and continuing education opportunities and events.

## **IX. BOARD ACCESS TO SENIOR MANAGEMENT**

Board members shall have unrestricted access to Energy Trust's senior management. Furthermore, the Board encourages senior management, from time to time, to bring to Board meetings officers and managers who (a) can provide additional insight to matters before the Board because of such person's involvement in the areas being discussed, or (b) are officers and managers with potential for future advancement that senior management believes should be given exposure to the Board. As necessary and appropriate, Board members shall also have access to outside legal, accounting, and other professional advisors to assist them in carrying out their duties and responsibilities as directors.

## **X. LEADERSHIP DEVELOPMENT**

### **A. Formal Evaluation of the Executive Director**

Each year, the full Board and a committee appointed by the Board shall evaluate the performance of the executive director. In evaluating the Executive Director, the full Board and the committee shall take into consideration the executive director's performance in both qualitative and quantitative areas, such as leadership and vision, integrity, keeping the Board informed on matters affecting Energy Trust, and the performance of the business, including the achievement of Oregon Public Utility Commission performance metrics and Integrated Resource Plan goals, as well as financial objectives. The evaluation will be communicated to the Executive Director by a designee of the Board and considered by the Board or a designated committee in the course of its deliberations when establishing the compensation of the Executive Director for the following year.

**B. Succession Planning**

The Executive Director shall periodically provide to the Board a report regarding succession planning for the position of Executive Director. The Executive Director will also communicate to the President of the Board a recommendation for his or her successor as a result of an unexpected event. This recommendation should be updated by the Executive Director periodically.

**XI. PERIODIC REVIEW OF STATEMENT OF BOARD NORMS AND CORPORATE GOVERNANCE GUIDELINES**

These Guidelines and Energy Trust's other board policies shall be reviewed by the Nominating & Governance Committee on a periodic basis, but not less than every three years. Any recommended changes shall be submitted to the Board for consideration and approval. Energy Trust of Oregon counsel may request independent review of these Guidelines either periodically or as indicated. Recommendations resulting from such review shall be submitted to the Board Nominating & Governance Committee for consideration and Board review.

**XII. DISCLOSURE OF STATEMENT OF BOARD NORMS AND CORPORATE GOVERNANCE GUIDELINES**

Energy Trust shall maintain, and update promptly, its website to include these Guidelines.



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## **Continued Committee Reports**

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### **Ad hoc Diversity Equity and Inclusion Committee**

Michael reported that he, Cheryle Easton and Danielle Rhodes, Board Services, have served as liaisons for the ad hoc DEI committee. Moving forward, Danielle Rhodes will be the staff liaison. The July board meeting has been repurposed as a community-building DEI workshop, combined with a Diversity Advisory Council social lunch. The ad hoc committee has selected Ashnie Butler to facilitate the workshop and should be apprised of incoming interview questions from the facilitator. While there are not yet learning objectives, the answers will inform the needs of the July 12<sup>th</sup> workshop.

### **Conservation Advisory Council**

Peter Therkelsen reported that Tim Hendricks has retired and noted his SEM work, as well as Hannah Cruz's work with the council, creating a more inclusive environment that engages in challenging conversations. The CAC has spent much of its time discussing strategic focuses, especially in budget time, monitoring trends in customer needs and opportunities in terms of LMI, and how to leverage other funds to extend incentives for LMI, rural HVAC needs, and how to best service multifamily buildings (especially in rental units). Also discussed was a shift in taking a more holistic look at commercial buildings and program accessibility. The council also received a few brief legislative updates.

### **Diversity Advisory Council**

Michael noted that the primary purpose of the last meeting was market intelligence gathering by DAC members. The DAC welcomed two new members: Rhea Standing Rock and Christopher Banks, and there are still two vacancies on this council. The DAC wants to hear more from community-based organizations about how they engage their customers and communities. The DAC hopes to bring recipients of Working Together grants to present at a future meeting. The DAC also wants to hear more from trade allies and learn about mentorship opportunities for new business owners.

### **Renewable Energy Advisory Council**

Betsy Kauffman reported that the council notes have been presented in the board packet. In April, the council had a discussion of about 2024 budget development, and how the energy landscape is changing based on increased consumer interest in increased electrification. There will be an important role Energy Trust can play here and there are good opportunities upcoming in relation to utilities, Community Benefits Fund, as well as collaboration with ODOE. We are scheduled to launch residential battery incentives, the next phase of our Solar Ambassadors program, and incentives for small hydropower systems.

## **Break**

Henry Lorenzen called for a 10-minute recess and the meeting was resumed at 1:31 p.m.

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## **Evaluation Staff Report**

Sarah Castor and Thad Roth presented the New Homes Impact Evaluation Report and noted that Dan Rubado and Scott Leonard can assist with follow up questions after the report.

