



## NEEA Board of Directors Meeting December 4 - 5, 2019



# Q4 2019 NEEA Board Meeting

**Note: the order and length of time for all topics are subject to change**

This meeting will be recorded and photographed.

**Wednesday, December 4 and Thursday, December 5, 2019**

**TIME:** Wednesday, December 4 - 1:00 - 5:00 pm (PT)  
Thursday, December 5 - 8:00 am - Noon (PT)

**LOCATION:** Energy Trust of Oregon  
421 SW Oak Street, #300  
Portland, OR 97204

**AUDIO:** **866-398-2885 dial in; participant code 262 063 5884**  
<http://neea.adobeconnect.com/boardmeetingq12019/>

**ATTENDEES:** Board Members, NEEA Staff and the Public

## Wednesday, December 4 Agenda

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1:00 pm	<b>Public Board Meeting called to order</b> - Andrew Grassell, Board Chair					--
1:05 pm	<b>Introductions and Agenda Review</b> – Andrew Grassell, Board Chair					--
1:10 pm	<b>Board Consent Agenda</b> – Andrew Grassell					12
	<i>Time</i>	<i>Topic</i>	<i>Presenter</i>	<i>Prep</i>	<i>Outcome</i>	
	1 min	Board Meeting minutes, September 9 and 10, 2019	Andrew Grassell	Review Minutes	Motion #1	
	<b>Motion #1: approve the Board Meeting minutes from September 9 and 10, 2019</b>					
1:20 pm	<b>Opportunity for Public Comment</b>					--
1:30 pm	<b>Executive Director Update</b> – Susan Stratton					20
2:10 pm	<b>Cycle 6 Funding Agreement Status</b> -- Susan Stratton					--

2:20 pm	<b>BREAK</b>	
2:35 pm	<b>Revised RPAC Charter, Coordinating Committees and Work Group Charters</b> -- Jason Eisdorfer, Susan Stratton  <i>Outcome: discussion and approval</i>  <b><i>Proposed motion #2: approve the revised RPAC Charter, Integrated Systems Coordinating Committee Charter, Products Coordinating Committee Charter and Work Group Charter Template</i></b>	29
3:05 pm	<b>Draft 2020 Operations Plan</b> -- Larry Blaufus, Susan Stratton  Outcome: discussion. Roll call vote will occur on Day 2	separate attachment
3:45 pm	<b>Closing remarks for Day 1</b> -- Andrew Grassell	--
3:50 pm	<b>Board Meeting Day 1 adjourns</b> -- Andrew Grassell	--
4:00 pm	<b>Executive Session -- contract negotiations, personnel, confidential information</b>	--
5:00 pm	<b>Executive Session adjourns</b>	--

**Reservations required:** [Link to RSVP](#)

**Note: All Board Members are registered for the reception**

Annual Board Reception and Leadership in Energy Efficiency Awards Ceremony

5:30 pm Arrive to Vestas and networking

6:00 pm Awards Ceremony

Leadership in Energy Efficiency Award for Innovation  
Leadership in Energy Efficiency Award for Collaboration  
The Eckman Lifetime Achievement in Energy Efficiency Award

6:30 Toast to Cycle 5 Conclusion and Achievements

7:00 pm Networking continues

7:30 pm Event concludes

THURSDAY, DECEMBER 5, 2019

## Agenda

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8:00 am Public Board Meeting called to order -- Andrew Grassell

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## Day 2 introductions, Day 1 review

8:05 pm Governance Committee – Jason Eisdorfer

<b>Time</b>	<b>Topic</b>	<b>Presenter</b>	<b>Prep</b>	<b>Outcome</b>
10 mins	Public Interest Board Seat -- <b><i>does the Board have any additional questions before voting to elect the Public Interest Board Seat?</i></b>	Jason Eisdorfer	Committee Report	Election
5 mins	Governance Committee Report -- <b><i>does the Board have any questions?</i></b>	Jason Eisdorfer	Committee Report	Information
30 mins	Charter Reviews-- <b><i>does the Board have any additional changes to the amended Charters?</i></b>	Jason Eisdorfer	Memo and revised Charters	Discussion and approval Motions #3 - #10

***Election: move to elect Ben Otto as the Public Interest Representative for the 2020 - 2022, three year term***

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***Motion #3: approve the Executive Committee Charter***

***Motion #4: approve the Finance and Audit Committee Charter***

***Motion #5: approve the Strategic Planning Committee Charter***

***Motion #6: approve the Governance Committee Charter***

***Motion #7: approve the Natural Gas Committee Charter***

***Motion #8: approve the Ad Hoc Committee to Select Leadership Award Winners Charter***

***Motion #9: approve the Ad Hoc Committee to Select Public Interest Board Candidate Charter***

***Motion #10: approve the End Use Load Research Steering Committee Charter***

8:50 am Strategic Planning Committee – Mike Colgrove

<b>Time</b>	<b>Topic</b>	<b>Presenter</b>	<b>Prep</b>	<b>Outcome</b>
10 mins	Strategic Planning Committee Report -- <b><i>does the Board have any questions?</i></b>	Mike Colgrove	Committee Report	Information
10 mins	Extra-regional updates – <b><i>does the Board have questions or comments?</i></b>	Jeff Harris	Memo	Information
5 mins	Policy & legislation analysis discussion - <b><i>does the Board have questions or comments?</i></b>	Jeff Harris	Memo	Information

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9:15 am **Finance and Audit Committee – Larry Blaufus**

<b>Time</b>	<b>Topic</b>	<b>Presenter</b>	<b>Prep</b>	<b>Outcome</b>
10 mins	Draft 2020 Operations Plan -- <b>does the Board approve the 2020 Operations Plan?</b>	Larry Blaufus	Draft 2020 Operations Plan	Motion #11
10 mins	Special Projects financial processes -- <b>does the Board support the internal operating guidelines?</b>	Kyle Burchard	Memo	Information
20 mins	Quarterly review of NEEA financials – <b>does the Board have questions or comments?</b>	Kyle Burchard	Memo and Financials	Information
5 mins	Quarterly Expenditure Reports -- <b>does the Board support continuing with the FAC quarterly review?</b>	Larry Blaufus	None	Information

