

Board Meeting Minutes—223rd Meeting

April 17, 2024

Board members present: Thelma Fleming, Ellsworth Lang, Henry Lorenzen, Jane Peters, Anne Haworth Root, Roland Risser, Ruchi Sadhir (ODOE Special Advisor, ex-officio) Silvia Tanner, Letha Tawney (OPUC ex-officio), Bill Tovey, Ellen Zuckerman

Board members absent: Peter Therkelsen, Eric Hayes, Susan Brodahl (leave of absence), Melissa Cribbins, Eric Hayes, Peter Therkelsen

Staff attending: Scott Clark, Amber Cole, Michael Colgrove, Ryan Crews, Hannah Cruz, Elaine Dado, Chris Dunning, Emily Findley, Sue Fletcher, Cheryl Gibson, Fred Gordon, Isaiah Kamrar, Marshall Johnson, Scott Leonard, Alyson McKay, Debbie Menashe, Spencer Moersfelder, Alicia Moore, Kyle Morrill, Themba Mutepfa, Maddie Norman, Natalia Ojeda, Maddy Otto, Elaine Prause, Danielle Rhodes, Thad Roth, Lizzie Rubado, Amanda Sales, Sloan Schang, Tracy Scott, Jess Siegel, Abi Sloan, Michelle Spampinato, Abby Spegman, Jenny Sorich, Greg Stokes, Julianne Thacher, Shannon Todd, Patrick Urain

Others attending: Christopher Banks (Urban League), John Charles (Cascade Policy), Rob Fenty (1961 Consulting), Terrance Harris (Drexel University), Randy Hastings (DThree PDX), Jim Harvey (Alliance Compensation), Brooke Landon (CLEAResult), Lisa McGarity (Avista), Willa Perlman, Laney Ralph (NW Natural), Keith Simovic (Moss Adams), Sherry Tran (Alliance Compensation), Holly Valkama (1961 Consulting), Ezell Watson (OPUC)

Business Meeting

President Henry Lorenzen called the meeting to order at 9:04 a.m. Henry explained the hybrid format of the meeting.

General Public Comments

There were no public comments.

President's Report and Consent Agenda

Executive Director Michael Colgrove introduced Alicia Moore, Energy Trust's new Director of DEI Services. Alicia introduced herself and her background.

President Lorenzen referred the board to the Consent Agenda and asked if there were any calls to remove anything for discussion. No member of the board requested any item be removed.

MOTION: R1025 Approve consent agenda

Consent agenda includes:

1. February 21, 2024, Board Meeting Minutes
2. March 13, 2024, Board Workshop Minutes

Moved by: Roland Risser

Seconded by: Jane Peters

Vote: In favor: 6

Abstained: 0

Opposed: 0

Strategic Planning: Unique Role of Value

Jane Peters, chair of the ad hoc Strategic Planning Committee described the committee's review of the "Unique Role of Value" statements that the board developed at their March workshop. Holly Valkama and Rob Fenty of 1961 Consulting helped facilitate board discussions to come to a final unique role of value statement. The board broke into small groups to discuss the proposed Unique Role of Value statements. The breakout groups provided their thoughts to Rob and Holly who promised to compile them for the ad hoc Strategic Planning committee review.

Break

The board took a break at 10:38 a.m. and reconvened at 10:53 a.m.

Strategic Planning: Vision/Purpose

Rob then guided discussion for the next portion of the meeting which was focused on discussions regarding the high level and aspirational vision and purpose statements for Energy Trust, which are elements of a strategic plan. A Unique Role of Value Statement explains how and for whom an organization provides its purpose and aspires to its vision. Board members discussed possible vision and purpose statements that connect to the Unique Role of Value Statements discussed. Holly and Rob kept notes of these discussions, and these notes will be provided to the ad hoc Strategic Planning Committee for their next meeting. That committee will propose vision and purpose statements for discussion by the board at its next meeting where, among other things, a Diversity, Equity, Inclusion and Belonging lens will be applied and discussed.

Adjourn for Lunch

The board adjourned for lunch and reconvened at 12:53 p.m.

General Public Comments

There were no public comments.