Thad discussed how the current EPS program is designed and implemented. Specifically, EPS New Construction encourages building beyond what's required by the building code. The program – offered in both Oregon and Washington - uses a third-party verification service to help shepherd implementation to completion. The program works with builders, contractors, and architects, and on the demand side, it works with customers, real estate agents, and other new construction stakeholders, as well as code officials at the state level. About 300 trade allies and 40 verifiers participate in the program. Savings are calculated by comparing the number of EPS homes to the number of equivalent code homes. Participation has increased consistently since 2016, with a current new home participation rate of 33%.

Letha asked a question about program verifiers. Thad explained that we need to have that technical resource to help builders implement the program homes, with a key focus on multifamily work. From an Energy Trust perspective, there is a strong ability to expand this program across the state. Letha asked whether this includes multifamily homes. Thad responded that EPS focuses primarily on single family and

small multifamily homes (i.e. town homes, duplexes, triplexes and quadplexes), and that anything outside of that is not included in this program (e.g. apartment buildings).

Peter asked how many total new homes are built above code but are not enrolled in Energy Trust programs. Thad did not have numbers on hand and will ask staff. He explained that Earth Advantage performs new home certification and Shannon Todd with TRC runs this program.

Next, Sarah reported on evaluation methods and a summary of findings. The goal of the project was to determine the accuracy of building models in estimating annual energy savings. The New Homes program has been evaluated twice before. This evaluation builds on past ones by comparing the performance of program homes to that of non-program homes. The evaluations team wanted to determine if energy savings variances were based on home characteristics (e.g. large homes, those built by certain companies). Evaluation methods included matching a group of program homes to similar non-program homes that were selected from county tax assessor data (e.g. year built, geographic location, space and water heating fuel, square footage). The team came up with five matches per program home and assessed simulation model accuracy by comparing program home actual to simulated energy usage and non-program home actual to simulated energy usage for code home. The team found that modeling does not accurately reflect actual energy use for either program or non-program homes. So, program homes save energy, but less than predicted. The program has a low savings realization rate when comparing program and non-program home performance (18% electric and 21% gas). Household attributes drove some but not all differences in forecasted versus Actual and actual energy usage was more for all homes than predicted. Many factors leading to these results that are currently difficult to untangle, namely model calibration issues, uncertainty about occupancy, behavior and other model assumptions, program tracking errors, heat pump water heater performance issues, program verifiers adjusting model inputs to achieve desired outcomes, and program spillover effects on non-program home construction practices (other states have found this, too).

Jane stated that it's not unusual for modeling to be a problem and asked whether Sarah had considered looking outside Oregon as an alternative control group. Sarah responded that she would.

Sarah's recommendations included looking at homes built outside of program areas (this might be tricky to find a good area for comparison), considering additional research to help identify market effects, conducting an internal review and evaluation of the process associated with AXIS database data entry, considering calibrating models to reported energy use estimates, and considering alternate program design opportunities to advance building practices beyond program requirements. There was also a discussion of whether the team should use the market as a baseline rather than the code but concluded that they should continue using the current energy code as a baseline for now.

Thad added that this is a suitable time for Energy Trust to reevaluate our processes because Oregon is updating its building codes next year. The program will continue to evolve its offerings and services to stay ahead of advancing codes and continue to introduce and promote new efficiency measures to the market (e.g. smart thermostats for utilities' demand response/flexible load programs). In addition, the program will increase market transformation activities to continue pushing the market and ultimately the codes.

Susan asked what dollar value New Homes represents in incentives annually, i.e. in 2022. Thad reported the total was \$9.24 million representing 4,500 homes, including Washington.

Henry asked what the reported savings from the residential area and what percentage of that is the New Homes program. Thad reported that on the electric side, it's just under 10%, or 4 mil kWh. Henry asked whether non-program folks have been surveyed about being above the residential code. Sarah responded that when the team gets into further market research, they will consider that.

Peter asked if 60% of the market is not in program, can we get info about those homes to see if that is helpful in establishing market baseline? Sarah responded that we would have to figure out how to calculate market baseline (e.g. where that info is coming from).

Jane asked when the next RBSA is. Sarah responded that they are just waiting to publish the report.

**2023 Meeting Planning, 2024 Schedule Forecast**

Henry led the board in discussing schedule shifts and board meeting changes, taking a survey of availability, and noted a discussion will be forthcoming around schedules and being able to manage availability for the board to encourage attendance and the needs of the board members. Michael will work with Danielle to begin schedule planning for 2024.

Henry noted that this has been one of our best attended meetings and has enjoyed getting to know the board members during the week's events.

**Adjourn**

The meeting adjourned at 2:37 p.m.

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**The next regular meeting of the Energy Trust Board of Directors** will be held Wednesday, August 9, 2023, at 10:00 a.m. on Zoom and at Energy Trust of Oregon, Inc., 421 SW Oak Street, Suite 300, Portland, Oregon 97204.

DocuSigned by:

*Eric Hayes*

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Signed: Eric Hayes, Secretary

8/15/2023

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Date