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**Motion #11: approve the 2020 NEEA Operations Plan - Natural Gas and Electric (\$35.8M) and 2020 Special Projects (\$4.5M)**

10:00 am **BREAK**

10:15 am **Natural Gas Committee – Monica Cowlshaw**

<b>Time</b>	<b>Topic</b>	<b>Presenter</b>	<b>Prep</b>	<b>Outcome</b>
15 mins	Natural Gas Committee Report – <b>does the Board have any questions?</b>	Monica Cowlshaw	Committee Report	Information

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10:30 am **Executive Committee – Andrew Grassell**

<b>Time</b>	<b>Topic</b>	<b>Presenter</b>	<b>Prep</b>	<b>Outcome</b>
5 mins	Executive Committee Report – <b><i>does the Board have any questions?</i></b>	Andrew Grassell	Committee Report	Information
5 mins	Diversity, Equity, Inclusion -- <b><i>does the Board have any questions?</i></b>	Susan Stratton	Memo	Information
10 mins	Draft 2020 Board Work Plan -- <b><i>does the Board approve the draft 2020 Board Work Plan?</i></b>	Andrew Grassell	Memo and draft 2020 Board Work Plan	Motion #12
10 mins	Amended 2020 Board Meeting dates/locations and proposed 2021 Board Meeting dates/locations -- <b><i>does the Board approve the proposed meeting dates and locations?</i></b>	Andrew Grassell	Memo	Motion #13

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***Motion #12: approve the 2020 Board Work Plan***

***Motion #13: approve the amended 2020 Board Meeting dates and locations and proposed 2021 Board Meeting dates and locations***

11:00 am **Opportunity for Public Comment**

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11:05 am **Next Steps, Action Item Review, Meeting Feedback, Input on future agenda topics, Closing Remarks – Andrew Grassell**

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11:15 am **Public Board Meeting Adjourns – Andrew Grassell**

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11:20 am **EXECUTIVE SESSION – contract negotiations, personnel, confidential information**

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12:20 pm **Executive Session Adjourns – Andrew Grassell**

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**Amended 2020 Board Meeting Dates – originally Board approved  
March 5, 2019**

Meeting	Location	Day	Date
Board Orientation (8 am - Noon)	Seattle	Mon	Mar 23, 2020
Q1 Board Meeting - Day 1 (Noon - 5 pm)	Seattle	Mon	Mar 23, 2020
Q1 Board Meeting - Day 2 (8 am - Noon)	Seattle	Tue	Mar 24, 2020
Q2 Board Meeting - Day 1 (Noon - 5 pm)	Boise	Mon	Jun 22, 2020
Q2 Board Meeting - Day 2 (8 am - Noon)	Boise	Tue	Jun 23, 2020
Q3 Board Meeting - Day 1 (Noon - 5 pm)	Montana TBD	Mon	Sep 14, 2020
Q3 Board Meeting - Day 2 (8 am - Noon)	Montana TBD	Tue	Sep 15, 2020
Q4 Board Meeting - Day 1 (Noon - 5 pm)	Portland	Thu	Dec 3, 2020
Q4 Board Meeting - Day 2 (8 am - Noon)	Portland	Fri	Dec 4, 2020

**Proposed 2021 Board Meeting Dates**

Meeting	Location	Day	Date
Board Orientation (8 am - Noon)	Seattle	Monday	Mar 22, 2021
Q1 Board Meeting - Day 1 (Noon - 5 pm)	Seattle	Monday	Mar 22, 2021
Q1 Board Meeting - Day 2 (8 am - Noon)	Seattle	Tuesday	Mar 23, 2021
Q2 Board Meeting - Day 1 (Noon - 5 pm)	Spokane	Monday	Jun 21, 2021
Q2 Board Meeting - Day 2 (8 am - Noon)	Spokane	Tuesday	Jun 22, 2021
Q3 Board Meeting - Day 1 (Noon - 5 pm)	Boise, ID	Monday	Sep 13, 2021
Q3 Board Meeting - Day 2 (8 am - Noon)	Boise, ID	Tuesday	Sep 14, 2021
Q4 Board Meeting - Day 1 (Noon - 5 pm)	Portland	Thursday	Dec 2, 2021
Q4 Board Meeting - Day 2 (8 am - Noon)	Portland	Friday	Dec 3, 2021

**Link to optional appendices**

Market Execution Progress Report  
Emerging Technologies Report  
Code & Standards Report

**Additional links**

Guidelines for Extra-Regional Engagement - clean version  
Guidelines for Extra-Regional Engagement - redline version  
Draft 2020 Operations Plan - redline version





# Consent Agenda



## **Minutes**

### **NEEA Board Meeting**

**September 9 and September 10, 2019**

Avista Utilities, Spokane, WA

#### **Member Attendance September 9:**

**Andrew Grassell, Bob Stolarski, Monica Cowlshaw, Ben Otto, Mike Colgrove, Theresa Drake, Dan Johnson, Larry Blaufus, Kim Thompson, Cory Scott, Jason Eisdorfer, John Chatburn, Deb Young, Steve Bicker, Bonnie Rouse**

**Member Absence September 9: Jim Baggs, Suzanne Frew, Lauren McCloy, Holly Braun, Scott Coe**

**Alternates September 10: Mike Little for Jim Baggs**

#### **Member Attendance September 10:**

**Andrew Grassell, Bob Stolarski, Monica Cowlshaw, Ben Otto, Mike Colgrove, Theresa Drake, Dan Johnson, Larry Blaufus, Kim Thompson, Cory Scott, Jason Eisdorfer, John Chatburn, Deb Young, Steve Bicker, Bonnie Rouse, Holly Braun, Scott Coe**