Financial Audit Results

Chris Dunning, Energy Trust Chief Financial Officer, introduced Keith Simovic of Moss Adams to present the results of the 2023 Annual Financial Audit.

Keith Simovic, Engagement Review Partner completed the Energy Trust 2023 audit along with Julie Desimone, Concurring Review Partner; Matthew Shaw, Audit Manager; and Tanner Brown, In-Charge Staff Auditor.

The audit includes an Independent Auditors' Report on the financial statements of Energy Trust of Oregon; assistance with, and technical review of the financial statements for compliance with GAAP (generally accepted accounting principles); and communication to those charged with governance. During the process, Moss Adams tested internal controls through walkthroughs of relevant business cycles, examined procedures to confirm account balances and supporting documentation.

Following their audit work, Moss Adams provided an unmodified (clean) opinion on the final financial statements and found no material weaknesses or significant deficiencies in their communication to those charged with governance.

The audit team reported that management applied significant accounting policies appropriately and consistently and their judgment was sound. Keith noted that no difficulties were encountered during the audit.

There were no significant audit adjustments and unadjusted differences considered by management to be immaterial. Matt also noted they are required to report on any potential effects on the financial statements of significant risks, exposures, and uncertainties. No matters were noted that required

disclosure during 2023 or through their report date. There were no disagreements with management, and everything went smoothly.

In addition to their regular audit exercises, Moss Adams also selected a total of 30 incentive payment procedures for additional testing as requested by the Finance & Audit Committee. Moss Adams found no exceptions during the testing of these payments. Board members thanked the Moss Adams team for completing this additional testing as part of the audit.

As part of an annual audit, Moss Adams offers some recommendations for best practices. This year, Keith and the Moss Adams team recommends that Energy Trust examine and prepare internal policies based on federal grant policies and procedures in anticipation of receipt of more grant awards from federal agencies. Moss Adams recommended drafting formal policies that adhere to federal requirements relating to allowable costs, procurement, subrecipient monitoring, and other areas that may be required by the specific grant awards.

Another recommendation pertained to the expected transition to the new Enterprise Resource Planning system. As Energy Trust is planning to select and implement a new ERP system in the coming years, it will impact audit procedures for the year of implementation. Moss Adams recommends proactively involving their audit team so that their IT specialists can be involved.

Keith noted that neither of these recommendations were offered in response to concerns for material weaknesses or significant deficiencies in controls.

Keith concluded his report and thanked the Finance team at Energy Trust for their cooperation. Board members thanked staff and Moss Adams. Chris said on behalf of Energy Trust that it was a pleasure working with Keith and his team.

The board then acted to accept the 2023 financial audit.

RESOLUTION R1026 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, 2023.

Moved by: Jane Peters

Seconded by: Silvia Tanner

Vote: In favor: 7

Abstained: 0

Opposed: 0

Annual Report

Executive Director Michael Colgrove then presented the Energy Trust 2023 Annual Report, which describes 2023 organizational results. Mike first thanked Chris Dunning and his team for the leadership on the audit. Mike also thanked Thelma Fleming, chair of the Finance & Audit Committee, for her support of the process.

Mike then continued to describe 2023 results and the annual report, which is the most comprehensive account of Energy Trust performance and activities for the year. This year Energy Trust has added a public comment period through June 16 to take comments from stakeholders, a suggestion from OPUC staff and stakeholders, which will help inform changes to format and areas for needed clarification.

2023 saw improving economic conditions, but customers and program participants still express concern about rising prices; these concerns impact program participation and design. Programs did well during 2023, achieving 118% of expected electric savings, predominately driven by business lighting and by adjusting incentive levels to support savings. For gas efficiency, programs achieved 108% of expected savings. For Renewables, all goals were exceeded, including goals pertaining to serving low-to-moderate income customers. Mike provided more detail on a utility-by-utility basis as set forth in the Annual Report.

Mike also reported on Energy Trust's performance in 2023 as compared to its current Strategic Plan goal, and in all cases, Energy Trust is on track.

