

# Board Meeting Minutes—217th Meeting

October 11, 2023

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**Board members present:** Janine Benner (ODOE Special Advisor), Susan Brodahl, Melissa Cribbins, Thelma Fleming, Eric Hayes, Anne Haworth Root, Henry Lorenzen, Jane Peters, Silvia Tanner, Letha Tawney (OPUC ex-officio), Peter Therkelsen, Roland Risser, Ellen Zuckerman

**Board members absent:** Ellsworth Lang, Bill Tovey

**Staff attending:** Melanie Bisonette, Justin Buttles, Sarah Castor, Amber Cole, Michael Colgrove, Scott Clark, Ryan Crews, Tara Crookshank, Hannah Cruz, Elaine Dado, Lindsey Diercksen, Sletsy Dlamini, Chris Dunning, Emily Findley, Sue Fletcher, Fred Gordon, Katherine Hughes, Betsy Kauffman, Oliver Kesting, Cody Kleinsmith, Debbie Menashe, Spencer Moersfelder, Kyle Morrill, Themba Mutepfa, Alex Novie, Natalia Ojeda, Maddy Otto, Kristin Pinit, Amanda Potter, Elaine Prause, Helen Rabold, Danielle Rhodes, Laura Schaefer, Sloan Schang, Tracy Scott, Abby Spegman, Greg Stokes, Julianne Thacher, Amanda Thompson, Jay Ward, Kate Wellington, Amanda Zuniga

**Others attending:** Kate Ayres (Community Energy Project), Edward Barbian, Jeff Bissonette (NW Climate), Wilma Compton, Pat DeLaquil, Kari Greer (PacifiCorp), Sarah Hall (OPUC), Randy Hastings (DThree), Paul Hawkins (MultCo), Diane Henkels (SBUA), Jennifer Hill-Hart (Oregon CUB), Brooke Landon (CLEAResult), Lisa McGarity (Avista), Steve Lacey, Tim Miller (Oregon Business for Climate), Alma Pinto (NW Energy), Laney Ralph (NW Natural), Greer Ryan (Climate Solutions), Peter Ryan (OPUC), Peter Schaffer (PacifiCorp), Jake Wise (PGE), Becca Yates (NEEA), Maria Zuñiga.

## Business Meeting

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President Henry Lorenzen called the meeting to order at 10:03. Henry then explained the protocols for participating in the hybrid meeting and provided information regarding public comment opportunities.

## General Public Comment

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In the first set of public comments at the meeting, Tim Miller, Director of Oregon Business for Climate, reflected on his own experiences working with Energy Trust to deliver programs in the past through Inhabit and Clean Energy Oregon. Further, on behalf of Oregon Business for Climate, Tim supported Energy Trust efforts moving forward to braid its funds with many other emerging resources from PCEF, Oregon Department of Energy, federal IRA funds and Seeding Justice and Oregon's community climate investments. Tim believes that no organization is positioned as well as Energy Trust to align for synergistic impact with emerging new tools and resources to combat climate change in new and diverse ways.

Board members thanked Tim for his 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 from any member of the board.*

**MOTION: Approve consent agenda**

Consent agenda includes:

1. August 9, 2023, Board Meeting Minutes
2. September 13, 2023, Board Workshop Minutes
3. R1008 - Authorizing a Contract Extension with Colhour and Cohen (C+C) for Public Relations and Communications Services

Moved by: Eric Hayes

Seconded by: Roland Risser

Vote: In favor: 9

Abstained: 0

Opposed: 0

## Budget Workshop

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Angie Thomson, facilitator, oriented Energy Trust's board of directors on the budget workshop flow, noting that the workshop would be a mix of presentation and discussion.

Energy Trust Executive Director Michael Colgrove first presented some foundational drivers for the budget. Among other things, new this year, in addition to the drivers that emerge from the resource information in the utility Integrated Resource Plans (IRPs) are the utility Clean Energy Plans (CEPs) which provide on utility planning for climate compliance strategies.

Mike also explained that the proposed 2024 budget proposal has been driven by the OPUC's question on what Energy Trust could do to accelerate energy efficiency and renewable energy acquisition to help the utilities reach their CEP and 2030 clean energy goals. To accelerate acquisition, Energy Trust and the OPUC have been in discussions on assumptions related to avoided cost and levelized cost, portfolio-level planning, impacts of complementary funding, and the possibility of multiyear approach to budget and planning. While assumptions on avoided cost and levelized cost have not changed significantly for this budget proposal, Energy Trust does expect these factors will be reconsidered in the coming year which could affect future year budgeting.