**Member Absence September 10: Jim Baggs, Suzanne Frew, Lauren McCloy**

**Alternates September 10: Mike Little for Jim Baggs**

#### **NEEA Staff attendance September 9 and September 10:**

Susan Stratton, Julia Harper, Jeff Harris, Becca Yates, Joe Kraus, Kyle Burchard, Jane Waian

#### **Guest attendance September 9 and September 10:**

Jennifer Snyder, Washington Utilities and Transportation Commission; Todd Massinger, Hoffman, Stewart & Schmidt; Amy Wheelless, Northwest Energy Coalition; Katie Pegan, Idaho Governor's Office

## **September 9, 2019**

### **Welcome and Agenda Review**

Andrew Grassell, Board Chair, opened the public Board Meeting at 1:00 pm with a quorum present. Grassell reminded everyone that the Board agreed to try a two-day Board Meeting format and feedback is welcome at the end of the meeting on Day 2. Grassell reviewed the agenda and asked Board Members, NEEA staff and guests to introduce themselves.

## Board Consent Agenda

Grassell asked if there were any questions regarding the consent agenda items and called for a motion to approve.

- Minutes from the Board Meeting on June 4, 2019
- 2019 Board Work Plan

*Motion: Jason Eisdorfer moved to approve the consent agenda noting one change to the minutes from the Board Meeting on June 4, 2019; Monica seconded. The consent agenda was unanimously approved by voice vote.*

## Public Comment

There were no public comments

## Executive Director Update

Grassell asked Susan Stratton, NEEA staff, to provide the Executive Director update. Stratton thanked everyone for joining the meeting and reviewed the Q2 big picture including status of 2020 operations planning, the advancement of the Retail Product Portfolio program and preparations for transitioning to Cycle 6. Stratton reviewed the Q2 Electric performance scorecard and said the pipeline metrics are all within target range. She said NEEA's energy savings forecast hasn't changed since last quarter. She said full-year expenses are forecasted to be 97% of the approved 2019 budget.

Stratton provided an update on the portfolio and said NEEA is on track to meet 87% of the annual program milestones. The other 13% are mostly caused by a delay or change in program strategy. Stratton said the pipeline is in good shape heading into Cycle 6.

Stratton reviewed the new product group structure and provided additional information regarding consumer products and the HVAC product group. Stratton then provided updates from the End Use Load Research Project and Advisory Committee activities during Q2.

Stratton welcomed Kyle Burchard as the new Director of Business Administration. Stratton said the upcoming key dates for 2020 Operations Planning included the All Advisory Committee webinar on October 16<sup>th</sup> and the Board webinar on October 30<sup>th</sup>. She said the Board will vote on approval of the 2020 Operations Plan for Electric and Natural Gas in December.

Stratton reviewed other upcoming key events and the Board asked NEEA staff to send a save the date invitation for the 2020 Efficiency Exchange Conference.

***Action: NEEA staff will send a save the date invitation to the Board for the 2020 Efficiency Exchange Conference.***

There were no additional Board questions or decisions.

## Cycle 6 Funder Agreements Update

Stratton provided an update on the Cycle 6 funder agreements and said she anticipates having all agreements signed by Fall.

There were no additional Board questions or decisions.

### **Revised Regional Portfolio Advisory Committee (RPAC) Charter and Advisory Committee Streamlining Proposal**

Stratton said the objectives for the day's discussion included reviewing the background for this work, understanding RPAC's approach, reviewing the proposal including revised charters, resolving outstanding questions on the RPAC charter and approving the proposed approach and charters the following day. Stratton said that RPAC established a task force to review the process and charters and make recommendations.

Stratton said the origins of the streamlining efforts were to reduce the financial impact and eliminate overlap by creating committees with distinct and complimentary roles. Stratton said the task force presented three scenarios to RPAC and 10 out of 13 RPAC members chose scenario 3.

The Board discussed the need to establish who is chairing the Coordinating Committees and some Board members expressed concern that the proposal would require multiple staff from funding organizations to attend the same meeting. The Board discussed the possibility of establishing a point person to coordinate internally at funding organizations who would then bring back input to the coordinating committees.

Stratton said the purpose of coordinating committees is to address issues in real time as they arise and the Board agreed this approach will require crisp agenda management in order to invite the right funder representatives to the right portion of the meeting.

The Board asked how the success of the streamlining will be measured and Stratton said that NEEA staff will need to develop the metrics. She said metrics may include measuring NEEA staff and funder time and RPAC self-evaluations. She agreed to provide the Board with a draft list of criteria to evaluate during the first year of the streamlining efforts during the December Board Meeting.

The Board asked how this proposal affects the other advisory committees, such as the Natural Gas Advisory Committee.

Eisdorfer then reviewed the questions in the RPAC Charter for Board discussion. The first question was about the Committee Membership section and whether the Board agreed that the Executive Director should have some flexibility to appoint additional RPAC members to ensure the Committee has broad enough knowledge to adequately provide advice. The Board discussed this question and also who should have the ability to vote at RPAC Meetings. The Board agreed to leave the language as proposed.

Eisdorfer said the next two questions from RPAC are closely related and pertain to the challenge flag process.

The Board had questions regarding the tracked changes and whether RPAC had the chance to review them. After additional discussion, the Board asked for staff to review all track changes with the Governance Committee and RPAC before bringing back to the Board during the Q4 Board Meeting.

The Board agreed to continue the RPAC Charter discussion the following day.

**Action: NEEA staff will add the NGAC on the product groups/org structure chart.**

**Action: NEEA staff will look at the other advisory committees to evaluate how the advisory committee streamlining proposal affects/or does not affect those committees. NEEA staff will look at NGAC first.**

**Action: NEEA staff will invite a Natural Gas funder onto the Streamlining task force to help evaluate how the streamlining affects NGAC.**

**Action: NEEA staff will bring to the December Board Meeting a list of criteria to evaluate during the first year of the streamlining efforts. This criteria will include efficiencies and relationships.**

**Action: NEEA staff will revise the Board Meeting locations to reflect holding only one meeting per year in Portland.**

There were no additional Board questions or decisions.

