Energy Trust of Oregon
Board of Directors' Strategic Planning Workshop

421 SW Oak St., Ste 300, Portland, OR 97204

9 a.m. to 5 p.m.

This meeting is an in-person workshop, and attendance will be at our physical Portland office location only with no hybrid meeting option. To attend the meeting or get building access information, please email Board Services Administration Manager, Danielle Rhodes, at Danielle.Rhodes@energytrust.org

PUBLIC COMMENT: There will be an opportunity for public comment at 1:00 p.m. To request to speak, please email Danielle Rhodes at Danielle.Rhodes@energytrust.org

*The next regular meeting of the Energy Trust of Oregon Board of Directors will **a hybrid meeting**, held April 17th, 2024, on Zoom and at 421 SW Oak Street, Portland, OR, 97204.*

222nd Board Meeting – Strategic Planning Workshop

March 13, 2024

	Agenda	Tab	Purpose
9:00 a.m.	**Opening** (Holly Valkama, Henry Lorenzen, 10 minutes)		Info
9:10 a.m.	**Oregon Department of Energy: Priorities, Industry Outlook and Strategy, Input on Energy Trust's Unique Role of Value** (Janine Benner, 30 minutes)		Info
9:40 a.m.	**Strategic Planning: Scenarios Refined,** (Holly Valkama, 40 minutes)		Info
10:20 a.m.	**Strategic Planning: Strength and Capabilities Map** (Group Discussion Workshop, 30 minutes)		Info
11:00 a.m.	**Break** (10 minutes)		
11:10 a.m.	**Strategic Planning: Strength and Capabilities Map, Continued** (Group Discussion Workshop, 30 minutes)		Info
11:40 a.m.	**Diversity, Equity, Inclusion and Belonging** (Ashnie Butler, Group Discussion, 30 minutes)		Info
12:10 p.m.	**Lunch** (50 minutes)		
1:00 p.m.	**Board Meeting Call to Order (Henry Lorenzen)** **Invitation for Public Comment** (5 minutes) *The president may defer specific public comment to the appropriate agenda topic.*		Info
1:05 p.m.	**Strategic Planning: Opportunities** (Rob Fenty, Group Discussion, 70 minutes)		Info
2:15 p.m.	**Strategic Planning: Unique Role of Value (**Rob Fenty, Group Discussion, 50 minutes)		Info
3:00 p.m.	**Break** (10 minutes)		
3:10 p.m.	**Strategic Planning: Unique Role of Value, Continued** (Holly Valkama Group Discussion, 95 minutes)		Info
4:45 p.m.	**Close** (Holly Valkama, 10 minutes)		Info
4:55 p.m.	**Adjourn** (Henry Lorenzen)		

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Tab 1

ODOE Staff Interview Summary

Key Takeaways

1. **The clean energy transition is an unprecedented challenge, and the Oregon State Energy Strategy (OSES) will help lay out a direction and path for all stakeholders. While significant resources are being channeled to meeting clean energy goals, the problem is greater, and there will still be significantly more costs to bear.**

2. **The next 5-6 years will require unprecedented collaboration, a focus on developing a coordinated strategy, a greater focus on the demand-side of energy and building the necessary infrastructure and workforce to make the clean energy transition.**

3. **Outreach to energy consumers and community members will be key to developing program solutions that meet the needs of the diverse communities across the state. People are part of the energy transition and should remain top of mind.**

4. **Industrywide coordination, collaboration and alignment will be necessary to efficiently meet clean energy goals. This includes alignment on critical definitions for historically under-served groups, coordination of offerings and one-stop-shops, and collaboration between stakeholders and consumers.**

5. **Traditional cost effectiveness definitions need to expand to include co-benefits from energy efficiency projects in order to fully capture their value, deliver on equity goals, and avoid significant missed opportunities. Examples of additional benefit categories could include project enabling work, resilience, and air quality.**

6. **The customer experience must be simplified, and there must be a reliable source of information.**

7. **Emphasizing distributed renewables and energy efficiency mitigates the need for utility-scale projects that come with significant cost, sighting, and transmission issues.**

ODOE Staff Interview Summary

Question by Question Notes

Question 1 Notes: In your own words, what is the "clean energy transition", and what are the most fundamental and critical impacts this transition will have on the energy landscape in Oregon over the next 5-6 years?