Multiyear planning is another probable future budget change. Mike explained how this kind of planning, as compared with one year budget planning, would permit Energy Trust to better align with utility multi-year climate goals and better align with the strategic planning goals of the organization.

Another budget driver is market intelligence, and for those Energy Trust listens to its advisory councils. The advisory councils discussed important market factors such as community coordination, geographically targeted load management work, and leveraging complementary funding. Board members also provide insight.

The market dynamics that have emerged through these discussions are the following, and all are incorporated into the proposed budget:

1. Aggressive utility decarbonization goals as seen in CEPs
2. HB2531 phasing out of fluorescent lighting.
3. Economic conditions, including lingering inflation and supply chain concerns.
4. Community interest in clean energy, climate goals and resilience and engagement with community-based organizations (CBOs)
5. Complementary funding coupled with workforce challenges.

A final factor considered for the 2024 is the forecast for 2023 which, with current projections, indicates that Energy Trust will exceed its electric efficiency goals, approach goal for gas efficiency, and greatly exceed goal for renewable generation. For these results, revenues and expenditures are trending close to the 2023 budget, with staffing and administrative costs trending under budget.

Angie then facilitated questions and discussions among board members. Matters discussed included clarification of portfolio-level planning, the impact of complementary funding, ways to reduce confusion for customers considering various funding streams, supporting low- and moderate-income customers more effectively with additional complementary funding, multi-year planning, and setting measurable goals.

Board members also asked questions regarding the capacity of Energy Trust staff to take on these changes to grow at the rate contemplated.

After discussion, Mike returned to his presentation and explained the changes between last year's projected 2024 budget and the proposed budget presented to the board. In general, the current proposed 2024 budget is larger because of the following factors now informing Energy Trust planning:

1. The proposed 2024 contemplates increased incentive amounts to address increasing project costs.
2. The proposed 2024 budget invests in developing new approaches to Energy Trust program design for the coming years.
3. The proposed 2024 budget fills in gaps in key areas of market infrastructure related to workforce, including an expansion of Energy Trust's trade ally network, its relationships with community-based organizations, and support for workforce development in new and emerging technologies and program offerings.

In summary, the proposed 2024 budget represents an investment \$304.8 million for Energy Trust's work, with expected highly cost-effective savings of 48.7 aMW of electric efficiency and 7.2 MMTh in gas efficiency. The budget contemplates also support for 4.2 aMW in renewable generation and distribution of \$159.2 million in incentives.

Mike provided additional detail on the budget and anticipated utility funding revenue needs, noting that expected carryover and higher than expected investment income means that Energy Trust will request less than the full budget expenditures amount in its revenue requests.

Board members then asked additional questions regarding workforce development and the role of CBOs and the impact of any changes in inflation trends.

### **Adjourn for Lunch**

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The meeting adjourned at 12:15 for a lunch break.

### **Board Meeting Call to Order**

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Henry Lorenzen called the meeting to order at 1:05 p.m.

### **General Public Comment**

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Jeff Bissonette, NWECA, expressed NWECA's support for the proposed budget and the proposed changes to Energy Trust's current Fuel Switching Policy. Jeff described the proposed policy changes as well-considered and focused on Energy Trust's emerging role in climate, a focus not considered when Energy Trust was first organized.

Regarding the budget, NWEA is strongly supportive of the ways in which the budget supports Energy Trust's complementary role to support new utility requirements.

Jennifer Hill Hart, Policy Manager at Oregon Citizen Utility Board (CUB) also expressed support for the revised fuel switching policy language and the proposed 2024 budget. CUB also expressed the hope that Energy Trust support the added staff. CUB recommends delaying any rate increases to support Energy Trust's revenue requests be delayed until April 1 to mitigate rate impact during the heating season.

Diane Henkels, of SBUA, an association representing small commercial customers, supports the proposed budget, noting its greater focus on small business customers. Diane will file written comments as well.

Jake Wise, PGE liaison to Energy Trust, thanked the Energy Trust board and leadership for its detailed budget presentation and the opportunity for comment. PGE will file written comments as well. In his public comments, Jake noted that PGE wants to work with Energy Trust to mitigate rate impact.

Greer Ryan of Climate Solutions spoke in favor of the proposed changes to Energy Trust's fuel switching policy and the proposed budget. Greer noted that the proposed budget, with increased incentives if helping to fill gaps to help make energy efficiency more affordable for more customers.

Wilma Compton thanked the board for the opportunity to comment, and expressed her appreciation for Energy Trust's commitment to diversity, equity, and inclusion.