## September 9 Wrap Up and Next Steps

The Board had no additional questions or topics for the day.

## Adjourn

Grassell adjourned the Board Meeting at 4:00 pm.

## September 10, 2019

### Welcome and Agenda Review

Andrew Grassell, Board Chair, opened the public Board Meeting at 8:00 am with a quorum present. Grassell reminded everyone that the Board agreed to try a two-day Board Meeting format and feedback is welcome at the end of the meeting. Grassell reviewed the agenda and asked Board Members, NEEA staff and guests to introduce themselves.

### Governance Committee Report

Jason Eisdorfer, Governance Committee Chair, provided the Governance Committee report. He began by continuing the Board discussion from the previous day regarding the RPAC Charter.

The Board agreed under the Challenge Flag Process, 4(b) i and ii to revert back to the existing language and add a sentence that any overrule by the Executive Director will be reported to the Board as part of the Executive Director Update. The Board asked NEEA staff to make this change and send back to the Governance Committee for review prior to presenting to RPAC during its Q4 Meeting. The Board asked for the RPAC charter to be presented to the Board again in December, after the RPAC review.

The Board also asked NEEA staff to highlight to RPAC the proposal to delete the last sentence under the Challenge flag process section, #1.

Eisdorfer then reviewed the proposed amended Board Policies and asked Board Members if there were questions or concerns.

The Board discussed the draft Coordinating Committee Charters and agreed that Organizations can send more than one person but only one will be able to vote. Need an intentional appointment to someone who is close to the business - a formal representative to act as the point person. No limit on number of participants but need one person who takes ownership of the representation. The member is encouraged to bring the appropriate technical representative from his/her organization. The Work Group charter is topic specific and shorter term. The Board agreed to let Eisdorfer or NEEA staff know if there are any questions regarding the Coordinating Committee or Work Group Charters.

*Motion: John Chatburn moved to approve the Board Director Appointment Policies and delete the Board Development Policy; Holly Braun seconded. The motion was unanimously approved by voice vote.*

*Motion: Deb Young moved to approve the Board Assessment and Orientation Policy and delete the Board Orientation Policy; John Chatburn seconded. The motion was unanimously approved by voice vote.*

*Motion: Steve Bicker moved to approve the Board Rules of Procedure Policy, Code of Ethics Policy and Natural Gas Funding Formula Policy; John Chatburn seconded. The motion was unanimously approved by voice vote.*

**Action: NEEA staff will send the RPAC Charter redlined from the original to the Governance Committee.**

**Action: After Governance Committee review, NEEA staff will send the RPAC and Coordinating Committee Charters to RPAC to talk through and ensure alignment on all changes.**

**Action: NEEA staff will work with RPAC committee leads to identify clear metrics for success of the advisory streamlining process, as well as to create a deadline for reporting on the progress to identified benchmarks.**

There were no additional Board questions or decisions.

## Strategic Planning Committee Report

Mike Colgrove, Strategic Planning Committee Chair, provided the Committee report. He said it's important to pay attention to what's going on in other parts of the country that impact NEEA's potential to be successful in the Northwest.

Colgrove said the Committee asked NEEA staff to help draft guidance that is meant to put parameters around what staff is paying attention to outside of the region and to provide guidance around how to bring that forward to the Board. Colgrove then asked Jeff Harris, NEEA staff, to provide an overview of the extra-regional updates. Harris provided updates on the California Retail Products Portfolio (CARPP), Nicor Gas and other activity in the Midwest. The Board discussed how to measure the value of this extra-regional work and what would have been lost or what is gained because of the extra-regional activity.

Colgrove added that the Strategic Planning Committee can also be the filter to look at the benefits and report those to the Board and he said NEEA shouldn't engage in extra-regional activity where value can't be demonstrated. The Board acknowledged that some of the activities are foundation building so that value can be recognized later.

NEEA staff clarified that extra-regional work isn't intended to change NEEA's strategy, rather it's a recognition that if NEEA is going to be successful, we need to pay attention to what's happening nationally.

The Board discussed that the proposed Extra-Regional Guidelines are a good tool to work through some of the issues the Board identified during the discussion.

Harris then provided an overview of the draft Extra-Regional Guidelines. Colgrove pointed out that this is a living document and he encouraged Board Members to send proposed edits as needed. The Board asked NEEA staff to add a section that focuses on communication and the importance of addressing who will be communicated to and how the communication will be disseminated. Colgrove said the Strategic Planning Committee will consider how to incorporate communication audiences and channels into the document.

**Action: NEEA staff will send the Illinois white paper to the Board.**

**Action: The SPC will consider how to incorporate communication audiences and channels into the draft Extra-regional Guidelines.**

There were no additional Board questions or decisions.

## Finance and Audit Committee Report

Larry Blaufus, Finance and Audit Committee Chair, provided the Committee report. He said the Committee completed the first detailed expenditure review and the purpose is for the Committee to understand how NEEA is spending money. He said there was only one area of concern and said that NEEA staff spent approximately 10 - 11 hours to prepare the expenditure report and research answers to the Committee's questions. The Board said it's important to evaluate the cost/benefit of this report in the future. The Committee agreed it was a beneficial process.

Blaufus introduced Todd Massinger from Hoffman, Stewart & Schmidt and asked him to provide an overview of the draft Form 990. Massinger said all tax exempt organizations are required to file this form each year and he said there was only one significant change from previous years. NEEA is filing Form 990T this year because NEEA staff was previously allowed to establish tax free transportation accounts. Due to changes in federal tax laws, these accounts have been eliminated so this form will not be filed in the future. There were no questions from the Board.

Blaufus asked Kyle Burchard, NEEA staff, to provide an overview of the financials. After reviewing the financial highlights, the Board asked how to read the scorecard and the financials together. Burchard explained how the financials line up with some of the data in the scorecard. He added that the financials provide more details than the scorecard.

