

Board Meeting Minutes—Strategic Planning Workshop

January 24, 2024

Board members present: Janine Benner (ODOE Special Advisor) Melissa Cribbins, Eric Hayes, Thelma Fleming, Henry Lorenzen, Jane Peters, Roland Risser, Anne Root, Silvia Tanner, Letha Tawney (OPUC ex-officio), Bill Tovey

Board members absent: Ellsworth Lang, Peter Therkelsen, Ellen Zuckerman

Staff attending: Caryn Appler, Adam Bartini, Ian Bogley, Shelly Carlton, Sarah Castor, Scott Clark, Amber Cole, Michael Colgrove, Hannah Cruz, Elaine Dado, Mia Deonate, Chris Dunning, Emily Findley, Sue Fletcher, Lidia Garcia, Matt Getchell, Jackie Goss, Jeni Hall, Cory Hertog, Betsy Kaufmann, Cody Kleinsmith, Marshall Johnson, Lori Lull, Chris Lyons, Alyson McKay, Debbie Menashe, Spencer Moersfelder, Kyle Morrill, Dave Moldal, Themba Mutepfa, Natalia Ojeda, Maddy Otto, Emma Pelzner, Willa Perlman, Kristin Pinit, Amanda Potter, Elaine Prause, Danielle Rhodes, Jay Robinson, Thad Roth, Lizzie Rubado, Laura Schaefer, Sloan Schang, Tracy Scott, Jess Siegel, Greg Stokes, Julianne Thacher,

Others attending: Ashnie Butler (Inner Work, Outer Play), Elaine Hart (Moment Energy Insights), Randy Hastings ((DThree), Brooke Landon (CLEAResult), Caitlin Liotiris (Energy Strategies), Jennifer Light (NW Power Council), Lisa McGarity (Avista), Owen Peterson, Laney Ralph (NW Natural), Chris Smith (Energy 350), Mike Smith (Energy 350), Holly Valkama (1961 Consulting), Eric Wilson (EverGreen Efficiency), Jake Wise (PGE),

Opening

President Henry Lorenzen called the retreat/workshop meeting to order at 9:09 and explained the logistics of the hybrid meeting. Henry expressed his appreciation for board members for bringing their various backgrounds and perspectives to the development of Energy Trust's next strategic plan. Thoughtful and respectful discussions will be important, and Henry thanked the board in advance for consideration of various points and for the amount of time that is required of board members for this work.

Oregon Public Utility Commission (OPUC) Commissioner Letha Tawney provided opening remarks for the workshop, giving her perspective on emerging topics that should be considered for Energy Trust's future. Commissioner Tawney described the emerging landscape as volatile, with levels of change and unpredictability that are unprecedented in the energy industry. This scale of change will impact the system and customers because of changes in policy, technology and the climate itself.

Cost pressure in the short term is of concern for the OPUC. Additionally, the OPUC and utility forecasts show enormous load growth, particularly on the electric side. Further, the region is adapting to a changing climate in real time, and the social cost of carbon will escalate over time as a result. Energy Trust, as well as the OPUC and utilities, must mitigate for these changes and adapt at the same time.

Commissioner Tawney expressed her belief that for Energy Trust, this means operating in a different environment than the environment of the last 20 years when energy was plentiful. To assist the overall system in a time of scarcity and price volatility, Energy Trust built an infrastructure to advance energy efficiency, and this experience and work now, according to Commissioner Tawney, takes on even more critical importance. The utility Clean Energy Plans (CEPs) are ambitious, and Energy Trust's ability to support their paths to decarbonization is important. Also, Energy Trust's role in helping communities adapt to climate change, especially with the co-benefits communities and customers receive from energy efficiency, is critical, as the system and region work to mitigate and adapt simultaneously. Commissioner Tawney told the rest of the board that the state is lucky to have Energy Trust ready and able as one of many tools available to help support customers over the next 10-15 years.

President Henry Lorenzen thanked Commissioner Tawney for her remarks, and the board asked a number of questions and engaged in a discussion about the topics and thoughts she presented.

