

# Board Meeting Minutes—186th Meeting

April 7, 2021

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**Board members present:** Alan Meyer, Alexia Kelly, Anne Root, Elee Jen, Erik Andersson, Ernesto Fonseca, Henry Lorenzen, Lindsey Hardy, Mark Kendall, Melissa Cribbins, Roland Risser, Susan Brodahl, Janine Benner (Oregon Department of Energy, special advisor), Letha Tawney (Oregon Public Utility Commission, ex officio)

**Board members absent:** Eric Hayes

**Staff attending:** Alexis Bright, Amanda Potter, Amanda Sales, Amanda Thompson, Amber Cole, Cheryle Easton, Dan Zeltner, Debbie Menashe, Diamante Jamison, Elizabeth Fox, Fred Gordon, Greg Stokes, Hannah Cruz, Jay Olson, Jay Ward, Jeni Hall, Jessica Kramer, Julianne Thacher, Karen Chase, MacKenzie Kurtzner, Marshal Johnson, Michelle Spampinato, Michael Colgrove, Oliver Kesting, Pati Presnail, Phil Degens, Quinn Cherf, Salvatore Militello, Sarah Castor, Scott Clark, Steve Lacey, Sue Fletcher, Susan Jowaiszas, Tara Crookshank, Thad Roth, Tom Beverly, Tyrone Hendy, Wendy Gibson

**Others attending:** Anna Kim (Oregon Public Utility Commission), Ashley Olsen (Moss Adams), Bob Gunn (SEIN Energy), Jason Salmi Klotz (Portland General Electric) Jennifer Price (Moss Adams) Jenny Sorich (CLEARresult), Jill Vecchio (Moss Adams), Kari Greer (Pacific Power), Maggie Elliot (Moss Adams), Misti Nelmes (CLEARresult), Ralph Delaney (Northwest Natural Gas), Rick Hodges (Northwest Natural Gas), Ross Finney (RHT Energy)

## Business Meeting

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Melissa Cribbins called the meeting to order at 10:03 am outlining the Zoom format procedures for the meeting and advising members of the public of opportunities to provide public comment. Melissa also advised board members that any items identified as consent agenda items can be changed to regular agenda items at any time by any board member. No changes were made to the consent agenda, and the board unanimously approved the meeting agenda as presented.

## General Public Comments

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Melissa asked for public comments at this point in the meeting, and there were none. Melissa advised the public that there is another opportunity later in the meeting.

## President's Report

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Melissa expressed her appreciation to her fellow board members and Energy Trust staff over the past year. She complimented the board in getting a tremendous amount of work done and forwarding the mission of Energy Trust. She urged board members to get vaccinated against COVID-19 and reflected on ways in which the pandemic had changed habits and routines. She urged board members to think of ways in which some changes may be positive and things to bring forward. As an example, Melissa is looking forward to in-person meetings and bringing the board together in person, but she is also thinking about ways in which remote meetings can be useful and efficient, particular for short meetings in the future.

## Consent Agenda

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Melissa then called for approval of the consent agenda.

**MOTION: Approve consent agenda**

**Consent agenda includes:**

1. February Board Learning Session Minutes

## 2. February Board Meeting Minutes

**Moved by:** Mark Kendall

**Seconded by:** Erik Andersson

**Vote: In favor:** 12

**Abstained:** 0

**Opposed:** 0

## Executive Director Report

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### ***Director of Energy Programs Recruitment Update***

Michael Colgrove announced the selection of Tracy Scott as the new Director of Energy Programs. Mike reported that Tracy has accepted the offer and is looking forward to joining Energy Trust on May 3, 2021. Mike noted that Tracy has worked extensively with Energy Trust having previously managed the Energy Trust multifamily program for Lockheed Martin, Energy Trust's multifamily program manager contractor from 2010 through 2016. Tracy is now an executive leader with TRC Companies, one of our current program management contractors and the company that acquired Lockheed Martin's energy efficiency businesses. Tracy will have the opportunity to work for several weeks with retiring Director of Energy Programs, Peter West.

Mike reported that he and the organization are looking forward to having Tracy and her experience joining the Energy Trust leadership team. Mike thanked the selection committee and, in particular, the HR team for their work and support throughout the recruitment and selection process.

### ***Board Briefing on 2021 Budget Amendment***

Mike then provided context and background in advance of a proposal to amend the 2021 organizational budget, a proposal that staff plans to bring to the board at its May meeting.