Mike then described some of 2023's program highlights:

- Community Partner Funding providing enhanced incentive support to community based organizations that are already connected with priority customers
- Regionally- specific offers to rural residential customers
- Direct install lighting offers for small businesses
- Battery storage offer launched in mid-2023

With regard to comparison of actual to budget for 2023, Mike reported that Energy Trust's overall actual performance is consistent with budget. Additionally, Energy Trust met or exceeded its OPUC performance measures, except for those related to staffing costs and program support costs, which were waived for 2023 as Energy Trust increased staff and support for higher savings objectives.

This program performance was achieved cost-effectively under the total resource cost test in all but one program, although Energy Trust expects that updates to avoided costs coming soon should result in cost-effective levels across the Energy Trust portfolio.

Next Mike reported on the recently approved OPUC 2024 Performance Measures, noting areas of change:

- For 2024, the administrative cost metric will be as a function of expenditures, not revenues as in past years
- There is a new metric on trade ally and workforce development

Board members asked questions about the report and then thanked Mike, noting that it was a successful year.

Committee Reports

Compensation & Human Resources Committee (Amanda Sales)

Amanda Sales, Director of People Services and staff liaison to the Compensation & HR Committee, referred to the committee notes in the board packet, highlighting that the committee will be reviewing possible updates to the 401k investment policy.

Finance & Audit Committee (Thelma Fleming)

Thelma Fleming reported on three proposed contract extension resolutions discussed by the Finance & Audit Committee and recommended to the board, and the board acted on each of them as follows:

RESOLUTION 1027
AUTHORIZE A THREE YEAR EXTENSION TO THE PROGRAM MANAGEMENT CONTRACT WITH CLEARRESULT CONSULTING, INC. FOR RESIDENTIAL PROGRAM SERVICES

WHEREAS:

1. In 2022, Energy Trust staff conducted a fair and open Request for Proposals procurement process to select a program management contractor to manage and deliver Residential program services for the next 2-5 years;
2. Staff recommended, and the board approved, a program management contractor (PMC) agreement with CLEAResult Consulting, Inc. (CLEAResult) for Residential program management services for an initial term of two years, with the option for three-one (1) year extensions;
3. Staff now recommends extending the CLEAResult PMC agreement for three additional years in light of CLEAResult's contract performance and program delivery stability and consistency to support and meet expectations for accelerated energy efficiency savings;
4. Staff presented information on their extension recommendation to the Energy Trust board of directors Finance & Audit Committee on February 29, 2024;
5. The Finance & Audit Committee supports staff's recommendation for an extension, subject to the conditions that the PDC agreement maintain the ability for termination by Energy Trust throughout the extended term and that staff present information annually to the Finance & Audit Committee on CLEAResult's PMC services and contract performance; and
6. If approved, the Energy Trust board will review actual savings and costs of the CLEAResult PMC agreement each year as part of its review of Energy Trust's annual budgets.

IT IS THEREFORE RESOLVED:

1. Subject to determination of contract cost amounts based on the board-approved 2025 annual budget and subsequent Energy Trust annual budgets for each of the years 2026 and 2027, the executive director or his designee is authorized to negotiate and to enter into an extension of Energy Trust's agreement with CLEAResult to provide Residential program management services through December 31, 2027.
2. PMC contract costs and savings goals included in the contract extension shall be consistent with the board-approved 2025 annual budget and actions plan(s) and thereafter staff may amend the contract consistent with Energy Trust's annual budgets. The executive director or his designee is authorized to sign any such contract amendment.
3. The PMC agreement extension amendment will include all appropriate terms for an extension including, but not limited to, a provision permitting early termination and a provision requiring staff to report on contract performance annually during the term of the PMC agreement to the Energy Trust board of directors Finance & Audit Committee.