Strategic Planning Process Overview and Initial Stakeholder Interview Summaries

Holly Valkama of 1961 Consulting is supporting the board in its strategic planning process. Holly explained the approach, which is based on the work of Michael Porter. Using Porter's structure, the board will work through the elements of a strategic plan:

- Vision, Mission/Purpose
- Unique Role of Value
- Organizational Values
- Objectives/Goals
- Areas of Focus
- Scenario Planning in times of change

To date, the board's ad hoc Strategic Planning Committee, as well as the Energy Trust staff Internal Planning Committee, have undertaken some pre-work to inform these elements. The board's coming meetings will be an opportunity for the full board to immerse themselves in this work and these elements.

Holly then reported out on some of the initial themes emerging out of board and stakeholder interviews: Board member interviews, Executive interviews, Advisory Council interviews, Utilities interviews, Business community interviews, and Advocate interviews.

Themes that emerged out of these interviews included considerations of the statutory and policy limits on Energy Trust's work, workforce development needed to achieve Energy Trust's future goals and objectives, pairing resilience and energy measures, supporting local, state and federal energy objectives and policies, and the importance of energy efficiency to utility planning for load growth and carbon mitigation.

Board members asked a number of clarifying questions about the feedback.

Break

Stakeholder Interview Summaries, Continued

After a short break, the board reconvened and heard presentations on additional stakeholder feedback, including from business and industry trade groups and representatives. All stressed the importance of energy efficiency, especially the alignment of energy efficiency and renewable resources, which is core to Energy Trust's work. Feedback from business groups also made clear that energy efficiency programs must make it as easy as possible for their customers to participate.

Board members continued their discussions of the information presented, noting that, among other things, for needed energy efficiency acquisition to accelerate, Energy Trust must focus on addressing market barriers to energy efficiency adoption.

Board Learning Topic Papers

In addition to stakeholder interviews, a number of "Board Learning Topic" papers have been prepared for the board as background work for strategic plan development. At the workshop, two Board Learning

Topics were presented: Papers on the Western Utility Coordination Efforts and Decarbonizing the Energy System.

With regard to Western Utility Coordination Efforts, Sarah Castor introduced Caitlin Liotiris, principal at Energy Strategies, and Elaine Hart, founding principal at Moment Energy Insights who presented background and current context. Caitlin and Elaine described the Regional Transmission Organizations (RTOs, also known as ISOs, independent system operators), which provide coordination for utilities in a broad area. The west does not have extensive RTO coordination, although most of the rest of the country does. In the west, the California ISO (CAISO) operates in California and Southwest Power Pool (SPP) operates in parts of the Mountain West and is looking to expand. Additionally, the Western Resource Adequacy Program (WRAP) serves as regional planning organization to also support regional energy and utility coordination.

Board members thanked Caitlin and Elaine for their presentations and discussed what regional coordination means for Energy Trust. Board members and the presenters discussed the presentation and how regional coordination can be a resource for a more flexible, efficient, and holistic system. An example discussed was smart thermostats and how these types of measures can be a center point for the intersection of energy efficiency and demand response, which is an area of focus in regional coordination.

Adjourn for Lunch

The board recessed for lunch at 12:01.

Reconvene – Invitation for Public Comment

The board reconvened at 1:05 and asked for public comment. There was no public comment.

Board Learning Topic Paper: Decarbonizing the Energy System to Address the Climate Crisis

Elaine Prause, Energy Trust Senior Manager Regulatory Policy and Funder Relations, presented information on decarbonizing the energy system. Elaine gave a brief history of policies related to decarbonization at all levels, from the Paris Climate Accord to Oregon's carbon policies. Generally, these policies focus on energy efficiency, beneficial electrification, clean electricity generation, and low-carbon fuels. These policy objectives are addressed in Oregon in utilities' required CEPs.

These policies are also increasing understanding among communities and customers on the urgency of addressing carbon emissions. Elaine described the unprecedented levels of investments needed, which is giving rise to concerns about system affordability.

Energy Trust is well positioned in part of the decarbonization efforts, helping customer navigate options and costs, as well as supporting resilience and flexibility for energy systems and communities. All of this will require policies that support maximization of energy efficiency and renewable energy. This is how modernization of cost-effectiveness and avoided costs in an era of decarbonization will be critical.

Board members discussed the connection between energy efficiency and carbon emission reduction, noting that megawatts saved reduce carbon emissions, and asked questions about how Energy Trust's approach might differ in the future. Elaine noted that legislative and policy mandates, like Oregon's HB 2021, mean Energy Trust will now operate on a decarbonization timeline and with additional focus on measures that have carbon value.

