

Board Meeting Minutes—180th Meeting

August 13, 2020

Board members present: Erik Andersson, Susan Brodahl, Melissa Cribbins, Ernesto Fonseca, Eric Hayes, Elee Jen, Mark Kendall, Henry Lorenzen, Alan Meyer, Anne Root, Roland Risser, Letha Tawney (OPUC ex officio), Janine Benner (Oregon Department of Energy special advisor)

Board members absent: Lindsey Hardy, Alexia Kelly

Staff attending: Michael Colgrove, Cheryle Easton, Peter West, Wendy Bredemeyer, Elizabeth Fox, Oliver Kesting, Tara Crookshank, Debbie Menashe, Julianne Thacher, Naima Muntal, Amber Cole, Steve Lacey, Amanda Potter, Wendy Gibson, Jessica Kramer, Kathleen Belkhat, Susan Jowaiszas, Kenji Spielman, Kirstin Pinit, Eric Braddock, Emily Findley, Alex Novie, Kirsten Svaren, Tyrone Henry, Scott Clark, Caryn Appler, Adam Bartini, Kate Wellington, Ben Cartwright, Melanie Bissonnette, Cameron Starr

Others attending: Dave Backen, Backen Consulting; Kathy Bloom; Gil Newby; Andrea Estrada, ICF; Sean Nolan, IBEW; Jacob James, Nextant; David Burchfield, Burch Energy Services; Jon Volkman; Neil Schilling, North Coast; Rick Hodges, NW Natural; Angel Swanson, ICF; Clark Fisher; Marissa West, RHT Energy; Richard Dickinson, RHT; Elaine Miller, NEEA; Ross Finney; Lisa McGarity, Avista; Holly Braun, NW Natural; Linda Woodley, Prisma Point; Anna Kim, OPUC, Shelly Beaulieu, TRC; Joe Marcotte, TRC; Zachary Suchara, Luma/PAE; Kerrie Brand, manufacturer; Adam Boyd, ColeBreit; Dany Kahumoko, ICF; Christina Skellenger, ICF; Jennifer Blake, Columbia Pacific Sales; Alex Inman, ICF; Greg Stiles, Nextant; Sarah Frederickson, CLEARResult; Roger Flanagan, TRC; Sara Gordon, ICF; Marci Sanders, Resource Innovations; Tracy Scott, TRC; Matthew Gibbs, Evergreen; Laura Hall, ICF; Julia Harper, NEEA; Kari Greer, Pacific Power; Michelle Missfeldt, ICF; Eric Wilson, Evergreen; Kristen LaLonde, ODOT; Karla Hendrickson, ICF; Colin Podelnyk ICF; Nicole Spencer, Teshome Jiru, Burch Energy Services; Andrea White, CLEARResult; Tracy Scott, TRC; Bobby Johnson, CLEARResult; Chad Gilless, Stillwater Energy; Tina Brooks, Pacific Power; Zandi Cox, Cox Electric Inc.; Gil Newby, Tri Phase Energy Supply Co. LLC; Nick Dreves, ICF; Ross Finney, RHT; Nick Michel, TRC; Tina Brooks, PacifiCorp; Ravi Parikh, RAB lighting; Scott Broten, ICF; Susan Badger-Jones; Nina Carlson, NW Natural; Phil Croskey, MD Energy Advisors; Chris Smith, Energy 350; Barb N, consultant; Lyn Schmidt, ICF; Brian Morrison, Evergreen; Kheoshi Owens, Empress Rules; Clark Fisher, Energy 350; Otto Hottendorf, RAB lighting; Holly Farah, Rouj Energy Analytics; Ben Crandall, CLEARResult; Jim Volkman, Strategic Energy Group; Traci Nolan, Holophane/American Electric Lighting; J Marks, Smartwatt; Jason Glendenning, Evergreen; Jon Eicher, ICF; David Bruder, ICF; Aaron Frechette, Cascade Energy; Patricia Watts, FCI Management; Vibhuti Agarwal, TRC; Johnathon Fata, Waypoint; Kwasi Boateng, Burch Energy Services; Nihit Shah, TRC; Brian Lynch, AESC; Kathleen Rienhardt-Waring, ICF; Whitney Rideout, Evergreen; Ottis Burchfield, Burch Energy Services; Mike Mernick, ICF; Aaron Wines, TRC; Becca Yates, NEEA

Business Meeting Call to Order

Melissa Cribbins called the meeting to order at 1:45 p.m.

General Public Comments

Melissa Cribbins opened the public comment period by stating she had received a public comment by email that morning with a request for it to be read into the record. The writer submitted the comment anonymously and identified themselves as a concerned ratepayer wishing to share concerns about the commercial request for proposal process and outcome. The writer listed examples of these concerns and alluded to staff misconduct and inappropriate interactions. The writer expressed overall support for Energy Trust's work but recommended the board vote to not authorize either of the proposed resolutions regarding the contract awards.

The writer's specific concerns included a cost increase of the midstream lighting strategy; the cost to transition the contract from one contractor to another; the board's lack of ability to operate with oversight and control costs; the number of existing Energy Trust contracts CLEAResult already manages; diversity strategies in the contract that were framed by Energy Trust, not proposed by the bidders; and a lack of fairness in the selection process. The writer requested the board hold back its approval until an independent evaluation of the selection process took place.

Melissa Cribbins invited additional public comments. Linda Woodley of Prisma Point submitted a discussion paper that outlined her concerns with the selection process. She read selections from the paper that talked about key points of concern. She stated Energy Trust has continuously missed the mark in advancing diversity within the organization, and that current and previous efforts have not produced concrete results regarding company culture and workforce diversity.

