

# Board Meeting Minutes—199th Meeting

May 18, 2022

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**Board members present** Alexia Kelly, Anne Haworth Root, Elee Jen, Eric Hayes, Erik Andersson, Henry Lorenzen, Melissa Cribbins (arrived late), Roland Risser, Silvia Tanner, Susan Brodahl, Ruchi Sathir for Janine Benner (Oregon Department of Energy special advisor), Letha Tawney (Oregon Public Utility Commission ex officio)

**Board members absent:** Ernesto Fonseca, Peter Therkelsen

**Staff attending:** Amanda Potter, Amanda Sales, Bayoan Ware, Betsy Kauffman, Cheryle Easton, Chriss Dunning, Debbie Menashe, Elaine Dado, Fred Gordon, Greg Stokes, Hannah Cruz, Jeni Hall, Julianne Thacher, Laura Schaefer, Melanie Bissonnette, Michael Colgrove, Pati Presnail, Quinn Cherf, Scott Clark, Sloan Schang, Steve Lacey, Sue Fletcher, Taylor Ford, Thad Roth, Tyrone Henry, Wendy Gibson

**Others attending** Anna Kim (Oregon Public Utility Commission), Brooke Landon (CLEAResult), Chip Cummins (Red Rock Biofuels, LLC), Kathryn Williams (NW Natural Gas), Lisa McGarity (Avista Corp.), Mary Moerlins (NW Natural Gas), Tami Boedigheimer (Compensation Consulting), Thomas Bruner (Bruner Strategies)

## Business Meeting

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President Henry Lorenzen called the meeting to order at 9:01 a.m. Henry reminded board members of their ability to request that consent agenda items be removed to the regular agenda items at any time. He also described the public meeting process and outlined the Zoom process for public comments and presentations for meeting participants and members of the public in attendance.

## General Public Comments

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There were no public comments.

## President's Report

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Henry thanked board members for their participation in the workshop the prior day. He thanked Michael Colgrove and staff in particular for an effective discussion enabling the board to provide their input at an early stage on organizational business and budget planning for 2023.

## Consent Agenda

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The board then considered matters on the consent agenda.

### MOTION: Approve consent agenda

Consent agenda includes:

- April 6th, 2022, Board Meeting Minutes
- Attachment to minutes – Joint Gas Utility Public Comment
- Bank Authorization adding Chief Financial Officer Chriss Dunning, and removing retiring Director of Finance Pati Presnail, R972

Moved by: Anne Root

Seconded by: Silvia Tanner

Vote: In favor: 7

Abstained:0

Opposed: 0

**RESOLUTION R972  
AUTHORIZING APPROVED BANK SIGNERS**

**WHEREAS:**

1. Umpqua Bank and First Interstate Bank provide general banking services to Energy Trust (collectively, the “Banks”).
2. Section 7.3 of the Energy Trust bylaws requires that the board of directors authorize officers or agents to sign checks, drafts, or other orders for the payment of money, notes and other evidence of indebtedness (“authorized bank signers”) by way of resolution from time to time.
3. Effective June 30, 2022 Pati Presnail will retire as Director of Finance.
4. Effective May 2, 2022 Chris Dunning, was hired as Chief Financial Officer.

**IT IS THEREFORE RESOLVED that:**

1. Upon retirement on June 30, 2022, Pati Presnail is to be removed from the list of authorized signers for the Banks.
2. Effective immediately Chris Dunning is to be added to the list of authorized signers for the Banks.
3. The resulting list of authorized signers for the Banks is as follows:
  - A. Henry Lorenzen, Board President
  - B. Susan Brodahl, Board Treasurer
  - C. Michael Colgrove, Executive Director
  - D. Debbie Goldberg Menashe, Director of Legal and Human Resources, chief legal officer
  - E. Chris Dunning, Chief Financial Officer
  - F. Steve Lacey, Director of Operations
  - G. Tracy Scott, Energy Programs Director
  - H. Pati Presnail, Finance Director through June 30, 2022 only
4. The Director of Legal and Human Resources/chief legal officer is authorized to execute all required documentation to implement this resolution.