**Action: NEEA staff will monitor staff labor time and associated costs of financial expense auditing by the Finance and Audit Committee.**

## Natural Gas Report

Monica Cowlshaw Natural Gas Committee Chair, provided the Natural Gas Committee report. She said Mike Colgrove led the Committee discussions that focused on legislation and policy updates. She shared that information was discussed regarding portfolio considerations, miscellaneous updates from the Cost Effectiveness Advisory Committee and recent meetings with Intermountain Gas.

There were no additional questions from the Board.

## Executive Committee Report

Andrew Grassell, Executive Committee Chair, provided the Executive Committee report. He asked the Board for feedback on the new, two day meeting format. The Board agreed to continue with the two day format and asked to revise the locations to meet in rotating states each meeting instead of Portland twice a year.

Grassell then asked Stratton to review the initial work on Diversity, Equity and Inclusion. Stratton provided an overview of the preliminary work NEEA staff has done and the Board held a robust conversation about what diversity, equity and inclusion means. The Board had varying opinions and agreed to continue conversations after NEEA staff had more information.

Grassell reviewed the responsibilities of the Ad Hoc Committee to Select Leadership in Energy Efficiency Awards and asked for volunteers from the Board. Bob Stolarski, Steve Bicker and Scott Coe volunteered.

***Action: NEEA staff will revise the 2020 Board Meeting dates to reflect the two day format and revise the locations to reflect rotating around the region more frequently.***

***Action: NEEA staff will revisit the proposed DEI timeline and consider how to engage with the larger DEI community. NEEA staff will bring the DEI conversation back to the Board after gathering more data and information.***

***Action: NEEA staff will revise the Diversity, Equity and Inclusion Plan to ensure it's labeled as a living document.***

***Action: NEEA staff will schedule the Ad Hoc Committee to Select Leadership in Energy Efficiency Awards Meeting for mid-October.***

There were no additional questions from the Board.

## Public Comment

There were no public comments.

## Wrap up and next steps

There were no additional questions or statements from the Board.

## Closing Remarks and Adjourn

Andrew Grassell adjourned the public Board Meeting at 11:35 am.





# Executive Director Update



# Quarterly Performance Report » Q3 2019

## A Note from the Executive Director

It's hard to believe, but we have almost reached the end of NEEA's Cycle 5 (2015-2019) Business Plan. Since 2015, alliance activities have driven measurable change in all of NEEA's target markets and the organization is on-track to exceed its business plan goal of delivering 150 aMW of Co-Created energy savings. NEEA staff are looking forward to providing a 2015-2019 Business Plan overview and wrap-up at the Q1 Board of Directors meeting in March.

Looking ahead to Cycle 6, NEEA staff are focused on increasing portfolio diversity by adding new programs to the portfolio and accelerating early-state programs. Current estimates are that three programs - Heat Pump Water Heaters, Retail Product Portfolio and Super-Efficient Dryers - will be responsible for more than 80 percent of Cycle 6 savings from current investments. Ensuring success in these programs is a key 2020 organizational priority. Other priorities include working with funders to implement the new advisory committee structure and engaging extra-regionally to increase Northwest influence and deliver value to the region.

### *Q3 Market Transformation Highlights:*

- Advanced Retail Product Portfolio program into Market Development; with this move, NEEA has significantly exceeded its Business Plan goal of advancing 175 aMW of 20-year total regional savings potential into the market over the five-year period
- Completed testing of 15 cold climate heat pumps (used for space heating and cooling) to identify those that work best in Northwest climates
- Secured Continuing Education Unit accreditation for new heat pump water heater sales and technology training to create more training opportunities for installers and influence higher attendance rates.
- Launched retailer sales challenge to increase retailer and consumer awareness of NEEM+ Manufactured Homes

A handwritten signature in black ink, reading "Susan E. Stratton".

Susan E. Stratton  
Executive Director



## Electric Quarterly Performance Scorecard

			Target	Actual	Status Q2/Q3
<b>STRATEGIC GOALS</b> <i>(Updated quarterly)</i>	<b>Goal 1: Fill the Energy Efficiency Pipeline</b>	Scanning Portfolio Health (aMW)	1400	1476	
		Pipeline Health (aMW)	1000	910	
		Program Advancement (aMW)	175	262	
	<b>Goal 2: Create Market Conditions for Efficiency</b>	Annual Program Milestones On-Track	90%	80% (pg. 3)	
			Target	Forecast	Status Q2/ Q3
<b>CO-CREATED ENERGY SAVINGS (aMW)</b> <i>(Updated in Q1 and Q3)</i>	<b>Current Business Plan Investments (2015-19)</b>	1-yr Forecast (2019)	18	18 (pg. 3)	
		5-yr Forecast (2015-2019)	75	60-70	
		10-yr Forecast (2015-2024)	180	180-210	
	<b>All Investments (1997-today)</b>	1-yr Forecast (2019)	28	29	
		5-yr Forecast (2015-2019)	150	200-210	
	= Within 20% of target     = Within 1% of target or better     = More than 20% below target				
			Budget/Target	Forecast	Actual <sup>i</sup> Status Q2/Q3
<b>COST-EFFECTIVENESS FINANCE AND OPERATIONS</b> <i>(Updated quarterly)</i>	<b>Cost-Effectiveness</b>	Levelized Total Resource Cost <sup>ii</sup> (\$/kWh)	\$0.035	\$0.028	N/A
	<b>Finance</b>	Current Quarter Expenses (\$M)	\$9.0	\$9.8	\$9.2
		Annual Expenses (\$M)	\$34.6	\$33.2	\$23.6
		Business Admin Expenses (%)	<13%	12.9%	12.7%
	<b>Staffing</b>	Employee Retention % (12-month)	>90%	N/A	86%
Finance:  = within 5% of target;  = 5-10% above or below target;  = More than 10% above or below target Employee Retention:  = At target or better;  = Within 10% of target;  = More than 10% below target					