Kari Greer of Pacific Power agreed with PGE comments delivered earlier. Pacific Power will file written comments in the coming weeks. Kari noted that Pacific Power supports energy efficiency acquisition and the focus on environmental justice communities. To mitigate rate impact, Pacific Power expressed support for a spring rate change also.

### **Budget Workshop, Continued**

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Following -public comment, the board continued its discussion of the proposed budget, raising questions about longer term planning, specific group budgets, impact of complementary funding and how to combine it with Energy Trust funding, internal staff capacity, and the proposal to mitigate rate impact during the winter heating season with rate increase scheduled for spring instead.

After responses from Energy Trust staff on how it would work, board members expressed support for the spring rate increase proposal. Board members also expressed excitement and support for the proposed budget and expressed interest in OPUC future discussions on avoided cost changes.

Henry Lorenzen paused the meeting for a break at 2:20 and reconvened at 2:29.

### **Executive Director Report**

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Michael Colgrove updated the board on three important topics of interest: Rural Activity, C&I Activity, and CBO engagements.

Regarding rural activities, Mike noted that the number of sites served, and the number of incentives paid in rural areas are both higher than last year. Most of these increases are due to

business lighting projects, which serve small and rural businesses. Energy Trust is making progress for rural Oregon, but there is more to do. For future growth, Energy Trust will look to expand market penetration and participation.

In addition to projects, Energy Trust supports RARE interns, an AmeriCorps program placing newly graduated interns in rural clean energy programs. Energy Trust is currently supporting placements with ODOE, Klamath & Lake Community Action Services, Lake County Resource Initiative, WyEast and NeighborWorks Umpqua. Mike expressed great appreciation for the RARE program noting that Energy Trust currently enjoys three former RARE interns on staff and one who served on the Energy Trust board.

Regarding commercial and industrial activity, Mike highlighted success and good trends for savings, although customers need support to move projects as inflation is still a headwind. Mike noted that the programs team are focused on moving projects forward.

Mike also described this year's Affordable Housing Cohort of the Multifamily SEM program. This cohort experienced workshops offered in multiple languages and led by Community Energy Project. Through these workshops and the cohort experience, all cohort buildings undertook energy assessments and found simple changes resulting in savings in energy and dollars.

Regarding CBO engagement, Nate McCoy, President and CEO of National Association of Minority Contractors (NAMC) presented information to the board on his organization and its work with Energy Trust. Nate described many distinct aspects of NAMC's work, including equity training, technology and project training, certification programs in coordination with the city of Portland, and building a steady pipeline of work for contractors in their network.

NAMC and Energy Trust have worked together to expand NAMC's membership and Energy Trust's trade ally network.

Board members engaged Nate in a good discussion on NAMC's work, including plans for work across the state and southwest Washington and challenges. A significant challenge is finding culturally sensitive training organizations and apprenticeship programs. Areas of particular interest and demand are semi-conductor, site cleanup, and energy efficiency projects. Training in these areas can support opportunities for scalable work and experience for NAMC members. Energy Trust's work provides these kinds of opportunities, and Nate and NAMC are excited to continue their productive work with Energy Trust

## **Committee Reports**

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### ***Compensation & Human Resources Committee (Chair Eric Hayes)***

Chair Eric Hayes referenced committee notes in the board packet and noted forthcoming conversations regarding review of executive bonus compensation structures as described in those notes.

### ***Finance & Audit Committee (Chair Susan Brodahl)***

Chris Dunning presented information on the July and August Finance & Audit Committee meetings. Discussions at those meetings focused on budget development and planning. In addition, at the August meeting, the committee reviewed staff's recommendation for extending the current CLEAResult Business Lighting Program Delivery Contract for one year. Under the terms of the contract, unless the board objects to the extension, staff are authorized to proceed. The board raised no objections to the extension recommendation, and staff will proceed accordingly.

***Nomination & Governance Committee (Roland Risser)***

Chair Roland Risser referenced the notes in the board packet for the August and September committee meetings. At both meetings, the committee discussed proposed changes to the Fuel Switching Policy, focusing on stakeholder comments. At the September meeting, the committee reviewed the proposed changes to the Contract Execution and Oversight Policy as recommended by the Finance & Audit Committee. Both policies, as revised, were recommended for approval to the full board. The board approved both with the following motions:

**Resolution 1009****Amending Contract Execution and Oversight Policy**October 11, 2023

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**RESOLUTION 1009****AMENDING CONTRACT EXECUTION AND OVERSIGHT POLICY 5.05.005-P****WHEREAS:**

1. The Board Policy on Contract Execution and Oversight currently requires Board approval for any Energy Trust commitment to expend more than \$500,000.
2. Energy Trust Commercial & Industrial programs are raising program incentive caps from \$499,000 to \$750,000 to accelerate program participation.
3. The policy provides delegated authority for commitments of up to \$500,000 in standardized forms as administered by Energy Trust programs for program delivery efficiency. To maintain program efficiency, Energy Trust staff recommends amending the policy to increase the standardized form delegated authority cap to \$750,000.
4. In recognition of increasing contract costs since the policy was originally adopted in 2004 and for consistency and to reduce confusion within and among the policy provisions, Energy Trust staff also recommends that the commitment caps identified elsewhere in the policy be increased to \$750,000.