Moved by: Anne Root

Seconded by: Silvia Tanner

Vote: In favor: 7

Abstained: 0

Opposed: 0

**Executive Director Report*****Acknowledge Pati Presnail’s Retirement***

Michael Colgrove recognized retiring Director of Finance Pati Presnail. Michael noted Pati’s strong leadership in the importance of being a trusted steward of ratepayer funds. Pati’s leadership has made our organization ready to take on current challenges and opportunities. Examples of Pati’s accomplishments include:

- Improving the efficiency of our Finance operations.
- Ensuring our systems are capable of tracking and securing multiple funding streams.
- Perfect record of unmodified audit opinions.
- Maintaining financial systems and operations throughout the pandemic.

Pati expressed her gratitude for Michael's recognition, noting that her accomplishments are the result of working with great leadership and staff.

Board members expressed their strong appreciation for Pati and her work and also wished her a wonderful retirement.

***Introduce Chief Financial Officer Chris Dunning***

Michael then introduced Chris Dunning; Energy Trust's newly hired Chief Financial Officer. Chris introduced himself and gave his professional background, describing his most recent work with Bonneville Power Administration. Pati Presnail will be working with Chris through June for a smooth transition, and Chris expressed his appreciation for Pati's help and the Energy Trust Finance team.

***HB3141 Utility Budget Development Coordination Update***

HB 3141, passed by the Oregon Legislature in 2021, called for increased coordination between Energy Trust and its funding utilities on the development of Energy Trust's annual budgets and actions plan. Michael updated the board on recent work to identify what this increased coordination will look like, describing a series of meetings and agreements that have occurred. Holly Valkama, of 1961 Consulting, facilitated, and the parties' reached agreements that are currently being documented in a written memorandum.

As a result of this work, Michael let the board know that they will see slightly different action plans for 2023 and 2024, with more utility specific information.

Board members expressed their appreciation for this work on coordination changes.

Michael also recognized Anna Kim, Energy Trust's OPUC liaison, for setting the principles for the engagement. This helped everyone get to the agreements.

***Approval of Temporary Use of Development Funds for Community Cooling Spaces Program R973***

Michael then asked board members to consider a staff recommendation for the temporary use of Development Funds for the Community Cooling Space Program until such time as grant funds from the Oregon Department of Energy Trust are available. Michael recommended adoption of Resolution 973.

***Recommendation***

Authorize the temporary use of up to \$125,000 from the Energy Trust Development Fund for staff to undertake preliminary negotiations and program planning, design, and initial delivery implementation in collaboration with ODOE for the community cooling spaces program as contemplated in SB 1536.

**RESOLUTION 973  
APPROVAL OF TEMPORARY USE OF DEVELOPMENT FUND FOR COMMUNITY COOLING  
SPACES PROGRAM**

**WHEREAS:**

1. Through enactment of SB 1536 in 2022, the Oregon legislature approved funding for a community cooling spaces program to assist landlords to provide community cooling for extreme heat events.
2. SB 1536 provides that ODOE grant to Energy Trust \$2 million for the purpose of developing and implementing a community cooling spaces program.
3. Energy Trust and ODOE staff are working together to develop a grant agreement to effectuate the community cooling spaces program provisions of SB 1536.
4. Staff estimates the cost of grant agreement negotiations and preliminary program design, development, and initial delivery implementation is less than \$125,000.
5. Staff believes that the Energy Trust Development funds are the most appropriate source of funding for purposes such as this.

It is therefore **RESOLVED**: Staff is authorized temporarily use up to \$125,000 from the Energy Trust Development Fund to negotiate and establish a grant agreement with ODOE to administer a Community Cooling Spaces program and to undertake program planning, design and initial program delivery implementation, such grant agreement to provide reimbursement for these costs to the Energy Trust Development Fund.

Moved by: Roland Risser

Seconded by: Erik Andersson

Vote: In favor: 7

Abstained: 0

Opposed: 0

***Oregon Public Utility Commission Equity Metric Development***

As a result of HB 3141, the OPUC is developing equity metrics for Energy Trust's work. To develop these metrics, the OPUC has appointed a stakeholder panel, and Huong Tran, Energy Trust's DEI Specialist, and Karen Chase, Energy Trust Senior Outreach Manager, will serve on the panel. Anna Kim said she is looking forward to the work.