Moved by: Bill Tovey

Seconded by: Jane Peters

Vote: In favor: 7

Abstained: 0

Opposed: 0

RESOLUTION 1028**AUTHORIZE A THREE YEAR EXTENSION TO THE PROGRAM DELIVERY CONTRACT WITH TRC ENGINEERS, INC. FOR RESIDENTIAL NEW CONSTRUCTION PROGRAM SERVICES****WHEREAS:**

7. In 2022, Energy Trust staff conducted a fair and open Request for Proposals procurement process to select a program delivery contractor to deliver Residential new construction program services for the next 2-5 years;
8. Staff recommended, and the board approved, a program delivery contractor (PDC) agreement with TRC Engineers, Inc. (TRC) for residential new construction program delivery services for an initial term of two years, with the option for three-one (1) year extension should certain performance criteria be met;

9. Staff now recommends extending the TRC PDC agreement for three additional years in light of TRC's contract performance and program delivery stability and consistency to support and meet expectations for accelerated energy efficiency savings;
10. Staff presented information on their extension recommendation to the Energy Trust board Finance & Audit Committee on February 29, 2024;
11. The Finance & Audit Committee supports staff's recommendation for an extension subject to the conditions that the PDC agreement maintain the ability for termination by Energy Trust throughout the extended term and that staff present information annually to the Finance & Audit Committee on TRC's PDC services and contract performance; and
12. If approved, the Energy Trust board will review actual savings and costs of the TRC PMC agreement each year as part of its review of the Energy Trust budget and financial and action plans.

IT IS THEREFORE RESOLVED:

4. Subject to determination of annual contract cost amounts based on the board-approved 2025 annual budget and subsequent Energy Trust annual budgets for each of the years 2026 and 2027, the executive director or his designee is authorized to negotiate and to enter into an extension of Energy Trust's PDC contract with TRC to deliver the Residential new construction program for through December 31, 2027.
5. PDC contract costs and savings goals included in the contract shall be consistent with the board-approved 2025 annual budget and action plan(s) and, thereafter, staff may amend the contract consistent with Energy Trust's annual budgets. The executive director or his designee is authorized to sign any such contract amendments.
6. The PDC extension amendment agreement will include all appropriate terms for an extension including, but not limited to, a provision permitting early termination and a provision requiring staff to report on contract performance annually during the term of the PDC Agreement to the Energy Trust board of directors Finance & Audit Committee.

Moved by: Bill Tovey

Seconded by: Jane Peters

Vote: In favor: 7

Abstained: 0

Opposed: 0

RESOLUTION 1029**AUTHORIZE A PROGRAM DELIVERY CONTRACT (PDC) WITH CLEARRESULT CONSULTING, INC. FOR RESIDENTIAL MIDSTREAM PROGRAM SERVICES****WHEREAS:**

13. In 2022, Energy Trust staff conducted a fair and open Request for Proposals procurement process to select a program delivery contractor to deliver Residential midstream Residential program services for the next 2-5 years;
14. Staff recommended, and the board approved, a program delivery contractor (PDC) agreement with CLEARResult Consulting, Inc. (CLEARResult) for Residential midstream program delivery services for an initial term of two years, with the option for three-one (1) year extensions;
15. Staff now recommends extending the CLEARResult PDC agreement for three additional years in light of CLEARResult's contract performance and a longer term contract ability to support and meet expectations for accelerated energy efficiency savings achievements;
16. Staff presented information on their recommendations to the Energy Trust board of directors Finance & Audit Committee on February 29, 2024;
17. The Finance & Audit Committee supports staff's recommendation for an extension subject to the conditions that the PDC agreement maintain the ability for termination by Energy Trust

throughout the extended term and that staff present information annually to the Finance & Audit Committee on the CLEAResult's PMC services and contract performance; and

- 18. If approved, the Energy Trust board will review actual savings and costs of the CLEAResult PDC agreement each year as part of its review of the Energy Trust budget and financial and action plans.

IT IS THEREFORE RESOLVED:

- 7. Subject to determination of annual contract cost amounts based on the board-approved 2025 annual budget and subsequent Energy Trust budgets, financial and action plans as approved for each of the years 2026 and 2027, the executive director or his designee is authorized to negotiate and to enter into an extension of Energy Trust's PDC contract with CLEAResult to deliver the Residential midstream program through December 31, 2027.
- 8. PDC contract costs and savings goals included in the contract shall be consistent with the board-approved 2025 annual budget and action plan(s). Thereafter, staff may amend the contract consistent with the board's budget and financial and action plan decisions and the executive director or his designee is authorized to sign any such contract amendments.
- 9. The PDC agreement extension amendment will include all appropriate terms for an extension including, but not limited to, a provision permitting early termination and a provision requiring staff to report on contract performance annually during the term of the PDC agreement to the Energy Trust board of directors Finance & Audit Committee.

