Board Meeting Minutes – 95th Meeting

February 3, 2010

Board members present: Rick Applegate (joined by telephone), Dan Davis, Jason Eisdorfer, Roger Hamilton, Julie Hammond, Debbie Kitchin, Caddy McKeown, Alan Meyer, John Reynolds

Board members absent: Dan Enloe, Al Jubitz, John Klosterman, Mark Long (ODOE special advisor), John Savage (ex officio) and Preston Michie

Staff attending: Joe Barra, Matt Braman, Sarah Castor, Pete Catching, Amber Cole, Phil Degens, Fred Gordon, Brooke Graham, Margie Harris, Susan Jamison, Betsy Kauffman, Nancy Klass, Steve Lacey, Sue Meyer Sample, Kate Scott, Brien Sipe, John Volkman, Peter West

Others attending: Jeremy Anderson, WISE; Jan Schaeffer

Business Meeting

President John Reynolds called the annual and business meeting to order at 12:35 pm. There were no changes to the agenda.

General Public Comments

There was none.

Consent Agenda

MOTION: Approve Consent Agenda. The

Moved by: Debbie Kitchin Seconded by: Jason Eisdorfer

Vote:	In favor:	8	Abstained:	0
	Opposed:	0		

December 18, 2009, meeting minutes part of Consent Agenda

Adopted on February 3, 2010, as part of the Consent Agenda by Energy Trust Board of Directors.

Election to new terms of office

RESOLUTION 540

ELECTING DEBBIE KITCHIN, ALAN MEYER AND JOHN REYNOLDS TO NEW TERMS ON THE ENERGY TRUST BOARD OF DIRECTORS

WHEREAS:

1. **The terms of incumbent board members Debbie Kitchin, Alan Meyer and John Reynolds expire in 2010.**
2. **The board nominating committee has recommended that these members' terms be renewed**

It is therefore RESOLVED:

1. **That the Energy Trust of Oregon, Inc., Board of Directors elects Debbie Kitchin, Alan Meyer and John Reynolds incumbent board members, to new terms of office that begin in 2010 and end in 2013.**

Adopted on February 3, 2010, as part of the Consent Agenda by Energy Trust Board of Directors.

Amend contract with Pollinate Media, LLC This item was removed from the consent agenda at the request of Jason Eisdorfer, who said other board members shared his interest in learning more about this proposal. Julie Hammond asked why this is brought forward as an amendment rather than a new contract for website maintenance. Amber Cole explained the original contract was for one year with an option to extend for a year. The contract scope completes development of the new website, launched in September, and also supports maintenance. The maintenance portion of the 2010 budget is $125,000, and includes development of new content and functionality to support new initiatives.

Jason asked what the ongoing maintenance budget would be in future years. Amber said the answer depends on program needs and decisions not yet made but under consideration, such as creating an account system for participants to track progress and interact with Energy Trust staff. Dan Davis asked if there is a work scope in the contract; Amber said yes.

Debbie said some of the proposed changes Amber is talking about could save costs in administering programs. She asked what the threshold is internally when RFPs are required. John Volkman said procurements above $100,000 require an RFP; those between $25,000 and $100,000 require less formal competitive solicitation.

Margie noted our rationale is that it is fiscally prudent to extend the existing contract rather than bring a new contractor on board at this point of web development.

Jason asked for more information on the work to happen through this contract; Amber will provide this in a future presentation to the board.

RESOLUTION 542

AUTHORIZE THE EXECUTIVE DIRECTOR TO AMEND A CONTRACT FOR MORE THAN $500,000 WITH POLLINATE MEDIA, LLC.

WHEREAS:

1. **In January 2009, Energy Trust chose Pollinate Media, LLC to perform website development and design work. The original, two-year contract was awarded in a competitive process, and involved $300,000 in Energy Trust expenditures. Another $45,000 was added to the contract in December, 2009, to perform tasks not included in the original statement of work.**

2. **In 2009, the Energy Trust organizational redesign process identified priority areas in which the Energy Trust website could better serve customers and trade allies. These tasks were not included in the original contract's statement of work.**

3. **Energy Trust wishes to extend Pollinate's contract through December 31, 2010, to accomplish these additional tasks, at a cost of $240,000. This additional expenditure would bring the total contract to $585,000, an amount above the $500,000 limit of the executive director's signing authority.**

4. **Any website work beyond 2010 will be solicited in a competitive process.**

It is therefore RESOLVED:

1. **That the Board of Directors of Energy Trust of Oregon, Inc., hereby authorizes the executive director to sign amendments to the Pollinate Media contract for expenditures above $500,000.**

Moved by: Roger Hamilton Seconded by: Debbie Kitchin

Vote: In favor: 9 Abstained: 0

Opposed: 0

Adopted on February 3, 2010, as part of the Consent Agenda by Energy Trust Board of Directors.