At a high level, the planned proposed budget amendment is expected to reflect higher revenues and expenditures than the budget approved in December 2020. The revised budget will also allow for Energy Trust to achieve more savings than planned in the budget adopted in December. It will reflect changes in assumptions about the amount of reserves carried over from 2020 into the 2021 budget. Actual electric reserves are lower than forecast in the original, primarily because of an unusually high number of commercial and industrial projects completed in late 2020, which were not identified when the 2021 budget was proposed. In addition, a larger number of projects were also committed for completion in 2021, more than originally projected when the budget was drafted. This late-breaking activity was the result of Energy Trust's bonus incentive efforts to support the market during COVID business interruptions.

Mike then described several strategies to manage resulting limited resources: administrative cost cuts, discontinuation of bonus incentives, incentive caps, more frequent pipeline tracking checks, and conversations with PGE and Pacific Power regarding additional savings that could be acquired with additional funding for 2021. In addition, Energy Trust has drawn down its program reserves and proposes to draw down on its emergency and organizational contingency reserves to ensure strong program continuity. Finally, Mike reported that staff is proposing to establish a line of credit which will be presented to the board later in the meeting.

Given the changes that will be reflected in Energy Trust's budget as a result of the actions described, including additional funding from PGE and Pacific Power in 2021, Mike reported that Energy Trust will be proposing a revised 2021 budget. Detail on the revised budget will be presented to the Finance Committee at their meeting on April 27. Not later than May 3, the proposed revised budget would be posted to Energy Trust's public website and available for public review and comment. Staff will make a full presentation to the board on the proposed revised budget at the May board meeting.

## Committee Reports

### ***Compensation Committee (Mark Kendall)***

Mark reported that the meeting notes on the Compensation Committee provide a full update on that committee's meeting.

### ***Evaluation Committee (Lindsey Hardy)***

Lindsey reported that she will update the board on Evaluation Committee meetings at the next meeting, when a set of notes will be included in the packet for board review

### ***Finance Committee (Susan Brodahl)***

Susan explained that the Finance Committee has been in conversations with staff about the use of reserves and other budget adjustments which are expected to be reflected in a revised budget. The committee has also discussed and supports the staff proposal to open a line of credit as a means for flexibility. Susan noted the excellent work undertaken by staff to secure very reasonable rates for a line of credit and proposed approval by the board. The board then addressed the following resolution:

**RESOLUTION 938  
AUTHORIZE \$7 MILLION LINE OF CREDIT  
AT FIRST INTERSTATE BANK**

**WHEREAS:**

1. **Energy Trust of Oregon, Inc. (Energy Trust) wishes to establish a \$7 million line of credit at First Interstate Bank to bridge timing issues of revenue receipt and program expense, if the need arises.**
2. **First Interstate Bank has authorized a commitment for a line of credit in the amount of \$7 million at an interest rate of prime minus .25 basis points conditioned upon the board's approval by resolution, and documented by an agreement which will contain other terms, conditions, representations, covenants, warranties and other provisions typically used by First Interstate Bank for such credit facilities.**
3. **An annual fee of \$7,000 is charged by First Interstate Bank for this service.**

**It is therefore RESOLVED:**

1. **Energy Trust, may:**
  - a. **Enter into a line of credit agreement to permit Energy Trust to borrow up to \$7 million from a revolving unsecured line of credit offered by First Interstate Bank at an interest rate of prime minus 0.25%.**
  - b. **In the event Energy Trust borrows from the line of credit, Energy Trust would repay the line of credit with monthly interest payments and principal due at maturity consistent with the terms and conditions of the line of credit agreement.**
  - c. **Renew the line of credit agreement with First Interstate Bank under substantially similar terms and for up to three years from the date of the line of credit agreement.**
2. **Michael Colgrove, Executive Director of Energy Trust, is hereby authorized and directed to execute and deliver to First Interstate Bank and First Interstate Bank is requested to accept all documents, instruments, and agreements which evidence the obligations of Energy Trust under the line of credit obtained or to be obtained pursuant to this resolution.**
3. **First Interstate Bank is authorized to act upon the foregoing resolution until written notice of revocation is received by First Interstate Bank, and the authority hereby granted shall apply with**

**equal force and effect to Michael Colgrove or his designee or successor.**

Moved by: Susan Brodahl

Seconded by: Elee Jen

Vote: In favor: 11

Abstained: 0

Opposed:

Following the vote, Susan further reported that the board will have an opportunity for further review of the 2020 results at its next meeting, noting that notwithstanding the uncertainty of COVID-19, actual revenue for the organization in 2020 was only down 1% from budget, and interest income went up. Susan also reminded board members about the April annual goal workshops, one to listen to the advisory councils and the other the board's own to discuss 2022 organizational goals and focus areas.