It is therefore **RESOLVED** that the Board of Directors of Energy Trust of Oregon, Inc. amends the Board policy on contract execution authority as shown in *Attachment 1* to reflect the changes described above.

Moved by: Eric Hayes

Seconded by: Jane Peters

Vote: In favor: 8

Abstained: 0

Opposed: 0

**Attachment 1****Marked-5.05.009-P Contract Execution and Oversight Policy****Policy:**

**Purpose:** *The Energy Trust Board of Directors has delegated to the Executive Director authority to execute all contracts on behalf of the organization consistent with the bylaws, all applicable funding agreements, and governing law. This policy regulates and sets forth the parameters for the implementation of this authority.*

**Policy:**

1. All contracts shall be consistent with all applicable provisions of (i) the bylaws, (ii) the PUC grant agreement, (iii) other Energy Trust funding agreements, and (iv) governing law.
2. The Energy Trust legal department shall establish processes for review of all contracts before submitting them to the Executive Director.
3. Contracts for total expenditure by Energy Trust of over the amount of ~~\$500~~750,000 over any period of time, including contract amendments that result in a total contract expenditure amount of more than ~~\$75500~~,000 over any period of time:
  - No contract or relevant amendment will be executed unless the Board of Directors has first reviewed and approved basic terms. The Board's initial contract approval may provide approval for amendments.
  - When it approves basic contract terms, the Board may instruct the Executive Director to bring a final contract back to the Board for review and approval before the contract is executed.
  - The Executive Director shall not execute contract amendments that make major changes in contract terms (e.g., more than 10% change in funds obligated, more than 20% change in energy saved or produced, time by which savings will be achieved) unless the Board of Directors has first reviewed and approved the basic terms of the change.
  - The Board shall review the basic terms of competitive bid processes that staff anticipates will result in Energy Trust entering into a contract for total expenditure by Energy Trust of over ~~\$75500~~,000.
4. Contracts for expenditure in the amount of ~~\$75500~~,000 and less in total expenditures: The Executive Director or, if the Executive Director is unavailable, the chief counsel or a senior staff member designated by the Executive Director, is authorized to execute contracts involving less than ~~\$75500~~,000 without Board review or approval of basic terms. This authority includes instances in which two or more contracts involving less than ~~\$75500~~,000 with a single contractor exceed ~~\$75500~~,000 in the aggregate.
5. Contracts under which Energy Trust receives funds in any amount: The Executive Director or, if the Executive Director is unavailable, the chief counsel or a senior staff member designated by the Executive Director, is authorized to execute contracts under which Energy Trust will receive funds in any amount.
6. For programs managed directly by Energy Trust ~~staff~~, incentive agreements that involve ~~\$75500~~,000 and less and are processed in accordance with standardized program forms and procedures that have been reviewed by the legal department may be approved by the relevant department director or management-level staff designated by the department director. This authority includes instances in which multiple incentive payments to a participant or contractor, processed in accordance with standardized program forms and procedures, exceed ~~\$75500~~,000 in the aggregate.
7. Not less often than annually, staff shall report to the Policy Committee all instances in which Energy Trust has paid more than ~~\$75500~~,000 to an individual contractor in a given calendar year.

8. Staff and in-house contractor employment agreements: The Executive Director or, if the Executive Director is unavailable, the chief counsel or senior staff member designated by the Executive Director, may execute staff and in-house contractor employment agreements without Board review or approval of basic terms.
9. Contracts not involving a dollar expenditure may be signed by the relevant director or his/her designated manager(s).
10. The Executive Director shall maintain contract records required for an independent audit.