<sup>i</sup> Excludes Special Funds and Natural Gas Funds<sup>ii</sup> Current investments (2015-2019)

### Need to Know

- **Pipeline Health:** In Q3, the Retail Product Portfolio program moved from the Emerging Technology pipeline into Market Development resulting in a temporary dip in this metric.
- **Annual Program Milestones:** As of Q3, 80% of annual program milestones are on-track, which is below desired target of 90%. See pg. 3 for details.
- **Energy Savings from Current Investments (2015-2019):** NEEA's 5-year savings estimate for current investments is 60-70 aMW, approximately 7% below target (unchanged since Q3 2018). Savings from all investments are on-track to exceed Business Plan goals.
- **Current Quarter Expenses:** Third quarter expenses were 94 percent of forecast, primarily due to delays in a Washington code evaluation and fewer than expected mid-stream incentives. See pg. 6 for details.
- **Employee Retention:** Retention remained slightly below target in Q3 at 86% (unchanged from Q2), but still well above industry baseline.

### Definitions:

Scanning portfolio health - 20-year aMW potential of opportunities NEEA is investigating.

Pipeline health - 20-year aMW potential of opportunities for which NEEA is developing programs.

Program Advancement - 20-year aMW potential of opportunities expected to move from program development into market development during this business cycle (2015-2019).

Co-Created Energy Savings - Energy savings that the region and local programs achieve by working together.

Business Administration Expenses - Percent of total budget dedicated to business administration and executive cost centers.



## Electric Portfolio Scorecard

### Co-Created Savings, Current Investments

Market Transformation Program	2019 aMW estimate	% of total 2019 aMW forecast	Annual program milestones on track (Q2/Q3)	1-yr aMW forecast status (Q2/Q3)	5-yr aMW forecast status (Q2/Q3)
Standards not associated with programs	4.8	26%			
Codes not associated with programs	4.4	24%			
Next Step Homes/ Efficient Homes	3.0	16%			
Ductless Heat Pumps	2.9	16%			
Heat Pump Water Heaters	1.3	7%			
Super-Efficient Dryers <sup>1</sup>	0.8	4%			
Reduced Wattage Lamp Replacement	0.8	4%			
Retail Product Portfolio	0.2	1%			
Luminaire Level Lighting Controls	< 0.1	< 1%			
Certified Refrigeration Energy Specialist <sup>2</sup>	< 0.1	< 1%	N/A		
Manufactured Homes	0.0	0%		N/A	N/A
Building Operator Certification <sup>2</sup>	0.0	0%	N/A		
Commercial Code Enhancement <sup>3</sup>	0.0	0%		N/A	N/A
Extended Motor Products <sup>3</sup>	0.0	0%		N/A	N/A
High Performance HVAC <sup>3</sup>	0.0	0%		N/A	N/A
Window Attachments	N/A	N/A		N/A	N/A
Top-Tier Trade Ally Advanced Training <sup>4</sup>					
Commercial Real Estate <sup>4</sup>					
Industrial Technical Training <sup>4</sup>					
Strategic Energy Management <sup>4</sup>					
<b>TOTAL</b>	<b>18</b>	<b>100%</b>			

Energy Savings: ● = More than 20% below target ● = Within 20% of target ● = Within 1% of target or better  
 Annual Program Milestones On-track: ● = <75% ● = 75-90% ● = 90-100%

### Need to Know

- As reported in Q2, NEEA expects to meet its 2019 Co-Created energy savings target for current investments supported by strong savings estimates from commercial codes and residential standards.
- Across the electric portfolio, 80% of 2019 program milestones are on track. In Q3, both Manufactured Homes and Extended Motor Products experienced progress delays. Detailed information about individual market/ program progress is available in NEEA's Q3 Market Progress Report, available at: [neea.org/events](http://neea.org/events) (click 'read more' under the December board meeting entry).

#### Footnotes:

- 1 - No five-year Business Plan target.
- 2 - Programs that are no longer in active market development do not have annual program milestones.
- 3- Programs that are in the early stages of NEEA's lifecycle process do not yet have savings estimates.
- 4 - Infrastructure programs do not directly deliver aMW energy savings.
- 5 - Status indicates current energy savings estimate vs. target; NEEA staff update savings estimates in Q1 and Q3.



## Electric Quarterly Highlights

### STRATEGIC GOAL 1 » Fill the Energy Efficiency Pipeline

NEEA staff identify, test, refine and pilot emerging technologies with the potential to increase efficiency in the Northwest. In Q3, NEEA staff:



Launched field research to validate energy savings from fan motor products. Results will be used to confirm Regional Technical Forum (RTF) savings and support the integration of fan products into the alliance Extended Motor Products program.



Completed testing of 15 cold climate heat pumps (used for space heating and cooling applications) in partnership with Natural Resources Canada. Results show promise for this test procedure to identify heat pumps that can save energy and perform in each climate zone.



For the latest information about alliance emerging technology activities, see NEEA's quarterly Emerging Technology report, available at: [neea.org](http://neea.org)

### STRATEGIC GOAL 2 » Create Market Conditions for Efficiency

The alliance operates a portfolio of market transformation programs in seven cross-sector Product Groups. Annual goals and activities are detailed in NEEA's annual Operations Plans, which are available at [neea.org/plans](http://neea.org/plans).

#### HVAC Product Group



**Engaging with the region on Ductless Heat Pump (DHP) program progress:** Hosted three utility webinars to keep program managers up-to-date on technology advancements, research results and program progress:

1. Presented recommended specifications, best practices and the qualified products list for cold climate DHPs.
2. Provided updates on Pacific Northwest National Lab's Maximizing Mini-split project investigating solutions to maximize DHP performance in homes with pre-existing heating systems (electric zonal and electric forced air furnaces).
3. Shared findings from the 8th DHP Market Progress and Evaluation Report, which concluded that the market will continue to grow in the absence of direct NEEA intervention. The report recommended additional research of cold climate barriers and to help understand cost components associated with installation to inform utility cost-effectiveness challenges.