***Oregon Public Utility Commission Fact Finding Memo on Natural Gas***

Michael reported that the OPUC staff recently released a draft report on customer implications of natural gas regulation in connection with the Oregon DEQ's Climate Protection Program. Energy Trust's work is mentioned in a variety of ways in the report. The report is open for public comment through June 3<sup>rd</sup>. Once the report is final, Energy Trust staff will provide a report to the board on its implications for Energy Trust.

Board members discussed the complexity of the issues raised and look forward to continued discussions.

***Energy Trust of Oregon's 20<sup>th</sup> Anniversary***

Michael ended his Executive Director Report by noting that 2022 is Energy Trust's 20<sup>th</sup> anniversary. As the environment for Energy Trust's work continues to change, Energy Trust will look back on its accomplishments over the last 20 years and begin focus on the future. Michael explained he chose to accept his position with Energy Trust and move from New York to do so because of the potential he saw; nothing has changed about that in Michael's opinion.

## Committee Reports

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

Henry Lorenzen reported on the Finance & Audit Committee for Susan Brodahl, Committee Chair, and referred to board members to the committee notes in the packet. The committee recommended approval of an amendment to a funding agreement with Red Rock Biofuels LLC, and Henry asked Amanda Potter, Energy Trust Sector Lead Industrial & Agriculture to give a brief summary of the project. Board members then turned to the resolution to approve the contract amendment.

### **RESOLUTION 974**

#### **AUTHORIZATION TO AMEND A FUNDING AGREEMENT WITH RED ROCK BIOFUELS LLC TO EXTEND THE DEADLINE FOR ENERGY EFFICIENCY PROJECT PLANT CONSTRUCTION COMPLETION AND UPDATE OTHER RELATED CONTRACT MILESTONES**

#### **WHEREAS:**

- 1. The Energy Trust Production Efficiency program has worked with Red Rock Biofuels LLC (Red Rock) to identify a custom waste heat to energy system project (the Project) in connection with the gasification process at Red Rock's new biofuel production facility, to be constructed and located in Lakeview, Oregon.**
- 2. In June 2018, the Energy Trust board of directors authorized the executive director to enter into an incentive funding agreement with Red Rock for up to \$2 million, subject to certain conditions including:**
  - Incentives to be paid in annual payments tied to savings performance**
  - Energy Trust funding would be contingent on Red Rock's agreement to suspend self-direction at the facility site where the Project is located for at least three years.**
  - Electric energy generated by the Project will be used by Red Rock on-site to reduce the amount of electricity purchased for the facility.**
  - Energy Trust funding would be conditioned on Red Rock's construction completion by September 2021**
- 3. Energy Trust and Red Rock entered into an incentive funding agreement consistent with the Energy Trust board of directors' approval effective June 19, 2020 (the Red Rock Incentive Agreement).**
- 4. In July 2021, the Energy Trust board of directors authorized the executive director to amend the incentive funding agreement with Red Rock to (i) extend the construction completion deadline from September 30, 2021 to December 31, 2023 and (ii) add an additional milestone condition for securing adequate funding not later than March 30, 2022.**
- 5. Red Rock has commenced construction and significant construction on the energy efficient project has progressed, but Red Rock needs additional time to complete design and engineering work and to source a development partner to finance completion of the biofuels production plant.**
- 6. It is highly unlikely that Red Rock will complete construction by December 31, 2023 and has, therefore, requested an extension of the amended construction completion deadline and deadline for securing additional funding for completion.**
- 7. Energy Trust remains supportive of the Red Rock project as it provides very cost-effective energy efficiency savings for the benefit of ratepayers.**

8. **Energy Trust staff proposes amending the Red Rock Incentive Agreement to (i) extend the construction completion deadline from December 31, 2023 to December 31, 2028 and (ii) revising the March 30, 2022 milestone condition for securing adequate funding to a date in line with the updated construction completion deadline.**