- It means transitioning away from fossil fuels. Basically, we need to stop burning stuff. That sounds simple but is easier said than done. It means 1.5M heat pumps in Oregon alone, which costs about $15 billion. 50-60% of Northwest Natural's customers are low to moderate income so there are equity concerns. So how you make the transition is complicated. The Oregon State Energy Strategy (OSES) will help lay out a direction and path for all of the stakeholders. It is ODOE's and Energy Trust's mission to get everyone to move together toward a clean energy future.
- It means more electrification, less oil, coal, etc. More solar and other renewables at residential and utility scale. Utility rates will increase. There is to be a ton of need to support scale. There will be a temporary increase in workflow and workforce as well.
- It's an era of unprecedented need for collaboration. We all need to work together and not step on each other's toes.
- There is a fundamental shift in how we produce and consume energy, and a fundamental need to shift what we lead within our thinking. We need to lead with the demand side in our thinking. We won't get there without a lot of energy efficiency, a lot more than we've had. Electrification is going to be a key part of this transition, according to most studies. You will need to make that demand flexible. Integrating renewables is very expensive. We will need to change the shape and nature of the mix on the energy system, which will have implications for utility business models. There is a lot of consumer acceptance and behavior change needed. We must reevaluate how we view cost-effectiveness and the benefits we include, like resilience. It's one of the other important considerations in the energy transition.
- The energy transition is an opportunity to restructure our relationship with energy and what the energy system is. The big question is how we are going to get there and what does that mean for these other things we care about, like equity, climate and other things peripheral to the energy system. How we restructure that in the scope of the transition is going to have effect for our entire economy.
- The four pillars of decarbonization and a clean energy future: energy efficiency, electrification, decarbonizing electricity, and advancing low carbon fuels.
- It's happening outside of people's scope of vision. Utilities are making the transition but the public is experiencing the impacts of the transition. It's very insider but the public feels it in rates. It's going to go slower than we want. The next 5-6 years is the building to the real transition and it's about building the necessary infrastructure and workforce. We need a lot of energy efficiency to mitigate cost impacts and price hikes, especially in low to middle income homes.
- We can see the change in weather patterns. Rural communities will be the last brought in to energy transition but also the first to feel impacts of climate change. It's important to talk about how we can not leave them out.

Question 2 Notes: How do you see "environmental justice" considerations being factored into state energy policy and strategy?

ODOE Staff Interview Summary

- There are tons of costs associated with the energy transition. The state energy strategy will lay out pathways to reduce costs, but there will still be a significant cost. The question becomes who will bear those costs? People at the higher end of income spectrum tend to be best positioned to moderate their energy use. People who can't afford energy efficiency will be paying higher rates while using more energy. Energy Trust's and ODOE's conservation efforts will be needed to minimize the impact to low to moderate income energy users while still advancing broader energy goals.
- You have to ask the question "compared to what?". If we do nothing, the costs will be astronomical. 100-1000x cost for adaptation as opposed to mitigation. Those costs would fall heavily on lower to moderate income communities. That's one reason this work is imperative.
- There will need to be alignment on definitions of disadvantaged groups, especially with regard to federal maps and tools we are starting to lean on a bit more.
- There is a lack of information on distributional impacts of policies. We can learn and improve from that kind of information. Environmental justice advocates' definitions don't match up directly with federal maps. We need to defer to the expertise of environmental justice leaders and lean on them to be bi-directional conduits to their communities.
- If you are going to get equity as an outcome you need to integrate that at the beginning of the program design process.
- Virtual work has opened up opportunities to bring in more voices from rural communities and those who may not have been able to participate in this work in the past.
- ODOE is really looking to environmental justice leaders for support because I don't think we have all the answers. It really does not feel like a one size fits all situation.
- We are doing a lot of saying we should have programs that serve underserved communities, but we are not doing a great job of making programs accessible or facilitating coordination between programs. What if we could have a universal application for all programs across funders. If we really want to make programs work for low-income populations, the process needs to just be extremely easy.
- There is a need for Energy Trust, ODOE and others to figure out how to work together and make cross-functional efforts and coordination more efficient. It's challenging for those within the industry to navigate, and much more challenging for those outside of the industry.

Question 3 Notes: How do you anticipate the influx of IRA and other Federal, State and local funding will impact Oregonians and change the energy landscape?

- Federal funding provides an opportunity to see what it means to go faster and that's valuable because we know we have to do more, more quickly but we haven't really wrapped our heads around that. It's an opportunity to learn.
- The amount of funding will be less dramatic than people think and it's going to be a lot of hard work and then it's just going to end. From an agency perspective it's not a ton of money. It's not the panacea everyone thinks it is. It's a lot of money but the problem is 4-5x the money coming from the federal government.

Question 4 Notes: How do you see the needs of all energy consumers in Oregon changing over the next 5-6 years? What are some of the approaches ODOE is considering to address these needs, across all sectors?

- Resilience, community resources and solutions for individuals (home generators), is becoming increasingly important.
- Consumers need more education. People don't know what programs are available and how to participate in them.
- Lack of trust is growing, whether it's lack of trust of government or contractors (e.g. "solar is free" contractors). Energy consumers' need for reliable and affordable energy is the same but harder for consumers to obtain, especially when they don't know who to trust.

Question 5 Notes: What do you see as the role of energy efficiency and distributed renewables over the next 5-6 years? How do energy efficiency and distributed renewables intersect with other strategies in the industry to manage capacity constraints, system needs, and evolving customer needs?