**Increasing consumer and supply chain awareness:** Developed and posted blog posts on GoingDuctless.com, including 'MythBusting DHP Misconceptions' and 'All About Cold-Climate Ductless Heat Pumps' to help consumers and installers find resources and information about advances in DHP technology.



## Electric Quarterly Highlights Continued:

### Water Heating Product Group



- **Addressing barrier of supply chain resistant to new technology:** Secured accreditation for new heat pump water heater (HPWH) sales and technology training to create more training opportunities for installers and influence higher attendance rates. NEEA's latest HPWH Market Progress Evaluation Report found that installers who have received training have higher perceptions of the technology.
- Across the region, sales of HPWHs continue to fall short of targets. In 2020, the alliance is looking for opportunities to engage in deeper regional collaboration to support its goal of a three-fold increase in sales over 2019 levels.

### Lighting Product Group



**Increasing awareness of the value proposition of luminaire level lighting controls:** Partnered with Seattle City Light to develop a case study of an LLLC installation at a business office park. Decision-makers and influencers have made it clear that providing credible examples is one of the most important things the alliance can do to build awareness and acceptance of LLLCs in the market. NEEA staff rely on funders to help identify opportunities for case study development and appreciate the efforts of many organizations that continue to seek and provide additional examples.

### New Construction Product Group



**Increasing retailer and consumer awareness of NEEM+ Manufactured Homes:** Launched retailer sales challenge offering incentives to sales staff who sell NEEM+ certified manufactured homes. The challenge will run through Q1 2020 and retailers across the region are eligible to participate. In Q3, manufacturers Kit and Palm Harbor both report increasing demand and sales from their key retailers.

### Consumer Products Product Group



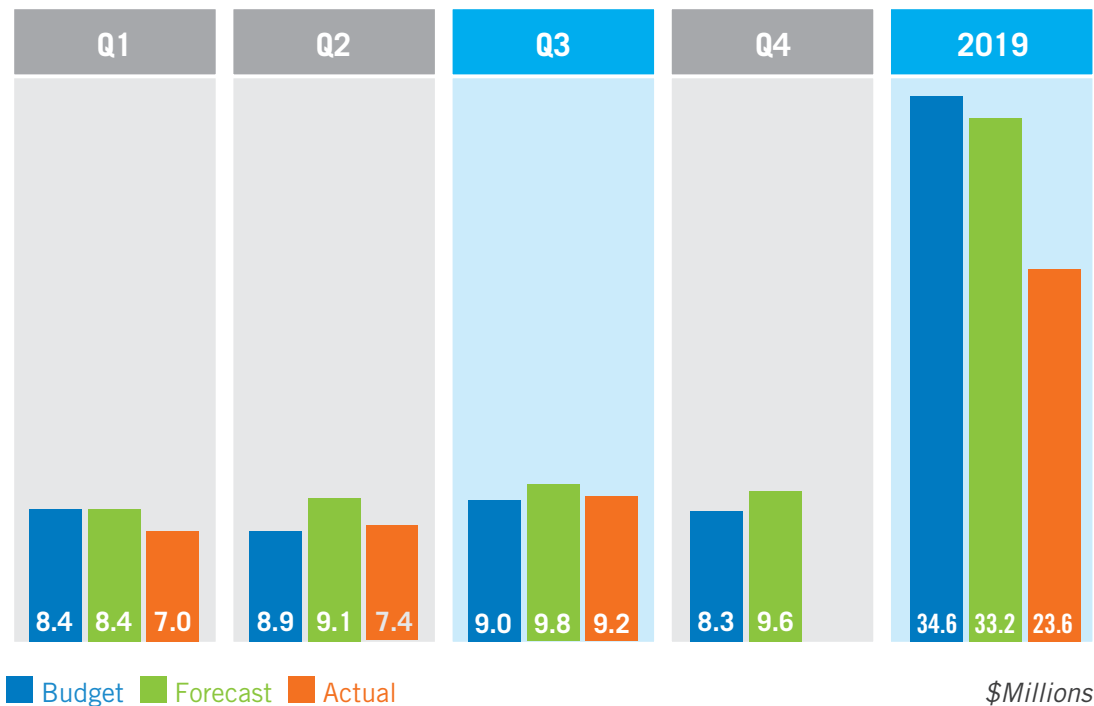
**Influencing more efficient consumer product specifications:** Worked closely with the Environmental Protection Agency to influence ENERGY STAR's new air cleaner specification. NEEA staff provided comments and program sales data in support of the revised specification. As a result of NEEA's recommendations, ENERGY STAR increased the overall efficiency requirements of larger units. The new specification takes effect in July 2020.



**Addressing barrier of inadequate consumer awareness:** Developed "Energy-Efficient Dryers Buyer's Guide" to provide consumers with an overview of all ENERGY STAR and ENERGY STAR Most Efficient dryers, including hybrid and heat pump models. Working with partners at ENERGY STAR, NEEA staff posted the buyer's guide on the ENERGY STAR website and developed a consumer campaign to drive traffic to the guide.

**Need to Know: Electric Investment****YTD Electric Investment = \$23.6 Million**

YTD electric expenses are 90 percent of budget. Variance is largely due to: 1) recruiting challenges that delayed a Washington code evaluation; 2) lower than anticipated consulting, IT and professional development expenses; 3) fewer than anticipated sales of Super-Efficient Dryers combined with market research efficiencies in that program; 4) fewer Retail Product Portfolio incentives resulting from increased stringency of product specifications; and 5) YTD heat pump water heater sales incentives, which are below target for the year. Full-year forecast is 96 percent of the approved 2019 budget.