Nominating Committee

Election of officers. Rick Applegate introduced this topic.

RESOLUTION 541

ELECTING OFFICERS OF
ENERGY TRUST OF OREGON, INC.

WHEREAS:

1. **Officers of the Energy Trust of Oregon, Inc. (other than the Executive Director and a Chief Financial Officer) are elected by the Board of Directors at the board's annual meeting.**
2. **The Board of Directors nominating committee has nominated the following directors to renew their terms as officers:**
    - **John Reynolds, President**
    - **Rick Applegate, Vice President**
    - **Debbie Kitchin, Secretary**
    - **John Klosterman, Treasurer**

It is therefore RESOLVED:

1. **That the Board of Directors hereby elects the following as officers of Energy Trust of Oregon, Inc., for 2010:**
    - **John Reynolds, President**
    - **Rick Applegate, Vice President**
    - **Debbie Kitchin, Secretary**
    - **John Klosterman, Treasurer**

Moved by: Alan Meyer Seconded by: Jason Eisdorfer

Vote: In favor: 9 Abstained: 0

Opposed: 0

Adopted on February 3, 2010, by Energy Trust Board of Directors.

President's Report

John Reynolds showed a chart titled "Primary Energy Flow in the U.S.," which shows overall 62 percent of energy produced is lost. Buildings lose 25 percent. Coal and oil account for three-quarters of our carbon emissions.

Julie Hammond asked if, given the front-end losses, shouldn't Energy Trust focus on this instead of the back end? John said more renewable generation would help.

Dan Davis commented on distribution losses.

Theresa Gibney noted the potential to take advantage of waste heat, a point made in a video about distributed generation she saw a couple of years ago.

More discussion ensued. Theresa noted a number of activities related to energy efficiency on the utility side of the meter are underway at OPUC. She offered to organize presentations by these individuals if desired.

Board committee appointments

RESOLUTION 544

BOARD COMMITTEE APPOINTMENTS

WHEREAS:

1. **The Energy Trust of Oregon, Inc. Board of Directors is authorized to appoint by resolution committees to carry out the Board's business.**
2. **The Board President has nominated several new directors to serve on the following committees.**

It is therefore RESOLVED:

1. **That the Board of Directors hereby appoints the following directors to the following committees for terms that will continue until a subsequent resolution changing committee appointments is adopted:**

Audit Committee	
	Julie Hammond, Chair
	Alexis Dow, Metro
	Caddy McKeown
	Preston Michie
	John Reynolds (ex officio)
Board Nominating Committee	
	Alan Meyer, Chair
	Rick Applegate
	Preston Michie
	John Reynolds (ex officio)
Compensation Committee *(formerly 401(k) Committee)*	
	John Klosterman, Chair
	Al Jubitz
	Preston Michie
	John Reynolds (ex officio)
Executive Director Review Committee	
	Caddy McKeown, Chair
	Roger Hamilton
	John Reynolds (ex officio)
Finance Committee	
	John Klosterman, Chair
	Dan Enloe
	Debbie Kitchin
	John Reynolds (ex officio)

Policy Committee	
	Jason Eisdorfer, Chair
	Rick Applegate
	Roger Hamilton
	Caddy McKeown
	Alan Meyer
	John Reynolds (ex officio)
Program Evaluation Committee	
	Debbie Kitchin, Chair
	Dan Davis
	Dan Enloe
	Alan Meyer
	John Reynolds (ex officio)
Strategic Planning Committee	
	Rick Applegate, Chair
	Jason Eisdorfer
	Al Jubitz
	Theresa Gibney, OPUC
	Mark Long, ODOE
	John Reynolds (ex officio)

2. **The executive director and general counsel are authorized to sign routine 401(k) administrative documents on behalf of the board, or other documents if authorized by the Compensation Committee.**

Moved by: Debbie Kitchin Seconded by: Caddy McKeown

Vote: 9 In favor: 0 Abstained: 0

Adopted on February 3, 2010, by Energy Trust Board of Directors.

Energy Programs

Contract with O POWER. Peter West introduced this topic, noting that Fred Gordon and Phil Degens encountered a presentation several years ago by the originators of this approach. The company, then called Positive Energy, had tested the impact of communications comparing a given home's energy use with that of comparable homes in the same area. We are moving forward to test the idea jointly with utilities. Recent results developed through third-party evaluations indicate that participating utilities have experienced a 2% reduction in load.