Inputs to Scenario Development

Policy Context

Energy Trust's Policy Services staff. Hannah Cruz, Chris Lyons, Natalia Ojeda summarized current local, state, and federal policy drivers, noting that the policy climate for Energy Trust is dynamic.

Federally, the Inflation Reduction Act and other legislation has resulted in unprecedented amounts of available funding. On the state level, Oregon is advancing policies for addressing climate change including expansion of renewable energy, energy affordability, equity, and resilience, and disaster response.

Board members asked a number of questions on Oregon statutory drivers of policy and how that informs Energy Trust's work. Staff will follow up and provide the board with more information on particular statutes and legislative history.

Industrial and Manufacturing Trends Relating to Energy

Executive Director Michael Colgrove introduced Mike Smith, Project and Custom Track Manager at Energy 350 for Energy Trust's Industrial and Agriculture Program. Mike described trends that inform his work with industries such as technology, municipal wastewater, metals manufacturing, wood products, food processors, and cannabis.

An important factor is federal funding, in particular from the CHIPs Act. CHIPs funding, for example, which, supplemented with state bills to support the semiconductors industry in the state, means there is significant planning for expansion. Because Energy Trust already has relationships with these companies, the program tracks them closely for project opportunities.

Board members asked questions of Mike, including about how energy efficiency funding can entice companies to come to or stay in Oregon. Mike explained that the biggest driver for many companies is managing energy costs, so that higher intensity users see energy efficiency as an important cost management tool, and that's what Energy Trust can bring in Oregon.

Regional Power Plan and Looking Forward

Michael Colgrove then introduced Jennifer Light, Director of Power Planning at the Northwest Power and Conservation Council (NWPPCC), describing Energy Trust's close collaboration with the NWPPCC and its Regional Technical Forum (RTF). The work of each of NWPPCC and RTF inform Energy Trust of energy efficiency savings and measure analysis.

Jennifer presented information to the board on the NWPPCC's power planning cycles, including the creation of 20-year forecasting to direct and guide Bonneville Power Administration and the region. The last power plan was developed in 2021, As NWPPCC looks ahead to the next power planning cycle, they are considering factors like new carbon policies, updated load forecasts (particularly for industrial, agriculture, and data centers), locational value of resources, better understanding of energy efficiency's role in system and demand response flexibility, and updating resource costs and benefits, including resiliency benefits. Jennifer noted that the NWPPCC expects higher avoided cost assumptions in the next power plan because of these factors and others.

Board members engaged in a discussion with Jennifer and Spencer Moersfelder, now Energy Trust Director of Planning & Evaluation, about Jennifer's presentation including on topics such as assumptions going forward as compared to the current plan and other questions on energy efficiency and renewable energy roles in the future system.

The board thanked Jennifer for her report and her work.

Long Term Energy Efficiency Forecasting

Mike then introduced Spencer Moersfelder as the new Director of Planning & Evaluation. Mike also thanked Fred Gordon for his long service to Energy Trust and noted that he will be at a future board meeting.

Spencer expressed his thanks for the introduction and then explained Energy Trust's energy efficiency forecasting process as important context for strategic plan development. Spencer described Energy

Trust's Resource Assessment model to estimate energy efficiency potential and the inputs used. Spencer also discussed how Energy Trust's resource assessments inform utility IRPs, and with additional information on avoided costs, the OPUC and the utilities are already working on IRP updates.

Board members asked questions about and discussed the model inputs and outputs and asked to be kept informed through the strategic plan development process.

Scenario Planning Overview

Holly Valkama of 1961 Consulting briefly presented information to the board on the focus of their next strategic planning discussion. At the next board meeting, there will be more information on stakeholder input. With that, and information already provided, the board will discuss key drivers that will inform possible scenarios for the next strategic plan.

Holly asked for feedback on the workshop, and board members expressed appreciation for the lively discussions and content of the meeting.

Adjourn

The meeting was adjourned at 4:30 p.m.

The next regular meeting of the Energy Trust Board of Directors will be held Wednesday, February 21st, 2024, on Zoom and in person at 421 SW Oak St., Ste 300, Portland, OR 97204 at 9 a.m.

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Eric Hayes
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Signed: Eric Hayes

2/22/2024
Date