***Policy Committee (Debbie Menashe for Henry Lorenzen)***

Debbie presented the Policy Comm report for Henry, describing the policies that are currently under review by the committee. Mark asked that the Policy Committee periodically share the schedule of policies to be reviewed, and Debbie will work with Henry and Cheryle Easton to distribute that schedule to the board.

***Strategic Planning Committee (Mark Kendall)***

Mark reported on the work of the Strategic Planning Committee, including committee discussions on the progress indicators, including progress indicators of leveraged funding, community relationships, and support for policy makers. Mark noted that the committee is also reviewing a draft charter to clarify the bounds of decision-making authority of the committee. Mark is coordinating with the ad hoc board committee on board roles and responsibilities and structure on this work

Mark further reported that the committee will meet in two weeks to get ready for the May meeting to report on progress of the Strategic Plan.

***Conservation Advisory Council (CAC) (Lindsey Hardy)***

Lindsey reported on the CAC meeting in mid-February, noting that Hannah Cruz, staff liaison to the CAC had met with most CAC members to get feedback on the CAC member experience. CAC also reviewed results from the New Buildings program and discussed impact of code changes on the program. In addition, CAC members discussed the current legislative agenda and its possible impact on Energy Trust programs.

Lindsey also acknowledged retiring CAC members: Julia Harper of NEEA and Warren Cook, both of whom are long-standing members of CAC and industry leaders. Board members expressed their gratitude for Julia and Warren's service to Energy Trust.

***Diversity Advisory Council (DAC) (Mark Kendall)***

Mark reported on the most recent DAC meeting. At the meeting, Hannah Cruz and Jay Ward made a presentation on the legislative session and the bills tracked by Energy Trust. DAC members offered suggestions on the breadth of bill topics to track, including on tracking for social equity matters that touch on Energy Trust work. Staff also presented information to the DAC on the results of the Customer Insight survey, which refines, supplements, and sharpens information in the census track analysis undertaken by staff beginning in 2018.

Finally, DAC members discussed ways to identify their interests in collaborating with Energy Trust work and operations. DAC members have been involved in recruiting efforts, and Mark reported that a survey will be circulated to learn about additional DAC member interests.

Mark also reported that the DAC discussed TRC commercial program management contract and received an update on TRC's work with MBE/WBE subcontractors, diverse customer groups, and the community-based liaisons that are part of the program delivery plan.

***Ad hoc Board Diversity Equity and Inclusion Committee (Mark Kendall)***

Mark then reported on the board's ad hoc DEI Committee, which has posted an RFQ for consulting support for the committee's work.

***Ad hoc Board Governance Roles & Responsibility Committee (Debbie Menashe for Henry Lorenzen)***

Presenting for Henry, Debbie reported that board interviews have been completed to prepare for planned board workshops. Melissa Cribbins, Roland Risser and Henry have met with Holly Valkama and Eileen O'Neill-Odum of 1961 Consulting to review the interview results and to discuss initial planning for the workshops. The full committee will be convened to help plan the workshops that are currently scheduled for May 14, 2021 and June 8, 2021.

**Program Contracts*****New Buildings (Jay Olsen)***

Jay Olsen, Senior Program Manager-New Buildings presented staff's recommendation to extend the New Buildings Program Management Contract with CLEARResult Consulting, Inc. Jay gave background on the program, describing the program pathways and approaches: Prescriptive, Market Solutions, Solar Planning, Whole Building and Path to Net Zero.

Board members asked questions about the program approaches, including regarding uptake, and Jay responded.

Jay then provided information about CLEARResult's performance as compared to the extension criteria, including meeting savings goals, cross program coordination, pipeline development, forecasting, innovation and teamwork. Jay reported excellent performance against these criteria and explained the details of this conclusion and the recommendation on the contract extension.

Board members asked questions about the extension, including whether the extension would include any requirements around customer diversity, equity and inclusion. Jay explained how goals and milestones will be set, including ways to address more systematic barriers to participation.

Board members thanked Jay for his thorough presentation and expressed no objections to the recommended extension. In accordance with the current contract, staff will plan for an extension for 2022.

***Residential (Marshall Johnson)***

Marshall Johnson, Senior Program Manager-Residential, presented staff's recommendation to extend three residential program contracts for one additional year, the final extension authorized by the contracts. The contract extensions recommended are a program management contract with CLEARResult Consulting, Inc., and two program delivery contracts, one with TRC Consulting for new home program delivery, and the other with CLEARResult for retail products program delivery. Marshall explained the structure of the residential program and then reviewed the extension criteria as they applied to the contracts recommended for extension. The extension criteria are: savings achieved, collaboration and teamwork, customer satisfaction, and program innovation.

Marshall described the ways in which CLEARResult and TRC had satisfied the performance criteria, focusing especially on program innovation and the ways in which CLEARResult and TRC are working with community-based organizations (CBOs) to advance their work with customers who engage with those organizations.