Kate Scott made a presentation about the pilot. O POWER has worked with 23 utilities since 2008. We plan to send six reports over a year-long period, beginning in July, to 60,000 customers of PGE and NW Natural. The reports will be dual-fuel, co-branded with the utilities. If successful, our intent is to expand to 100,000 homes, including those served by Pacific Power and Cascade Natural Gas.

For evaluation purposes, we would track results in 60,000 comparable homes that do not receive the O POWER reports. Savings from measures installed would be tracked separately from savings resulting from behavioral changes. We estimate annual savings at 13,470,000 kWh (229 kWh/household – 2 percent electricity reduction) and 420,000 therms (7 therms per household – 1 percent gas reduction).

John Reynolds asked how the 60,000 participant number was selected. Alan Meyer thinks this is a large pilot, noting the budgeted amount of $1 million. Phil Degens said independent of the sample size, there are fixed set-up fees for the utilities. John asked what behavior could be expected from households that are using less energy than their peers. Phil said the RTF commented on this matter yesterday and suggested this be tracked.

Roger Hamilton asked about persistence of the behavior changes. Phil described a test to be done by Puget Sound Energy to measure continued energy use by 10,000 households in the year after they complete the O POWER test.

Margie asked if the O POWER communications can interact with the proposed MyEnergyTrust.org feature being considered on our web site? Amber said this is being explored.

Dan Davis asked about statewide ramp-up if the pilot is successful. Julie liked the format of the report but suggested different levels of follow-up communication for different groups. She also suggested testing whether people would be willing to pay more to continue to receive the mailings. Jason said if the mailings are successful, the OPUC might wish to require the utilities to provide them.

RESOLUTION 545

AUTHORIZING THE EXECUTIVE DIRECTOR TO SIGN A CONTRACT WITH O POWER

WHEREAS:

1. **O POWER provides home energy reports to consumers comparing their home's energy consumption to that of similar homes.**
2. **The approach is used by 23 utilities in nine states. Third-party evaluations attribute 2% average electric energy savings to the process.**
3. **At this savings rate, the project would be cost-effective, and would make a significant contribution to achieving Energy Trust's energy savings goals.**

It is therefore RESOLVED that the Board of Directors of Energy Trust of Oregon, Inc., hereby authorizes the executive director to sign an eighteen month, $977,000 contract with O POWER to document savings from providing homeowners with reports comparing their home energy use to other homes.

Moved by: Jason Eisdorfer Seconded by: Alan Meyer

Vote: In favor: 9 Abstained: 0

Opposed: 0

Adopted on February 3, 2010, by Energy Trust Board of Directors.

Break

The board took a 10 minute break at 1:35 pm.

Committee Reports

Audit Committee. Julie Hammond said the audit committee is just about ready to release the final TKW management review and evaluation. They have begun discussing whether they wish to do any further work based on the results. She said the report will include approximately eight recommendations and should be available for the next meeting. John noted he would like to add another board member to the audit committee and asked for volunteers. There were no immediate responses.

Evaluation Committee. Debbie Kitchin noted during the most recent meeting of the committee on January 15, a number of evaluations were reviewed. She welcomed questions and introduced Phil Degens and Sarah Castor to present results of the annual residential awareness survey. Caddy asked what a "spiff" is. Debbie said it's a bonus used to motivate sales personnel.

Dan asked for a glossary of acronyms. Julie noted she had a similar need when she was new to the board and the field.

Residential Awareness Survey presentation. Sarah Castor presented results of the second annual residential awareness study, conducted by Research Into Action. There were 904 respondents, representative of the Oregon general population. Seventy-seven percent of respondents were served by utilities in our service territory.

Findings include:

- Significant increase in awareness from 28 percent last year to 36 percent this year
- Among customers of our utilities, awareness increased from 32 percent to 41 percent
- Awareness is highest in Portland metro region and lowest in the east and south
- PGE customers have highest awareness of Energy Trust
- Large increase of awareness among Cascade Natural Gas customers
- Respondents aware of us were asked to name one thing we do; 60 percent named one of the services we provide (question was open ended)
- Twenty-eight percent first heard about us from their utility; 22 percent from word of mouth; 19 percent from mass media
- Participation increased one percentage point from 6 to 7 percent among all respondents; from 7 to 9 percent among those served by our utilities, and from 10 to 13 percent among homeowners served by our utilities; participation is self-reported
- Participation by region follows awareness, increasing from 7 to 10 percent in the Portland metro area
- Participation is highest among PGE customers and increased from 9 to 11 percent
- NW Natural participation increased from 13 to 18 percent
- 84 percent of reported participants were satisfied or very satisfied with their experience