- Demand side resources are essential to the energy transition and we have to expand how we think about those programs and how they can provide value to the grid – resilience, equity, climate impacts. Energy efficiency does a lot of this and is one of the most essential components of the transition. We have to think about cost effectiveness and whether we are capturing all of the benefits. If we are not capturing benefits, how do we capture them? It's a consensus building opportunity for those who might be skeptical. Everyone agrees that more energy efficiency is a good thing.
- The cost effectiveness question will be key as we move forward. The lowest cost resources are wind and solar and energy efficiency is being reduced because of that in ODOE's plan and other places. There are so many co-benefits of energy efficiency that are unaccounted for in traditional cost effectiveness calculations. We would like to see the OPUC expand definition of cost effectiveness to include some of these things.
- Simplifying the customer experience is really important. It would be helpful to have a one-stop shop.
- When you think about the energy landscape, utility scale renewables are the bright shiny objects, but energy efficiency and distributed renewables are the unsung heroes. When it comes to utility scale projects, there is a ton of concern around sighting. Utility cost models don't take into account enough of social costs for sighting these large utility scale renewable resources. The way around that is to convince more people to make energy efficiency upgrades and put in solar with storage.
- The ability to project load and shape load will be critical.
- Enabling projects need to be included in programs. There is a lot of demand for solar that can't be done because of the infrastructure needed to support it.

Question 6 Notes: How do you envision ODOE growing and changing over the next 5-6 years?

- ODOE is becoming more data driven. Exploring new ways to get and use data, to pose and answer questions, to do targeted marketing for these federal programs. ODOE is growing and will continue to do so.
- The state energy strategy provides an opportunity for ODOE to think about how to serve the state goals.

ODOE Staff Interview Summary

- The pace decarbonization and energy strategy work has really picked up. The things we have to worry about on the path to a clean energy future have multiplied. We are doing more stuff to get to the same place.

Question 7 Notes: What goals, priorities and strategies is ODOE considering as you look to 2030 and beyond?

- The influx of federal funding will drive a lot of change and growth at ODOE.
- But the way to really improve the state's energy usage, is to get out to the cities and other stakeholders and talk to them about how they can improve all their buildings and their transportation issues.

Question 8 Notes: What are the most important things you would like the Energy Trust Board to know or consider as we develop our next strategic plan for the period 2025-2030?

- . ETO should push the envelope on accounting for the co-benefits of energy efficiency. If we don't value these additional benefits a lot of energy efficiency will be left on the table.
- Collaboration and communication are key. They will be crucial on this path. We need to work together and do it smartly and strategically.
- There is a need for space for free-flow of thoughts and ideas. There is more of a need than ever for a brain trust to get together to conceptualize innovative ideas, like an industry incubator. There are some really cool examples of institutional alliances to create benefits – clean energy and health agencies in Ireland have come together to provide weatherization retrofits if you have chronic respiratory illness.
- Energy Trust serves consumers with rate payers' money. People are part of the energy transition and need to be considered at all times. That should remain top of mind.

Tab 2

2025-2030 Scenario *Draft*

Below is a description of what the Board thinks will be true in the 2025 – 2030 period. The scenario is described in terms of key elements or drivers of that future and, when complete, becomes a grounding reference for the board's remaining strategic plan discussions.

This draft was prepared by the board Strategic Planning Committee with support from the internal staff strategic planning team (ISPT) using the board's small group discussion and report out notes from the February 21 board meeting. Time is reserved on the March 13 agenda to review this scenario with the full board and hear any remaining comments. Board members may find it useful to view the one-page list of high-level statements captured in the appendix following the detailed scenario below.

1. **Climate change-related extreme weather events will occur with increasing frequency.**

    a) Global warming has disrupted the natural balance of environmental systems, leading to more severe weather events and overall changes to the climate with detrimental impacts to the environment and humanity.
    b) Extreme temperature events impact health and quality of life, particularly for communities with energy inefficient homes and buildings. Increased wildfire events and related property damage and more heat-related deaths are expected.
    c) There will be an increased need to access cooling and air purification in summer months.
    d) Utility service distribution systems are vulnerable to impacts of high winds and wildfires, leading to service outages and increased costs.
    e) Frontline communities will bear disproportionate economic and cultural impacts.[1]
    f) There will be increasing customer interest in solar and storage, well placed microgrids and well insulated homes and businesses with efficient appliances that can provide resilience for customers and communities, including heating and cooling, during extreme weather events and outages.
    g) Climate related migration to Oregon is expected.
    h) Climate change has a significant impact on snowpack and the availability of water. This impacts hydropower, agriculture, marine life (e.g., salmon populations), tribal activities, tourism and industries reliant on water for processing.

2. **Decarbonization remains a state policy objective. Utilities continue to invest in meeting decarbonization goals; growing customer interest in decarbonization will drive some consumers and businesses to reduce their carbon footprint.**

    a) Oregon has set ambitious and clear greenhouse gas emission reduction targets for electric utilities with initial reduction milestones by 2030.