**It is therefore RESOLVED that the board of directors of Energy Trust of Oregon:**

- **Authorizes the executive director to negotiate and sign an amendment to the Red Rock Incentive Agreement that contains the following terms:**
  - **Revises the condition for incentive payment for construction completion by extending the current construction completion deadline in the Red Rock Incentive Agreement from December 31, 2023 to December 31, 2028; and**
  - **Revises the additional condition for incentive payment to secure adequate funding not later than March 30, 2022, to a later date that contemplates and would enable completion by the updated December 31, 2028 construction completion deadline.**
- **Staff will provide updates, at least once per year, on status of the project and contract milestone achievements.**

Moved by: Erik Andersson

Seconded by: Anne Root

Vote:

In favor: 8

Abstained: 0

Opposed: 0

Henry also commented on the monthly financial statements contained in the committee notes. Revenues are consistent with expectations, but incentive expenditures are underspent thus far. This early in the year, it's not of concern, but something to keep a close eye on.

### ***Nominating & Governance Committee***

Roland Risser, Nominating & Governance Committee Chair, reported on the last committee meeting, which was primarily focused on the process for recruiting and nominating an individual to fill the current board vacancy. Committee members will review candidate resumes at a series of meetings over the next month. Roland also reported that the committee is also continuing to review and update board governance policies.

### ***Ad hoc Diversity Equity and Inclusion Committee***

Henry Lorenzen updated the board on the ad hoc DEI Committee in committee chair Melissa Cribbins absence. Henry referred members to the notes in the board packet. Of most significance for the ad hoc DEI Committee is the selection of two consultants to support the board over the coming year in DEI study. The committee recommendation on consulting contracting is scheduled for discussion in executive session later.

### ***Conservation Advisory Council (CAC)***

Hannah Cruz, staff liaison to the CAC reported on CAC meeting discussions. The packet contains meeting notes from the council's April 12<sup>th</sup> meeting which gathered strategic and market insights for Energy Trust organization 2023 planning. These topics were presented to the board at the board's May 17, 2022 workshop.

Hannah then reported on the CAC's most recent meeting on May 11, 2022. Notes for the May 11<sup>th</sup> meeting will be included in the board's July board meeting packet. Topics covered at the May 11<sup>th</sup> meeting included energy efficiency savings for the rest of 2022 and focus on reaching more low income residential customers to address energy burden and comfort. In addition, CAC members received updates on ODOE's heat pump and community cooling programs.

### ***Diversity Advisory Council (DAC)***

Tyrone Henry, staff liaison to the Energy Trust DAC reported on the most recent DAC meeting. Tyrone noted that the DAC is interested in meeting with board members and other advisory council members.

Board members then discussed concerns expressed by DAC members on their involvement in the board's recruitment processes, and members of the Nominating & Governance Committee will consider input received in their current recruiting process.

### ***Renewable Energy Advisory Council (RAC)***

Alexia Kelly reported on RAC's most recent meeting at which several topics were discussed: A waiver to the Renewable Energy Certificate policy to permit more Energy Trust support for certain Oregon Community Solar Program projects is recommended by staff and supported by the RAC. RAC also discussed a market intelligence study in order to provide feedback to the board at its May 17 strategic and market issues workshop discussion. RAC members also discussed the Solar Within Reach program, noting that staff continues to see upfront cost barriers that prevent low income and BIPOC customers from participating in the program. Staff is looking at tiering approaches and more outreach efforts.

Alexia noted that there a lot of moving pieced on the regulatory and legislative front that affect Energy Trust and renewables and it important that Energy Trust makes sure our programs continue to be relevant.

### **Executive Session**

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The board adjourned the public meeting at 10:38 a.m. to meet virtually in Executive Session pursuant to bylaws section 3.19.1 to discuss internal personnel matters and section 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 public meeting was reconvened at 1:00 p.m.

### **General Public Comments**

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There were no public comments.