Moved by: Bill Tovey

Seconded by: Jane Peters

Vote: In favor: 7

Abstained: 0

Opposed: 0

Nominating & Governance Committee (Debbie Menashe)

Debbie Menashe reported on the Nominating & Governance Committee meeting of earlier in the month. Of particular note for this meeting is the committee's executive director review, which will be discussed with the full board later in the meeting.

Ad hoc Diversity Equity and Inclusion Committee (Michael Colgrove)

Michael Colgrove referred to the notes of the April ad hoc Diversity, Equity and Inclusion Committee, notes of which were included in the board packet. Mike noted that Alicia Moore, Energy Trust's new Director of Diversity Equity & Inclusion was introduced to the committee.

Ad hoc Strategic Planning Committee (Jane Peters)

Jane Peters, chair of the ad hoc Strategic Planning Committee, reported to the board, noting that the work of the committee led to the board's discussion earlier in the meeting.

Conservation Advisory Council (CAC) (Hannah Cruz)

Hannah Cruz, staff liaison to the CAC, updated the board on the most recent CAC meeting. At that meeting, staff presented information on the development of multiyear planning (MYP) for Energy Trust, and CAC members provided feedback.

Diversity Advisory Council (DAC) (Michael Colgrove)

Michael Colgrove reported on the most recent DAC meeting where board member-Melissa Cribbins joined to update the group on the board's DEI work. Additionally, DAC members received an update on MYP summary and had a discussion of topics of interest for future meetings.

Renewable Energy Advisory Council (Betsy Kauffman)

RAC-Jess Siegel, Program Manager-Renewables Strategy and Community Solar, updated the board on the most recent RAC meeting discussions, which included an MYP update and information about renewable program activities and focus areas.

Community Partner Funding, Efficiency Resource Potential, Legislative Report Memos Q&A

Memoranda on community partner funding, efficiency resource potential, and legislative session results, and board members discussed the information provided. Board members noted particularly the plentiful energy efficiency resource potential, which is promising for the work of Energy Trust.

Break

The board adjourned for a break and reconvened at 3:18.

Strategic Planning: May Board Preview

Amber Cole, Director of CCS, and staff liaison to the ad hoc SP Comm, gave the board a short preview of what the board will be doing in May for a 2-day workshop in Hood River. In addition to working through the strategic plan elements, Amber advised the board that Ashnie Butler will participate in the workshop and guide the use of a DEIB lens to the board's strategic planning work.

Executive Session

The board then adjourned to executive session to discuss the Executive Director performance evaluation.

Reconvene Public Meeting and Adjourn

Henry reconvened the meeting at 3:55 p.m.

**RESOLUTION 1030
APPROVING MERIT AWARD INCREASE FOR EXECUTIVE DIRECTOR**

WHEREAS:

1. Energy Trust’s board of directors Nominating & Governance Committee (the “Committee”) completed its evaluation of Michael Colgrove’s performance for the 2023 work plan and performance period.
2. At its meeting on April 8, 2024, the Committee considered an evaluation of Michael’s performance compared to his 2023 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 Committee also considered and discussed market information on merit compensation prepared for and reviewed by the board of directors Compensation & Human Resources Committee
4. Based on Michael’s performance review and market information on merit compensation, the Committee recommends a merit award increasing Executive Director Michael Colgrove’s salary by 6% effective January 1, 2024

It is therefore RESOLVED:


The Board of Directors authorizes a merit award increasing Executive Director Michael Colgrove’s salary by 6% effective January 1, 2024.

Moved by:	Jane Peters	Seconded by:	Thelma Fleming
Vote:	In favor: 5	Abstained:	0
	Opposed: 0		

Adjourn

The meeting adjourned at 3:59 p.m.

The next regular meeting of the Energy Trust of Oregon Board of Directors will be the regional board meeting held May 13th and May 14th, 2024, hybrid on Zoom and at the Hood River Hotel at 102 Oak St., Hood River, OR 97031

DocuSigned by:

 Signed: Eric Hayes

6/17/2024 /
 Date