[1] The State of Oregon Climate Equity Blueprint (2021) uses this definition of frontline community for interagency climate justice efforts: "Those that experience 'first and worst' the consequences of climate change. These are often communities of color, immigrants, rural communities, low-income communities, Tribal and indigenous people who have long been excluded from the policy and funding decisions and processes used to address climate change." https://www.oregon.gov/lcd/CPU/Documents/2021_Jan_Climate-Equity-Blueprint.pdf

b) Energy efficiency and renewable energy investments are prominently centered in utility long-term plans and are relied on as critical resources needed to meet state climate goals, as cost-effectively as possible.
c) Gas system decarbonization remains a regulatory objective and targets are established. The role and impact of electrification on the gas system is uncertain.
d) There are uncertainties around the rate of decarbonization given cost implications and new demands on the energy system.

3. Policymaking dynamics in Oregon will remain stable and favorable for clean energy solutions, despite the national political landscape remaining polarized.

a) Election cycles are always moments for potential changes in focus. Federal, state and local priorities tend to adapt to each other, though not always.
b) Polarization will remain a factor in national policymaking. In Oregon, urban and rural perspectives and priorities differ, which can impact policymaking around clean energy.
c) Changes driven by upcoming elections likely won't roll back priorities in Oregon within our timeframe. (For example, energy codes and standards will be preserved in the timeframe. The Oregon Public Utility Commission could evolve as commissioner terms end but is likely to remain favorable to energy efficiency and small-scale renewables.)
d) State energy strategy is in development and will drive supportive policies for clean energy with a more holistic view of the future.
e) Interconnection issues affecting renewable energy may be resolved favorably, but transmission constraints will persist.
f) Policymakers, regulators, utilities, stakeholders, Tribes, communities and advocates will continue to seek expertise from implementers as they develop policies that address clean energy.

4. Increasing housing supply, especially affordable housing, through new construction will be a sustained statewide objective through 2030.

a) Housing production and addressing homelessness remain top priorities for Governor Kotek, state and local governments, and Tribes.
b) Governor Kotek's Housing Production executive order and related 2024 legislation, which provided $369 million in funding and other supports to achieve a target of 36,000 new housing units per year for 10 years, spurs a significant increase in new housing construction and related infrastructure by housing developers and local governments.

5. Policies, stakeholder advocacy and funding sources continue to prioritize equity and environmental justice to acknowledge and address systemic injustice in the energy system. This systemic injustice has increased energy burden and resulted in disproportional impacts of climate change on frontline communities.

a) Communities of color, customers with low incomes and rural communities continue to experience disproportional impacts of climate change and high energy burden due to inequities historically embedded in energy, housing and environmental policies and practices.

b) Environmental justice and equity continue to be policy priorities at the state level and are incorporated into statute (HB 3141) and regulatory oversight of Energy Trust via equity metrics and requirements for spending on solar to benefit low- and moderate-income customers.
c) Community and environmental justice advocates are increasingly participating as stakeholders in policymaking processes. Their involvement further reinforces awareness of systemic injustices that have shaped the energy delivery system and disproportionate impacts of climate change, energy cost increases, housing affordability and related issues on frontline communities.

6. **Utilities are evolving their operating model. Planning and management will focus on distribution system planning to encompass not only reliability but also capacity, flexibility and resiliency. Community needs are increasingly factored into utility resource planning.**

a) Electric utilities are replacing fully dispatchable fossil fuel resources largely with wind and solar resources whose output can be forecasted and smoothed when coupled with storage resources to meet customer energy needs. This shift in generating resource characteristics impacts the operations of the grid.
b) Distribution system upgrades are needed to manage increasing requests for interconnection of distributed energy resources and for grid hardening to support system resilience.
c) A significant increase in electric loads is expected. This is due to electrification of transportation and buildings, construction of new data centers and expansion of semiconductor manufacturing.
d) The pace and magnitude of impacts are uncertain and dependent on external factors such as policies, technology development, capital markets and customer choices.
e) The interplay between gas and electric demands is highly uncertain and will impact utility planning and customer decision making.

7. **Energy affordability will become a bigger issue as rates increase for utility customers.**

a) The cost of energy will continue to significantly increase for all customers and there will be a disproportionate impact on customers with high energy burden.
b) This will lead to tension around energy efficiency investment if ratepayers don't realize direct benefits or understand how it helps minimize energy cost increases over time.
c) Utility rate increases are driven by increased costs for wildfire mitigation, climate adaptation, distribution system infrastructure investments, market energy prices, new clean generation resources, retirement of fossil generation, transmission and many other factors.
d) Hard regulatory decisions related to tradeoffs between utility service reliability and resiliency versus costs to ratepayers will persist.