Board members asked questions about the programs efforts and results, including about costs of delivering the program, DEI metrics, wildfire recovery, especially in the new home program area, and ways in which the program efforts are good examples of the Strategic Plan's focus areas to work

closely with CBOs. Board members expressed appreciation for the very important work of the residential program, particularly in leveraging funding from other community and governmental funders.

Board members thanked Marshall for his thorough presentation and expressed no objections to the recommended extensions. In accordance with the current contracts, staff will plan for extensions for 2022.

Following the extension presentation for the residential program contracts, the Board broke for lunch and reconvened at 1:04 pm

Upon return from the Board's lunch, Melissa Cribbins reviewed the Zoom procedures for meeting participation and asked if there were any requests for public comment. Bob Gunn made public comment. Mr. Gunn expressed concerns about abrupt changes in lighting program incentives and the impact on LED installation work and the trade allies who do this work. Michael Colgrove responded with some explanation on the incentive changes and the overall organizational budget. He encouraged Mr. Gunn to review the upcoming proposed revised budget and provide comments when the revised budget proposal is posted. Mike reiterated Energy Trust's commitment to working with trade allies. Board members asked some clarifying questions and thanked Mr. Gunn for making public comment. There were no other public comments.

***Audit Committee (Anne Root)***

Anne Root presented the Audit Committee report by introducing Moss Adams to present the annual financial audit report. Jennifer Price, Ashley Osten and Maggie Elliot from Moss Adams provided a summary overview of the 2020 financial audit results and tax update. Jennifer and Ashley reported that Energy Trust audit reflects an unmodified opinion of financial statements, the desired opinion that indicates Energy Trust financial statements are fairly stated under GAAP principles.

Specific highlights presented were these: The audit was conducted entirely remotely, and staff was fully accessible and able to provide information to the auditors. In addition, the auditors noted that there were no disagreements in management, deficiencies in internal controls, or indications of any fraud based on their testing.

Maggie Elliot then provided some additional information regarding current tax matters which are affecting their clients, including those related to COVID leave and remote work.

Anne reported that the Audit Committee held a more detailed conversation with Moss Adams auditors, including without staff. No concerns were raised in that conversation, and Anne and the Audit Committee commended the Finance group staff for their work.

Anne also reported that Energy Trust will issue an RFP for audit and tax services, in accordance with best practices is done every five years. Jennifer expressed her appreciation for working with Energy Trust and Moss Adams's intent to respond to the RFP. Board members expressed thanks to the Moss Adams team.

Anne asked the board to consider the following resolution to approve the audit.

**RESOLUTION R937  
ACCEPTANCE OF AUDITED FINANCIAL REPORT**

**BE IT RESOLVED: That Energy Trust of Oregon, Inc., Board of Directors accepts the auditor's report on the financial statements, including an unmodified opinion, submitted by Moss Adams LLP for the calendar year ended December 31, 2020.**

Moved by:	Anne Root	Seconded by:	Mark Kendall
Vote:	11	Abstained:	0
	Opposed: 0		

***Legislative Report (Hannah Cruz and Jay Ward)***

Hannah Cruz and Jay Ward introduced Alexis Bright, Energy Trust's policy intern, and presented information to the board on the 2021 Oregon legislative session. The primary focus areas are economic recovery, recovery from COVID, wildfire recovery, and equity and social justice. In addition, federal funding will impact the session discussions, with approximately \$6 billion in America Rescue Act funding allocated to Oregon and to be used for Governor Brown's ten-point recovery plan. The Governor's plan touches on areas that could be related to Energy Trust work, including in areas of resiliency and work with communities on distributed energy resources. Hannah also reported that the process is slow, both as a result of COVID precautions and tense politics.

Jay provided more detail on specific bills that Energy Trust is tracking, including HB 3141 which would update the current statutory provisions related to the public purpose charge, as well as other bills

Energy Trust staff is tracking and included in the report provided to the Board in the meeting packet. The complete list of bills being tracked is in the board packet, with an updated report to be provided in each board packet during the session.

Board members asked questions about and discussed HB 3141 as well as various bills that Energy Trust is not tracking specifically, including certain social equity bills and offshore renewable resources

**Adjourn to Executive Session pursuant to bylaws 3.19.1 to discuss internal personnel matters. Not open to the public.**

The public meeting adjourned at 2:13 pm.

The next regular meeting of the Energy Trust Board of Directors will be held Wednesday, May 19, 2021 at 10:00 a.m., virtually on Zoom.

DocuSigned by:

*Mark Kendall*

Signed: Mark Kendall, Secretary

*5/10/2021*

Date