



Board Meeting Minutes—225th Meeting

June 12, 2024

Board members present: Janine Benner (ODOE Special Advisor), Thelma Fleming, Henry Lorenzen, Jane Peters, Roland Risser, Silvia Tanner, Letha Tawney (OPUC, ex-officio), Bill Tovey, Peter Therkelsen, Ellen Zuckerman

Board members absent: Susan Brodahl (leave of absence), Melissa Cribbins, Eric Hayes, Ellsworth Lang, Anne Root

Staff attending: Angela Barranger, Kathleen Belkhat, Shelly Carlton, Sarah Castor, Scott Clark, Amber Cole, Michael Colgrove, Tara Crookshank, Hannah Cruz, Elaine Dado, Chris Dunning, Jeni Hall, Marshall Johnson, Betsy Kauffman, Oliver Kesting, Cody Kleinsmith, Scott Leonard, Chris Lyons, Debbie Menashe, Spencer Moersfelder, Alicia Moore, Maddie Norman, Natalia Ojeda, Maddy Otto, Elaine Prause, Danielle Rhodes, Thad Roth, Lizzie Rubado, Laura Schaefer, Tracy Scott, Leila Shokat, Abi Sloan, Abby Spegman, Greg Stokes,

Others attending: Dave Backen (Backen Consulting), Ashnie Butler (Inner Work, Outer Play), Naomi Cole (Konstrukt), Sarah Hall (OPUC), Terrance Harris, Randy Hastings (DThree), Brooke Landon (CLEAResult), Don MacOdrum (TRC Companies), Brian Mayfield (CLEAResult), Virginia Mersereau (NEEA), Lisa McGarity (Avista), Noemi Ortiz (CNGC), Laney Ralph (NW Natural), Becky Walker (NEEA), Holly Valkama (1961 Consulting), Becca Yates (NEEA)

Business Meeting and General Public Comments

President Henry Lorenzen called the meeting to order at 9:05. Henry explained the format and expectations for the hybrid meeting. Henry also noted that there will be public comments periods in the morning and afternoon. No one requested time for the public comment in the morning session.

President’s Report and Consent Agenda

The consent agenda may be approved by a single motion, second and vote of the board. Any item on the consent agenda will be moved to the regular agenda upon the request from any member of the board.

MOTION: Approve consent agenda

Consent agenda includes:

1. April 17, 2024, Board Meeting Minutes
2. May 13, 2024, Board Workshop Minutes
3. May 14, 2024, Board Workshop Minutes
4. R1032: Authorizing \$10 Million Line of Credit to Umpqua Bank
5. R1035: Amend Nominating and Governance Committee Charter

Moved by:	Roland Risser	Seconded by:	Silvia Tanner
Vote:	In favor: 5	Abstained:	0
	Opposed: 0		

**RESOLUTION R1032
AUTHORIZE \$10 MILLION LINE OF CREDIT
AT UMPQUA BANK**

WHEREAS:

- 1. Energy Trust of Oregon, Inc. (Energy Trust) wishes to establish a \$10 million line of credit at Umpqua Bank to bridge timing issues of revenue receipt and program expense, if the need arises.**
- 2. Umpqua Bank has authorized a commitment for a line of credit for a term of two years in the amount of \$10 million at a floating interest rate of the Secured Overnight Financing Rate (SOFR) + 1.75% conditioned upon the board's approval of, and documented by, an agreement which will contain other terms, conditions, representations, covenants, warranties and other provisions typically used by Umpqua Bank for such credit facilities.**
- 3. There is no annual fee charged by Umpqua 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 \$10 million from a revolving unsecured line of credit offered by Umpqua Bank at an interest rate of SOFR + 1.75%. Chris Dunning, Chief Financial Officer of Energy Trust, is hereby authorized to serve as the designated individual to request draws against the line of credit.**
 - b. In the event Energy Trust borrows from the line of credit, Energy Trust shall inform the Finance & Audit Committee at the next available opportunity. 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 Umpqua 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 Umpqua Bank and Umpqua 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. Umpqua Bank is authorized to act upon the foregoing resolution until written notice of revocation is received by Umpqua Bank, and the authority hereby granted shall apply with equal force and effect to Michael Colgrove and Chris Dunning or their designees or successors.**

Moved by: Roland Risser

Seconded by: Silvia Tanner

Vote: In favor: 5

Abstained: 0

Opposed: 0

RESOLUTION 1035

AMEND NOMINATING & GOVERNANCE COMMITTEE CHARTER

WHEREAS:

- 1. The Energy Trust Board of Directors Nominating & Governance Committee has considered and reviewed updates to its charter regarding (i) review of Energy Trust board of director committee charter and (ii) the executive director review process.**
- 2. These proposed changes were reviewed and discussed by the Nominating & Governance Committee at their meetings in January and April 2024.**
- 3. Based on its review, the Nominating & Governance Committee recommends that the proposed charter changes be approved by the full board at its next meeting.**
- 4. The proposed revised Finance & Audit Committee Charter is attached to this resolution as *Attachment 1*, with proposed revisions tracked, and presented for full board review and approval.**

IT IS THEREFORE RESOLVED: That Energy Trust of Oregon, Inc., Board of Directors approves revisions of the Nominating & Governance Committee Charter in the form attached as *Attachment 1* hereto.

Moved by:	Roland Risser	Seconded by:	Silvia Tanner
Vote:	In favor: 5	Abstained:	0
	Opposed: 0		

EPS New Construction Impact Evaluation Report

Scott Leonard, Senior Program Manager-Residential, and Sarah Castor, Evaluation & Engineering Manager, presented information on the EPS New Construction Program Impact Evaluation.

Scott Leonard described the program. The EPS New Construction Program is Energy Trust’s residential new construction program. New homes in the program are rated for efficiency with an EPS, an Energy Performance Score, and a customer facing product.

The program claims above code savings and market transformation savings. NEEA claims the electric savings; Energy Trust claims the gas savings. The program also supports code advancement with anonymized, aggregated data about how code impacts construction. The program is focused on builders, consumers, architects, encouraging all to go above code. The program engages verifiers, raters who do energy modeling to identify and incentivize new construction homes that would be expected to operate at least 10% more efficiently than code.

Sarah Castor reported on the impact evaluation results, which showed that new construction homes participating in the program achieved less savings than models predicted. Additionally, new construction homes not participating in the program showed higher than expected savings. Sarah and Scott discussed some of the possible causes of these results, including problems with the modeling used and the market transformation of Energy Trust’s efforts in code advancement. Given the impact evaluations results, staff is considering several responses to better understand the results and improve program effectiveness including:

- Research a transition to a market baseline rather than a code baseline and substantiate and quantify Energy Trust's role in market transformation. Energy Trust expects to complete this research by 2025. Staff also recommend measuring market effects with additional research. Existing research from NEEA shows evidence of influence, and staff is exploring this as well.
- Consider changes to program incentives to encourage more above-code measures.
- Implement actions to improve modeling accuracy and examining whether a change from code baseline to market baseline is appropriate.

Board members discussed the results and asked several clarifying questions, noting that Oregon should celebrate that builders are building above code overall. Board members thanked Scott and Sarah for their presentation.

Strategic Planning: Areas of Focus

Holly Valkama continued strategic planning work with the board, reviewing the aspirational vision, purpose and "unique role of value" statements. The board expressed their support for these.

Then the board discussed the draft "Areas of Focus," which have been updated based on the ad hoc Strategic Planning Committee discussions.

The board discussed Areas of Focus 1 and 2: Area of Focus 1 is energy efficiency and renewable energy, while Area of Focus 2 references Energy Trust work as supportive of decarbonization. The board agreed to advance Areas of Focus 1 and 2 for the new strategic plan.

The board then discussed Areas of Focus 3 and 4, which are focused on equity and inclusion and reaching all customers. Board members discussed definitions of environmental justice communities as part of these areas and how it is important for all customers to consider themselves included in Energy Trust's work. Following lengthy discussion to clarify understanding, the board agreed to keep Areas of Focus 3 and 4 for the new strategic plan.

The board then discussed Area of Focus 5, which identifies resilience as an area for Energy Trust work. Board members note that this area is a new focus for Energy Trust. Given impact of climate change, including more frequent wildfires, board members expressed support for this new area as an important way to support rural areas of the state. The board supported Area of Focus 5 and expressed interest in discussions of ways of identifying measurable outcomes for this work.

Break

The board recessed for a break and reconvened at 11:45.

Strategic Planning: Outcomes and Goals

Upon return from its break, the board began its discussion of the outcomes and goals and targets for the strategic plan's proposed areas of focus. For purpose of the strategic plan, Holly Valkama defined outcomes and goals as follows:

1. Outcomes answer the question of what will be achieved. This is often described in narrative form.
2. Goals answer the question of how is that desired outcome measured.
3. Targets are the numbers that are attached to goals to further quantify the movement defining success.

Holly let the board know that work on identifying targets will continue beyond year-end, and as a result the ad hoc Strategic Planning Committee will stay in place into 2025.