8. **The value of energy efficiency, renewable energy and distribution system-connected technologies such as solar + storage is increasing relative to other resource options. OPUC and stakeholder interest in procuring all achievable potential as soon as possible will increase.**

a) Avoided costs are expected to increase significantly, and this is likely to increase Energy Trust's portfolio of cost-effective measures.
b) Accelerating acquisition of these low-cost resources will lower the cost to achieve decarbonization goals and deliver additional non-energy customer benefits compared to alternative scenarios that do not capture energy efficiency or renewable energy.

c) Increasing codes and standards will alter the types of achievable cost-effective measures.

9. **Statutory authority for funding of energy efficiency, small-scale renewable energy and distribution system-connected technology through Energy Trust remains stable with no changes expected. The regulatory framework for Energy Trust investments also remains stable and continues to necessitate exceptions or additional funding sources to support investments that do not pass existing cost-effectiveness tests.**

   a) The Public Purpose Charge Modernization Law (HB 3141 passed in 2021) placed authority for funding of energy efficiency under standard OPUC ratemaking processes. The law removed the funding sunset in statute, recognized the value-added benefits of this resource, and added equity and environmental justice for Energy Trust investment to OPUC oversight requirements.
   b) Energy Trust's statutory funding is a fixed percentage of rates for small-scale renewable energy and distribution system-connected technology, with a requirement to spend at least 25% on low- and moderate-income customers. Additionally, HB 3141 allows Energy Trust to use funds for projects that improve the reliability and resiliency of the electric grid.
   c) Energy Trust will continue to receive the revenue required to achieve all cost-effective energy efficiency through 2030 and beyond.
   d) OPUC has the authority to define cost-effectiveness as directed by statutory authority through the regulatory process.
   e) Transparency will remain a strong value for OPUC and stakeholders regarding ratepayer funding stewardship.

10. **Significant new funding streams for clean energy investment will become available. Most will incorporate some degree of environmental justice objectives.**

   a) New sources of funding are increasingly available for energy efficiency, small-scale renewables and enabling services (e.g., incentives for upgrading residential electrical panels or making commercial buildings resilient to natural disasters).
   b) New funding streams have significantly increased in recent years from all sources and more will become available in 2025 and extend through 2030. Shifts in federal policy priorities could slow some of the funding, but new funding is coming from state and local sources.
   c) Organizations receiving this funding will need to invest in and build out competencies for implementing this funding and meeting data and reporting obligations. Agencies and community-based organizations will be challenged to build some of this capacity and will look for support.
   d) The Federal Inflation Reduction Act directs some funds specifically to Tribal Nations and Native communities for clean energy, climate mitigation and resilience, and conservation-related programs. Tribes will be seeking support in building clean energy projects and programs to access these funds.

11. **The number of organizations and programs offering clean energy services for customers will grow.**

   a) There will be an increasing number of local (or community-based) and state organizations with similar missions and/or offering similar services to those that Energy Trust offers.
   b) These are existing organizations expanding their scopes and new organizations established for varied new purposes. Some are nonprofit community organizations that are expanding services

to support clients with energy solutions. Many of these organizations lack administrative, operational and financial expertise and infrastructure to scale up.

c) Utilities will be developing additional customer programs and offers to support demand response capabilities, transportation electrification, building electrification, storage and more.
d) As funding opportunities evolve, there may be some overlap or competition between organizations and programs.
e) Some organizations may have specific geographic targets or other defined purposes. An example is the Portland Clean Energy Community Benefits Fund (PCEF), whose purpose is to invest in community-led projects to reduce carbon emissions, create economic opportunity and help make the city more resilient as it faces a changing climate.
f) There will be a need for networks connecting these organizations and programs; otherwise, there will be challenges with market and customer confusion.

12. Customers will be challenged to navigate a broader range of offers and service providers to determine which clean energy actions to take—creating a barrier to action. More customers will experience variable quality or misleading information, creating a risk of lost confidence among customers and challenging credibility of clean energy implementers.

a) Customer satisfaction issues due to misinformation, confusion or variable installation quality will likely increase.
b) New funding is attracting new market actors and driving more offers, increasing the risk of unfair, deceptive and fraudulent business practices. This creates risks for consumers and program administrators/implementers working to protect the credibility of energy efficiency and renewable energy.

13. Labor market constraints and shortages will continue to be a barrier to increasing energy efficiency and small-scale renewables projects.

a) A shortage in labor to implement energy efficiency and renewable projects continues (e.g., skilled labor in trades, architecture and engineering). This is driven by the retirement of baby boomers and high demand in other markets.
b) Labor market shortages also apply to the staffing needs of upstream organizations including Energy Trust, its Program Management Contractors, Program Delivery Contractors and other clean energy implementing organizations.
c) Labor shortages raise the price of energy efficiency and renewable goods and services and create challenges to obtain needed resources to accomplish projects.
d) New technology is affecting how we prepare the future workforce.
e) Within the clean energy workforce, there is a need to support an understanding of traditional technology while developing an understanding of computerized and grid-connected technologies, which adds to the complexity of installation and maintenance of equipment.