**Clean-5.05.009-P Contract Execution and Oversight Policy**

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**Policy:**

1. All contracts shall be consistent with all applicable provisions of (i) the bylaws, (ii) the PUC grant agreement, (iii) other Energy Trust funding agreements, and (iv) governing law.
2. The Energy Trust legal department shall establish processes for review of all contracts before submitting them to the Executive Director.
3. Contracts for total expenditure by Energy Trust of over the amount of \$750,000 over any period of time, including contract amendments that result in a total contract expenditure amount of more than \$750,000 over any period of time:
  - No contract or relevant amendment will be executed unless the Board of Directors has first reviewed and approved basic terms. The Board's initial contract approval may provide approval for amendments.
  - When it approves basic contract terms, the Board may instruct the Executive Director to bring a final contract back to the Board for review and approval before the contract is executed.
  - The Executive Director shall not execute contract amendments that make major changes in contract terms (e.g., more than 10% change in funds obligated, more than 20% change in energy saved or produced, time by which savings will be achieved) unless the Board of Directors has first reviewed and approved the basic terms of the change.
  - The Board shall review the basic terms of competitive bid processes that staff anticipates will result in Energy Trust entering into a contract for total expenditure by Energy Trust of over \$750,000.
4. Contracts for expenditure in the amount of \$750,000 and less in total expenditures: The Executive Director or, if the Executive Director is unavailable, the chief counsel or a senior staff member designated by the Executive Director, is authorized to execute contracts involving less than \$750,000 without Board review or approval of basic terms. This authority includes instances in which two or more contracts involving less than \$750,000 with a single contractor exceed \$750,000 in the aggregate.
5. Contracts under which Energy Trust receives funds in any amount: The Executive Director or, if the Executive Director is unavailable, the chief counsel or a senior staff member designated by the Executive Director, is authorized to execute contracts under which Energy Trust will receive funds in any amount.
6. For programs managed by Energy Trust, incentive agreements that involve \$750,000 and less and are processed in accordance with standardized program forms and procedures that have been reviewed by the legal department may be approved by the relevant department director or management-level staff designated by the department director. This authority includes instances in which multiple incentive payments to a participant or contractor, processed in accordance with standardized program forms and procedures, exceed \$750,000 in the aggregate.
7. Not less often than annually, staff shall report to the Policy Committee all instances in which Energy Trust has paid more than \$750,000 to an individual contractor in a given calendar year.
8. Staff and in-house contractor employment agreements: The Executive Director or, if the Executive Director is unavailable, the chief counsel or senior staff member designated

- by the Executive Director, may execute staff and in-house contractor employment agreements without Board review or approval of basic terms.
9. Contracts not involving a dollar expenditure may be signed by the relevant director or his/her designated manager(s).
  10. The Executive Director shall maintain contract records required for an independent audit.

## **Resolution 1010**

### **For Amending Fuel Switching Policy to Aligning with Oregon's Decarbonization Policies Policy 4.03.000-P**

October 11, 2023

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#### **RESOLUTION 1010 AMENDING FUEL SWITCHING POLICY 4.03.000-P**

##### **WHEREAS:**

5. Energy Trust's Fuel Switching Policy 4.03.000-P was adopted originally in 2002 and revised only minimally since that time.
6. The current policy is a fuel choice policy, requiring Energy Trust to provide information regarding energy efficiency, but not to promote either natural gas or electricity. Energy Trust's incentives are to be designed in ways that do not promote switching from one fuel to another.
7. Energy Trust's work and program design is consistent with guidance from the Oregon Public Utility Commission (OPUC). Oregon legislation and regulation mandates significant decarbonization goals for the state's energy system, and the OPUC must advance and support those goals in its work.
8. Current fuel switching policy language may be an obstacle to program design that is focused on meeting decarbonizations goals and to potential sources of external funding.
9. To ensure that Energy Trust policy language is not a barrier to advancing the OPUC's decarbonization focus, Energy Trust staff recommends significant revisions to the current policy, including a revision to the policy name, to make clear that Energy Trust may support the state's decarbonization work, including by accepting external, non-OPUC granted ratepayer funds, for programs that promote electrification.
10. Energy Trust conducted extensive stakeholder outreach for comments on the proposed policy changes, including in meetings with Energy Trust's funding utilities, in a CAC meeting presentation and discussion, and through public comment at the Energy Trust board of directors meeting on August 9, 2023.
11. The Energy Trust board of directors reviewed and discussed the proposed policy changes at its meeting on August 9, 2023, and referred final discussions on the proposed policy changes to the Nominating & Governance Committee.
12. The Nominating & Governance Committee reviewed the proposed policy changes on September 8, 2023, and recommend a small number of editorial changes to the proposal



**Adjourn**

The meeting adjourned at 3:45 p.m.

**The next meeting will be a of the Energy Trust Board of Directors** will be a board workshop and held Wednesday, November 8, 2023, at 10 a.m., Hybrid on 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