One of her main concerns was about the subcontracting requirement within the contract, which requires a certain percentage of subcontracts to be with minority- or women-owned businesses or community-based organizations. The concern is that candidates fulfilled this in a way that did not reflect the spirit of the requirement, and that spending will go to white women-owned businesses and white-lead community organizations rather than minority-owned businesses. Linda Woodley stressed that contracting with diverse suppliers can produce cost savings and doing so also represents a significant value add. The paper concluded with the recommendation of postponing the contract decision pending a third-party review of the selection process.

A third public comment was offered by Zandi Cox, a local business owner who operates an electrical contracting company and a lighting supply company. Zandi Cox shared her perspective as a businesswoman and mother working in the construction field, describing how working in a male-dominated field often does not reflect a level playing field. She said Energy Trust is in a unique position to further ideals of equity through awarding the commercial contract, and that there is opportunity to look differently at the diversity initiative through this process.

Zandi Cox stated she had observed many disturbing practices throughout the selection process. One example was through a comparison of Glassdoor reviews for the top two candidates. While the presumed second choice had only a small number of mildly negative reviews, the firm that was selected has a large number of strongly negative reviews.

Zandi Cox said diversity programs should not be about equality because that is no longer enough, and that as investors, Energy Trust has a responsibility to reflect equity in its spending. She asked that Energy Trust reconsider investing in businesses that are not "historical winners," stating there is a strong business case for doing so because adding diverse perspectives adds value to work. Diverse candidates are often extremely strong due to what they may have had to overcome. Zandi Cox suggested a strong diversity program carried out through thoughtful, objective contracting involves shifting away from the historical winners and toward businesses like hers that have been historically shut out from high-value contracts.

Another commenter, Phil Croskey, introduced himself as the CEO of MD Energy Services, a diverse-owned consulting company based in Philadelphia that has been deploying energy programs for about five years. Phil Croskey spoke about the success his business achieved working with clients like Baltimore Electric and Exelon on large contracts. He encouraged Energy Trust to be proactive in seeking out and contracting with smaller, diverse firms due to the value they bring. For example, these firms can have the ability to be nimble and agile, which a larger firm may not be able to provide.

The board asked Phil Croskey if MD Energy Services faced any barriers in working on these large energy contracts. He shared he has had a good experience due to his clients' commitment to diversity, sharing they are staunch advocates for not only bringing in diverse firms, but helping them scale. As a client, Phil Croskey urged Energy Trust to not only give opportunities to diverse firms but help them grow and prosper as part of the program.

Executive Director Report (Michael Colgrove)

Michael Colgrove presented the draft forecast for second quarter 2020 and progress toward annual goals. Energy Trust is currently forecasting to achieve 90% of the electric goal, which is a significant improvement over the projection from last quarter. Much of this is due to deploying bonuses, low- and no-cost offerings and increasing efforts where there is still interest in the market.

Staff is also forecasting to come close to meeting the natural gas goal. Gas savings are shored up by the industrial sector, where a very large project is expected to complete this year. Results on the renewable energy program are largely on track.

Michael Colgrove also displayed an architecture billing index, which shows demand for non-residential construction. Demand dropped very low in early 2020 and in Washington, where some new construction was halted due to COVID-19. Residential new construction has remained steady in Oregon due to demand. Hotel occupancy rates dipped to a record low in March and remain well below recent years.

The board adjourn for executive session at 2:33 p.m.

Executive Session

In accordance with Energy Trust Bylaws 3.19.3 "Trade secrets, proprietary or other confidential commercial or financial information" and 3.19.4 "Information regarding negotiations whose disclosure would likely frustrate corporate purposes." The Executive Session is not open to the public.

Erik Andersson, Janine Benner and Susan Brodahl left the meeting at 4:00 p.m.

The board meeting reconvened at 4:40 pm

The board had a robust and productive discussion that considered the public comments heard earlier in the meeting. Henry Lorenzen reported comments from the anonymous letter read by President Cribbins suggest a familiarity with Energy Trust's processes that warrants careful consideration. He stated the board feels the allegations in the letter should be investigated to ensure the board is moving forward in a way that is fair to contractors and candidates. The board recognizes the impact to program timetables but it must ensure members are satisfied and comfortable with how the selection process moves forward.

**RESOLUTION R917
RESOLUTION TO DELAY BUSINESS PROGRAMS CONTRACTS VOTE IN ORDER TO HIRE AN
OUTSIDE CONSULTANT TO CONDUCT AN INDEPENDENT REVIEW OF THE CONTRACTING
PROCESS**

Henry proposed a motion to delay the vote on the business program contracts in order to hire an outside consultant to conduct an independent review of the contracting process to ensure it has been done in a fair and appropriate manner. He proposed to delay the vote for a period of three weeks to give time for a review to take place.

Accordingly, Henry Lorenzen proposed to the board that they delay approval of the contract resolutions for approximately three weeks, and engage a third party reviewer in the intervening period to review the competitive bid process for fairness and equitable bidder treatment. The proposal was moved, seconded and approved by board members present.

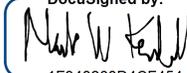
Moved by: Henry Lorenzen Seconded by: Eric Hayes
Vote: In favor: 9 Abstained: 0
 Opposed:0

Henry Lorenzen advised that he would closely coordinate with the Board president to identify a third party reviewer. Other board members were invited to remain involved as these activities move forward.

Adjourn

The meeting adjourned at 4:44 p.m.

The next regular meeting of the Energy Trust Board of Directors will be held Wednesday, October 14, 2020, at 8:30 a.m. via Zoom.

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Signed: Mark Kendall, Secretary

10/29/2020
Date