Appendix: 2025-2030 Scenario *Draft – Highest level statements only*

1. **Climate change-related extreme weather events will occur with increasing frequency.**

2. **Decarbonization remains a state policy objective. Utilities continue to invest in meeting decarbonization goals; growing customer interest in decarbonization will drive some consumers and businesses to reduce their carbon footprint.**

3. **Policymaking dynamics in Oregon will remain stable and favorable for clean energy solutions, despite the national political landscape remaining polarized.**

4. **Increasing housing supply, especially affordable housing, through new construction will be a sustained statewide objective through 2030.**

5. **Policies, stakeholder advocacy and funding sources continue to prioritize equity and environmental justice to acknowledge and address systemic injustice in the energy system. This systemic injustice has increased energy burden and resulted in disproportional impacts of climate change on frontline communities.**

6. **Utilities are evolving their operating model. Planning and management will focus on distribution system planning to encompass not only reliability but also capacity, flexibility and resiliency. Community needs are increasingly factored into utility resource planning.**

7. **Energy affordability will become a bigger issue as rates increase for utility customers.**

8. **The value of energy efficiency, renewable energy and distribution system-connected technologies such as solar + storage is increasing relative to other resource options. OPUC and stakeholder interest in procuring all achievable potential as soon as possible will increase.**

9. **Statutory authority for funding of energy efficiency, small-scale renewable energy and distribution system-connected technology through Energy Trust remains stable with no changes expected. The regulatory framework for Energy Trust investments also remains stable and continues to necessitate exceptions or additional funding sources to support investments that do not pass existing cost-effectiveness tests.**

10. **Significant new funding streams for clean energy investment will become available. Most will incorporate some degree of environmental justice objectives.**

11. **The number of organizations and programs offering clean energy services for customers will grow.**

12. **Customers will be challenged to navigate a broader range of offers and service providers to determine which clean energy actions to take—creating a barrier to action. More customers will experience variable quality or misleading information, creating a risk of lost confidence among customers and challenging credibility of clean energy implementers.**

13. **Labor market constraints and shortages will continue to be a barrier to increasing energy efficiency and small-scale renewables projects.**

Tab 3

Strengths & Capabilities

- The following slide is a visual of what Michael Porter calls “fit.” This defines the competitive strengths of the organization, and the activities/capabilities/structures, etc. that create or fortify those strengths.

- In ascertaining competitive strengths, it’s important to evaluate Energy Trust relative to others in the market, and whether it is a competitive strength that would surpass others. In other words, it’s not sufficient to say Energy Trust is good at something; we want to discern where Energy Trust is better than most, or the best.

- The map shared is a **starting point** for a discussion on Energy Trust’s current strengths & capabilities. This starting point was created from input from all Energy Trust staff at the February retreat, the internal staff strategic planning team (ISPT), and the Board Strategic Planning Committee.

- When completed, the Strengths & Capabilities Map will show where these strengths (bubbles bordered in orange) connect with each other. It will also show the connection points with capabilities (bubbles bordered in blue). Where capabilities connect to strengths indicates that those capabilities are what create or fortify those strengths. The result is a web or tapestry, and the many interconnections make Energy Trust stronger and of more value in the market.

- **The request of the Board before the March 13th workshop is only to familiarize yourself with this material.** With your Board colleagues, members of the Executive Team, and Advisory Council members in attendance, you will have small group and large group discussions to edit these strengths and capabilities and consider how they connect.

Energy Trust
Strengths and Capabilities Map
Starting Point

Orange shapes = Strengths
Blue shapes = Capabilities

Credibility

Financial controls

New measure development (pilots, emerging tech)

Dual-fuel services

Independent, nonprofit

Grant agreement

Contract administration

Broad Reach

Stable funding (PPC)

Planning, Program Delivery Management, Evaluation & Reporting

Geographic footprint

Network of market actors serving customers (TAs, Distributors, CBOs)

Transparency & Public Reporting

20+ years of staff expertise

Quality of Data Analytics

Access to data

Equity Focus

Learning organization

Stakeholder- and Customer-oriented Relationships

Convenor

Tab 4

Ad hoc Strategic Planning Committee Meeting Notes

February 14, 2024

Committee members attending: Janine Benner, Henry Lorenzen, Jane Peters, Letha Tawney (OPUC ex-officio), Peter Therkelsen, Bill Tovey

Committee members absent from meeting: Ellen Zuckerman

Staff attending: Sarah Castor, Amber Cole (Staff Liaison), Spencer Moersfelder, Elaine Prause, Jess Siegel, Greg Stokes

Others attending: Holly Valkama (1961 Consulting)

Jane Peters convened the meeting at 3:30 p.m.