- Compared to the general population, Energy Trust participants are more likely to own single family homes, be between ages 45-54, have a college degree, have higher income, and have gas space and water heat
- Use of CFLs among participants has stayed about the same, while use among non-participants has grown
- Sixty-six percent of participants indicate possible repeat participation in the next year; 52 percent of nonparticipants might participate
- Segmentation results were different this year, a result of different survey questions, different algorithms for segments, and a better renters sample
    - "Maybe later" – low income, young renters, consider themselves "green" – 15 percent
    - "Show me" – eastern Oregonians, moderate incomes, low energy use, least concerned about energy resource issues, low opinion of energy efficiency for preventing climate change – 11 percent
    - "Hands Full" – mostly middle aged, larger families (not necessarily with more children), lower income, electric/non-gas heat, somewhat concerned about energy resource issues, low opinion of energy efficiency for preventing climate change – 18 percent
    - "Strugglers" – young/middle aged renters, lowest incomes, electric heating, low- to medium energy use, some concern about energy resource issues, low opinion of energy efficiency for preventing climate change – 13 percent
    - "Willing and Able" – middle-aged homeowners, highest incomes and education, highest energy use, natural gas heating, higher Energy Trust participation, high opinion of energy efficiency for preventing climate change – 24 percent
    - "Main Street Oregonians" – older homeowners, non-urban, lower income, electric heating, varied energy use, not concerned about energy resource issues, low opinion of energy efficiency for preventing climate change – 19 percent

- We will repeat the survey in late spring 2010, but with fewer questions; will not repeat segmentation
- The survey supports changes to our advertising strategy and specific target messaging

Discussion followed.

Finance Committee. Debbie reported. The finance committee has not met since the last board meeting. Sue noted the financial reports for year end were completed Friday; Margie will comment on results in her staff report. Debbie said staff has been having continued discussions with Bank of the Cascades and updating the committee on capitalization concerns.

Policy Committee*.* Jason said the committee has not met since the last board meeting.

Staff Report

Highlights. Margie said an individual staff member from our current IT team has indicated a desire to move from part time to full time. This would be advantageous to the IT team and create cost savings, as using contractor resources for the same work costs more. Contractor resources were budgeted for a number of functions that instead could be performed by staff if the position were expanded from part to full time. This would result in significant cash savings. The board granted permission for the change to be made.

Margie reported on year-end results. She said we are at or around where we expected to be in December. Several programs exceeded best-case goals. In sum, we expect to meet 88.5 percent of best-case electric savings and 91.67 percent of our best-case gas goals. Average megawatts saved were projected at 34, compared to a goal of 38.5; therm savings are anticipated to be 2.9 million compared to a best-case goal of 3.2 million. We expect to meet all of the OPUC minimum performance measures with the exception of renewable energy. Renewable generation, on an accounting basis, totaled 2.64 aMW, a shade over the conservative case goal.

Margie said we had projected a $46.2 million carryover and in fact expect to have a $58.7 million carryover. In part, this stems from projects delayed in 2009 and expected to be completed instead in 2010.

Margie noted the City of Portland and state of Oregon have submitted an application for a $75 million grant to scale up Clean Energy Works Portland and other pilot EEAST approaches throughout different parts of the state. Jason asked about the funding. Steve explained the federal funds and Energy Trust incentives would help create revolving loan funds. Margie noted 29 homes in the initial 500-home Clean Energy Works Portland pilot are fully complete.

Over 60 home energy reviews have been conducted in NW Natural/Washington, and a quarter of home improvements have been made. There is a lot of “buzz,” she’s told, since the program began last October.

We’re working with Earth Advantage Institute to bring green building certifications to small commercial buildings.

Our planning and evaluation team is working with a PSU cost-benefit analysis class. The class is working on quantifying non-energy benefits and characteristics that lead to participation in energy efficiency programs.

We recently completed another round of annual volunteer service, side by side with PGE staff, doing low-cost energy retrofits in low income homes.

We have been providing a market indicators report to the board for about a year now. She asked if the board would like to continue seeing it. We may modify it. Fred said it takes approximately a day of an intern’s time and a few hours of Pete Catching’s time to prepare this. Board members like it. Thumbs up. It will be produced quarterly this year.

Adjourn

The meeting adjourned at 3:10 pm.

***Next meeting*. The next regular meeting of the Energy Trust Board of Directors will be held Wednesday, April 7, 2010, 12:00 noon at the Energy Trust of Oregon, Inc., 851 SW Sixth Avenue, 12th Floor, Portland, Oregon**