With that background, the board recessed for lunch, with plans to break out into small discussion groups after lunch.

Adjourn for Lunch

The board recessed for lunch at 11:55 and returned at 12:45.

Strategic Planning: Outcomes and Goals, Continued

The board broke into small groups to discuss the Areas of Focus and the goals that should be aligned with each area. The results from these discussions will be provided to the ad hoc Strategic Planning Committee.

Strategic Planning: Stakeholder Engagement Plan for Draft Plan

After the small break-out discussions, Amber Cole, Director of Communications and Customer Services and staff liaison to the ad hoc Strategic Planning Committee, presented on the timeline for the draft strategic plan: There will be a board workshop in July for continued discussions on goals, and then a draft strategic plan will be presented to the board in August. After that, the draft plan will be made public, with opportunities for stakeholder feedback. Staff is considering ways to increase public engagement for feedback including posting video summaries and a hosting potential virtual open meeting for drop-ins.

Board members thanked Amber for describing the process and expressed interest in public comment, particularly input on strategic plan goals in order to help Energy Trust define and refine plan targets.

Amber thanked the board for their hard work in this strategic planning process.

Committee Reports

Compensation & Human Resources Committee (Debbie Menashe)

Debbie reported on the Comp & HR meeting notes. She highlighted that the plan is in good health based on the financial report from Principal Financial. She noted also that 401k plan investment policy statement is under review for any needed updates and will come to the board soon. Henry thanked Eric Hayes for great work as chair of this committee.

Finance & Audit Committee (Thelma Fleming)

Thelma summarized the recent meetings and noted that the committee has approved (and now the board through the consent agenda) a new line of credit with Umpqua Bank.

Thelma then asked Shelly Carlton to do a briefing on the contract recommendation for the new buildings program. Shelly gave a briefing, describing the competitive solicitation process and the resulting recommendation for a new contract with CLEAResult, the incumbent. The Finance & Audit Committee reviewed and supported the contract recommendation at its recent committee meeting, and the board had no additional questions and agreed with the recommendation.

RESOLUTION 1033

AUTHORIZE A PROGRAM MANAGEMENT CONTRACTOR AGREEMENT WITH CLEARRESULT, INC FOR NEW BUILDINGS PROGRAM MANAGEMENT SERVICES

WHEREAS:

1. With the assistance of outside expertise, Energy Trust staff conducted a fair and open procurement process to select a program management contractor to manage and deliver New Buildings program services for the next 5-7 years;
2. Staff selected and recommends CLEARResult to provide the New Buildings program management services proposal that would best meet the needs of Energy Trust and Energy Trust customers;
3. Staff has estimated a total first-year New Buildings program management and delivery budget of up to \$10,000,000 for this PMC contract with an incentive budget of approximately \$13,000,000 based on proposed energy savings levels. Final details for the exact cost will be approved by this Board as part of the New Buildings 2025 annual budget approval process;
4. Staff presented their recommendation to the Energy Trust’s board’s Finance & Audit Committee on May 23, 2024, and the committee supports staff’s recommendations and requested that the proposal be forwarded to the full board for consideration and approval; and
5. If approved, the Energy Trust board will review actual savings and costs of the CLEARResult PMC agreement each year as part of its review of Energy Trust’s annual budgets.

IT IS THEREFORE RESOLVED:

4. Subject to determination of a contract cost amount based on the board-approved 2025 annual budget, the executive director or his designee is authorized to negotiate and to enter into a PMC agreement with CLEARResult to manage the New Buildings program for an initial term from January 1, 2025, through December 31, 2029.
5. First-year 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 annual budget and financial and action plan decisions and the executive director or his designee is authorized to sign any such contract amendments.
6. The contract may include a provision allowing staff to offer up to two one-year extensions beyond the initial term if the program management contractor meets certain established performance criteria, including but not limited to Diversity, Equity, and Inclusion contracting performance criteria.
7. The PMC agreement will contain all appropriate terms to manage Energy Trust’s risk, 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 board of directors Finance & Audit Committee.
8. Before extending the PMC agreement with CLEARResult beyond the initial term, staff will report to the board on the program management contractor’s progress and staff’s recommendation for any additional extension time periods. If the board approves an extension, contract terms would remain as approved in the most recent action plans, budgets, and contract at the time of extension, and the executive director or his designee would be authorized to sign any such contract extensions.

Moved by:	Bill Tovey	Seconded by:	Roland Risser
Vote:	In favor: 6	Abstained:	0
	Opposed: 0		

Nomination & Governance Committee (Roland Risser)

Roland reported on the April 8, 2024, Nominating & Governance Committee meeting. Roland also reported that the Nominating & Governance Committee recommended that the board approve retirement of the Renewable Energy Certificate (REC) policy with referral to staff to manage.