February Board Meeting Agenda Review

Holly Valkama reviewed for the committee the final agenda for the board meeting on February 21, noting the remaining stakeholder perspectives staff have arranged for the board to hear based on the stakeholder engagement plan shaped by the committee late last year. The agenda includes:

- Time for OPUC Chair Megan Decker to share thoughts regarding the period the board is addressing in this strategic plan.
- A panel representing new funding opportunities with community-defined objectives, featuring Sam Baraso from Portland Clean Energy Community Benefits Fund, Se-ah-dom Edmo from Seeding Justice, and Jennifer Rouda with Alliance for Tribal Clean Energy.
- Summaries of interviews with four community-based organizations – Verde, Wallowa Resources, Seeds for the Sol, and Illinois Valley Community Development Organization.
- Summaries of conversations with OPUC staff, Energy Trust program management contractors, and trade allies (via a survey).

Holly reminded the committee that the last remaining perspective we prioritized for input to the board is that of ODOE. Janine Benner, ODOE Director and a member of this committee, will have time on the March Board meeting agenda to talk with the full board about ODOE's priorities for the future.

Holly noted for the committee that she, Mike and Amber are proposing that the March board meeting be an in-person meeting because the board will be having very important discussions on strengths, capabilities and unique role of value. They believe these conversations will be difficult to manage in a hybrid format.

Scenario Development

The committee then continued its discussion, begun in its last meeting, of the future scenario drivers harvested from stakeholder input. The objective is to filter the drivers and inform which ones they feel are relevant for the full board to consider in building the future scenario for the 2025-2030 plan period. Holly and Greg pulled up a mural board that the committee began looking at in its last meeting. Holly asked the committee to validate how the internal staff team

sorted them initially (known, unknown, and variable/uncertain), ask questions, discuss, and identify any that should be eliminated or designated differently. She also asked whether there should be drivers added to the mural board.

Committee members discussed statutory authority, regulatory authority and policy, and their relation to current and new funding streams. They also discussed housing as a state priority, other organizations that are delivering clean energy programs to customers, the broader political and policy landscape, shifts in the utility model, and equity and environmental justice. Throughout the discussion they clarified aspects of the drivers they believe to be important to consider and staff noted their thinking. They also provided guidance for Holly and staff regarding the February board small group discussions.

Holly reminded the committee that these thoughts and those of the board, conveyed through small group discussions planned for the February meeting, will be synthesized to create a description of what the board believes the future is likely to be. After SPC and board review, that will be the board's future scenario and it will ground the board's remaining strategic plan discussions.

Adjourn

Holly adjourned the meeting at 4:29 p.m.

The next meeting of the ad hoc Strategic Planning Committee is scheduled for February 28, 2024, from 3:30 p.m. to 4:30 p.m.

Ad hoc Strategic Planning Committee Meeting Notes

February 28, 2024

Committee members attending: Janine Benner, Henry Lorenzen, Jane Peters, Letha Tawney (OPUC ex-officio), Peter Therkelsen, Bill Tovey

Committee members absent from meeting: Ellen Zuckerman

Staff attending: Sarah Castor, Amber Cole (Staff Liaison), Mike Colgrove, Marshall Johnson, Spencer Moersfelder, Elaine Prause, Danielle Rhodes, Greg Stokes

Others attending: Holly Valkama (1961 Consulting)

Jane Peters convened the meeting at 3:32 p.m.

Scenario Development

The committee dedicated the majority of this meeting to discuss the details of a draft future scenario created by the internal staff strategic planning team (ISPT) using the board's small group discussion and report out notes from the February 21 board meeting.

Committee members discussed their thinking on the key scenario statements and the characteristics provided in the supporting bullets.

SPC member suggestions were captured to support detailed edits on energy affordability, decarbonization, statutory authority, value of energy efficiency, climate and weather events, policymaking, environmental justice, consumer protection, utilities evolving their operating model, and housing.

Staff committed to turn around a revised draft for SPC member review prior to the meeting in one week's time.

Review of Strategic Planning Work Ahead

Holly provided a high level review of the future scenario will ground the board in the remaining sequence of conversations at the March, April and May board meetings.

Adjourn

The meeting adjourned at 4:30 p.m.

The next meeting of the ad hoc Strategic Planning Committee is scheduled for March 6, 2024, from 3:30 p.m. to 4:30 p.m.

Ad hoc Strategic Planning Committee Meeting Notes

March 6, 2024

Committee members attending: Henry Lorenzen, Jane Peters, Letha Tawney (OPUC ex-officio), Peter Therkelsen

Committee members absent from meeting: Janine Benner, Bill Tovey, Ellen Zuckerman

Staff attending: Sarah Castor, Amber Cole (Staff Liaison), Mike Colgrove, Marshall Johnson, Spencer Moersfelder, Elaine Prause, Danielle Rhodes, Greg Stokes

Others attending: Holly Valkama (1961 Consulting), Rob Fenty (1961 Consulting)

Jane Peters convened the meeting at 3:32 p.m.