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**NW Natural Gas Vision 2050**

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Kathryn Williams, NW Natural Vice President of Public Affairs and Sustainability, and Mary Moerlins, Director of Environmental Policy & Corporate Responsibility presented information to the board on NW Natural's decarbonization and climate initiatives. They noted that their work with Energy Trust has never been more important because getting all energy efficiency is essential to their work in this area.

Kathryn and Mary described their infrastructure and plans for a more resilient and decarbonized, renewable system, NW Natural's "Vision 2050."

Board members thanked Kathryn and Mary for their presentation and asked questions about resource mixes, pipeline corrosion, and how NW Natural's Vision 2050 activities and planning will be relevant to Energy Trust's next strategic plan.

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**Executive Director Review Committee (Elee Jen)**

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Elee Jen, 2021 Executive Director Review Committee Chair, presented and recommended approval of the 2021 Annual Executive Director review and a corresponding compensation merit award. The review was discussed in the board's executive session earlier during the day. As a result of that discussion, the board moved to approve the Executive Director Review Committee's recommendation as set forth in the resolution below.

**RESOLUTION 975  
APPROVING MERIT AWARD INCREASE FOR EXECUTIVE DIRECTOR**

**WHEREAS:**

- 1. Energy Trust's Executive Director Review Committee completed its evaluation of Michael Colgrove's performance for the 2021 work plan and performance period.**
- 2. An evaluation of Michael's performance compared to his 2021 work plan goals and competencies have been met and demonstrated. Michael is well-regarded by the board of directors, Energy Trust staff and stakeholders.**
- 3. The Executive Director Review Committee considered the following in proposing a merit increase from the review:**
  - a. Energy Trust's existing salary structure and Michael's current salary position on that range.**
  - b. Periodic survey and market analysis of comparable position salaries.**

**It is therefore RESOLVED:**

**The Board of Directors authorizes a merit award increasing Executive Director Michael Colgrove's salary by 6% effective January 1, 2022.**

Moved by: Roland Risser                      Seconded by: Silvia Tanner  
 Vote:            In favor: 8                              Abstained: 0  
                     Opposed: 0

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**Ad hoc Diversity Equity and Inclusion Committee** (Melissa Cribbins)

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At the executive session earlier in the day, board members discussed contracting with two DEI consulting firms to support board DEI development over the coming year. The ad hoc DEI Committee, chaired by Melissa Cribbins, recommended approval of the resolution below as discussed at the earlier executive session

**RESOLUTION R 976**  
**APPROVAL OF CONTRACTING AUTHORITY FOR ENGAGING A DIVERSITY, EQUITY, AND INCLUSION (DEI) CONSULTANT**

**WHEREAS:**

1. **Energy Trust’s Board of Directors (the “Board”) established and chartered an hoc DEI Committee. The committee’s charter includes, among other things, recommending “a program for board DEI training that includes consideration of the nature and scope of DEI consulting and training services as well as guest speakers;” and**
2. **The ad hoc DEI Committee convened a series of meetings to identify possible consultants to support a board DEI training program. The committee intends to interview two final candidate consultants in May; and**
3. **The ad hoc DEI Committee has recommended a consultant to perform this work to the Board, and has requested that the Board authorize the Executive Director to negotiate a contract for Board DEI consulting and training.**

**THEREFORE, it is RESOLVED, that the Board of Directors of Energy Trust of Oregon, Inc. authorizes the Executive Director, in coordination with the Chair of the ad hoc DEI Committee, to negotiate and sign contracts with each of Encolor, LLC and Empress Rules, LLC, for the purposes of developing and supporting programs for Board DEI training.**

Moved by: Erik Andersson                      Seconded by: Elee Jen  
 Vote:            In favor: 8                              Abstained: 0  
                     Opposed: 0

**Board Discussion**

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Henry Lorenzen asked for board member feedback on the meeting. Board members expressed appreciation for the discussions at the meeting.

**Adjourn**

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The meeting adjourned at 1:57 p.m.

**The next regular meeting of the Energy Trust Board of Directors** will be held Wednesday, July 20, 2022 in Hood River, Oregon and open to the public via Zoom registration

DocuSigned by:  
  
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Signed: Eric Hayes, Secretary

7/13/2022 /  
Date