**RESOLUTION 1034
RETIRING THE RENEWABLE ENERGY CERTIFICATE (REC) POLICY 4.15.000-P**

WHEREAS:

1. The Renewable Energy Certificate (REC) Policy (the “REC Policy”) directs Energy Trust to take title to RECs from all renewable energy projects receiving an incentive in order to demonstrate the “green” value of Energy Trust supported renewable energy projects.
2. Over time, as a result competing and significant interest in RECs, a number of REC Policy exceptions were approved by the Energy Trust board of directors to support the effectiveness of Energy Trust’s Renewable Energy programs;
3. Energy Trust staff continue to monitor the efficacy of the REC Policy to demonstrate the value of Energy Trust’s renewable energy projects and currently applies the policy to a limited number of projects;
4. Energy Trust staff supports a retirement of the REC Policy from board purview and referral to Energy Trust staff for continued monitoring and application;
5. The REC Policy was reviewed by the Nominating & Governance Committee in June 2023 as part of the committee’s regular cycle of policy reviews and its analysis of whether policies are governance or operational based on various factors including:
 - Degree of relevance to board-level decision-making
 - Degree of advancing transparency of board’s work
 - Identification of board’s ends, objectives and goals
 - Identification of guardrails and sideboards between board governance work and staff operational work
6. Nominating & Governance Committee members discussed whether the policy is relevant to board-level decision making, given that the policy describes program design and operations. Committee members believe that the policy is operational and, as a result, suggested that it be retired and referred to Energy Trust staff; and
7. The Nominating & Governance Committee supports the suggested policy retirement and referral to Energy Trust staff for ongoing management of the REC Policy based on staff’s presentation regarding the policy approach anticipated.

It is therefore RESOLVED that the Board of Directors hereby approves retirement of the REC Policy and refers the policy to Energy Trust staff.

Moved by: Roland Risser Seconded By: Jane Peters
 Vote: In favor: 6
 Opposed: 0 Abstained: 0

Ad hoc Diversity Equity and Inclusion Committee (Alicia Moore)

Alicia was welcomed to report in on this committee. She summarized the work of the committee, including the work of the committee on the 1619 Project readings in cohort groups. Ashnie Butler will hold a series of DEIB workshops with the board and update them soon on their development.

Ad hoc Strategic Planning Committee (Jane Peters)

Jane referred to the work of the ad hoc Strategic Planning Committee as discussed earlier in the meeting, and noted they are adding more meeting dates.

Conservation Advisory Council (CAC) (Hannah Cruz)

Hannah Cruz reported on highlights of the most recent CAC meeting. Two new members were welcomed: Corrine Olson with AWEC, replacing Tyler Pepple, and Peter Kernan from OPUC replacing Anna Kim. Debbie Menashe provided a brief update on updates to the current Energy Trust/OPUC Grant Agreement. CAC members received an update on the 2024 legislative session and pilots in energy efficiency programs. CAC members asked for an index of ways Energy Trust serves priority customers, including work with state and CAP agencies.

Diversity Advisory Council (DAC) (Michael Colgrove)

Mike reported, referencing the DAC notes in the packet. This year, DAC wants to know about Energy Trust’s tribal engagement work and trade ally supports and these topics were covered at the last DAC meeting. In addition, Mike introduced Alicia Moore, Energy Trust Director of DEI Services. Going forward, Alicia will be working as the facilitator for and liaison to the DAC.

Renewable Energy Advisory Council (RAC) (Betsy Kauffman)

Betsy reported on the RAC, referring board members to the notes in the board packet. Highlights of the meeting included a report by Kheoshi Owens of Empress Rules on an advisory council equity and inclusive initiative. This initiative makes several high-level recommendations, including more regular recruiting for more diverse advisory council membership. Proposals will be formulated for board review.

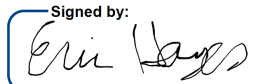
Walk-On Items

Before adjourning, Mike noted that Illinois Valley Community Development Organization selected Energy Trust as their “Partner of the Year.” Board members expressed appreciation for the recognition.

Adjourn

The meeting was adjourned at 3:03 p.m.

The next regular meeting of the Energy Trust of Oregon Board of Directors will be held August 14th, 2024, hybrid on Zoom and at 421 SW Oak St., Suite 300, Portland, OR 97204

Signed by:

 Signed: Eric Hayes

8/29/2024
 Date