Scenario Development

Holly introduced her colleague Rob Fenty from 1961 Consulting and noted that he will be joining her in 1961's consulting for the board on strategic planning and will join for the March and May board meetings.

Holly and Amber presented the current draft of the future scenario. The board provided their thoughts on the scenario at its February meeting and committee members provided input during and after the last SPC meeting to further refine it.

Ellen Zuckerman sent comments by email noting that she believes the scenario is missing mention of regionalization of the western energy grid and the likelihood for significant load growth beyond building electrification. Amber proposed additional language under "Utilities are evolving their operating model" to address Ellen's comment on load growth and drivers for that. SPC agreed with the proposed addition.

SPC went on to discuss Ellen's other comment about regionalization of the western energy grid and whether it is a driver the board needs to consider when planning for the future. Letha did not see it as a strong driver for Energy Trust planning. However, she noted that it would cause utilities to make commitments that could create some more clarity in avoided cost calculations. Jane would like clarity around what regionalization means and what the outcomes could be and how this could affect Energy Trust. Holly suggested it might make sense to highlight it as significant for market actors, but it may not have implications for Energy Trust. Amber offered to discuss further with Ellen to determine how to address it, perhaps through additional input at the March board meeting.

Letha suggested gird hardening be added to a bullet under the changing utility system because it will be needed to cope with a changing climate and will drive costs.

Amber suggested some updates under "increasing housing supply" to better align the language with recent housing legislation just enacted in the legislature. She also recommended adding mention of local governments given the role of local governments in housing development. Under new funding streams, she suggested adding specific mention of federal funding for Tribal Nations that will drive interest in development support for clean energy projects. This is

something Jennifer Rouda for Alliance for Tribal Clean Energy highlighted during the panel at the February 28 board meeting. SPC supported these additions.

Holly reminded the committee that board members will have an opportunity to review one last time as this scenario will go to the full board in the March board packet.

Review of Strategic Planning Work Ahead

Holly presented what will be covered at the upcoming March 13th board meeting, including discussions on current strengths and capabilities of Energy Trust which make the organization unique in the marketplace. Capabilities can be structures and activities that create the strengths.

As the board looks at its future scenario and the organization's strengths and capabilities, then they will explore what opportunities may exist, what is possible for Energy Trust and what the future value proposition is for the next six-year period. This will also allow us to go back and re-examine strengths and capabilities to identify areas where the organization should further develop to properly deliver on our unique role of value in the market. This will then lead the board to define the areas of focus for our next strategic plan.

Strengths and Capabilities Map

Holly and Amber shared an initial starting point for a strengths and capabilities map. Holly pointed out that a strengths and capabilities map is not simple picture of "What Energy Trust is good at." Rather, it is a method for supporting discussion about what Energy Trust is better than most at, or the best at, in the market. She said this can feel boastful but is important grounding for strategic planning.

Energy Trust staff and the internal staff strategic planning team (ISPT) had discussions contributing to this map of strengths and capabilities proposed for the committee and board to assess and refine. A key factor in assessing these strengths and capabilities will be to identify the connections between the items on the map. By understanding how these strengths and capabilities relate, we can better see how we bring greater value to those we serve in the market.

For the March board discussion, Holly proposed the board break into small groups for focused discussion and then reconvene and report out so the full board can hear the reflection. Holly noted that it is likely that the board will not get to a final product in March, but these conversations are important and will guide refinements.

Jane asked where the current assessment of strengths and capabilities came from. Holly noted the staff held an all-staff workshop in February and the input collected there was further refined by the internal strategic planning team (ISPT). It aligns well with the strengths and capabilities map created for the last strategic plan.

Jane pointed out the "technical know-how" and "staff expertise" seem similar and would like to see some representation of 20-years of experience, which seems truly relevant. Henry noted that expertise on contract administration is missing. It's through those contracts that a good

portion of energy efficiency is acquired, and it is a significant strength that we will be relying on as we look forward to future activities. Greg and Amber noted that this did come up in the ISPT discussion and was considered as a component of delivery management but Henry's comment is a good indicator it deserves explicit mention.

Holly asked if providing this map to the board to discuss and refine will be the appropriate process for the March meeting. SPC supported that approach. There will be one executive team member within each small group if the board has questions. There also will be opportunity for the small groups to do larger share outs so that the board and advisory councils can hear the thinking of others.

Holly noted that the opportunities discussions and the unique role of value discussions will be started from scratch to begin brainstorming with the board to further refine before the April meeting. Rob added that these strengths and capabilities discussion will provide the foundation for that work.

Other Committee Business

Amber informed the committee that she and Marshall are following up on a request made at the February board meeting to receive more information on community partner funding. The plan is to provide a briefing in the upcoming April board packet and reserve a short amount of time on the April board agenda for any questions and answers.

Adjourn

The meeting adjourned at 4:19 p.m.

The next meeting of the ad hoc Strategic Planning Committee is scheduled for March 20, 2024, from 3:30 p.m. to 4:30 p.m.