**YTD Key Budget Variances:**

+	-
	• (\$650K) - Washington code evaluation delay
	• (\$534K) - Lower than anticipated consulting, IT hardware and software, and professional development.
	• (\$274K) - Super Efficient Dryers reduced mid-stream incentives and research efficiencies
	• (\$241K) - Retail Product Portfolio incentives
	• (\$202K) - Heat Pump Water Heater mid-stream incentives

**YTD Electric Expense Detail:****59% (\$13.8 M)**

Total Direct Program Expenses

**35% (\$8.3 M)**

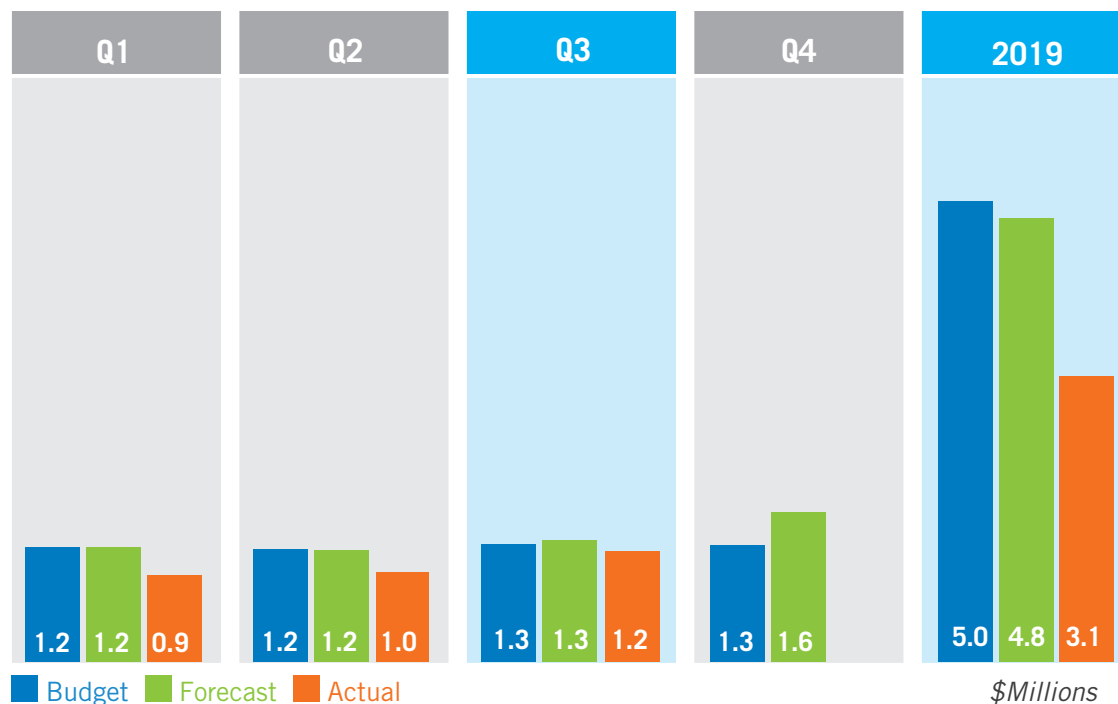
Total Salaries and Benefits

**6% (\$1.4 M)**

Total General and Administrative

**Need to Know: Natural Gas Investment****YTD Natural Gas Investment = \$3.1 Million**

YTD natural gas expenses are 84 percent of budget. Variance was due in part to a shift in rooftop HVAC strategy, delayed Gas Combi Unit projects and lower expenses for compensation and benefits. Full year forecast is 96 percent of approved 2019 budget.

**YTD Key Budget Variances:**

+	-
	<ul style="list-style-type: none"> <li>• (\$273K) - Rooftop HVAC strategy shift combined with field trial cost savings</li> </ul>
	<ul style="list-style-type: none"> <li>• (\$168K) - Combination unit delays in lab and field testing</li> <li>• (\$99K) - Compensation and benefits</li> </ul>

**Quarterly Natural Gas Highlights:**

**Efficient Gas Water Heaters** - Began working with the Gas Technology Institute on a co-funded North American Gas Heat Pump Water Heater Field Demonstration. Project goals are to verify product performance in cold climates, bolster utility program development and prime the market for a projected product launch in 2022.



**Combination space and water heating units** – Initiated field testing of two commercially available natural gas combi units to understand installation issues, gauge customer satisfaction and quantify energy savings. Results will support utility programs and inform commercialization.

**YTD Natural Gas Expense Detail:****53% (\$1.8 M)**

Total Direct Program Expenses

**22% (\$0.6 M)**

Total Salaries and Benefits

**25% (\$0.7 M)**

Total General and Administrative



**TOGETHER** *We Are Transforming the Northwest*



***Please address questions to:***

Virginia Mersereau

Corporate Strategy and Communications Manager

[vmersereau@neea.org](mailto:vmersereau@neea.org)

503.688.5491

All NEEA quarterly performance reports are available on [neea.org](http://neea.org).



# RPAC and Coordinating Committee Discussion

# Memorandum

November 19, 2019



TO: NEEA Board of Directors

FROM: Becca Yates—Director, Stakeholder Relations, Strategy and Communications;  
and BJ Moghadam – Sr. Manager, Stakeholder Relations

SUBJECT: Revised RPAC and Coordinating Committee Charters for Board Approval

## Asks of You

1. Review the context and the summary of RPAC’s proposed revisions to the charters below.
2. Review the charters that follow this memo, including the RPAC, Coordinating Committees (CCs), and Work Group charter template, with red-lined revisions to RPAC and CC charters.
3. Approve all Charters

## Context

The NEEA Board requested during its September 2019 meeting that RPAC review all revisions to the RPAC charter, particularly those made by staff and those regarding the Challenge Flag process. Additionally, the Board requested the Governance Committee review RPAC’s recommendations and confirm its support prior to seeking Board approval during the December 4-5, 2019 Board meeting. The Governance Committee (GC) met on October 30 and requested that RPAC review all substantive edits proposed by NEEA staff, highlighting specific concerns flagged by the GC. NEEA staff edits are track changed in red.

During its November 13 meeting, RPAC reviewed the entire charter and discussed all substantive edits proposed by NEEA staff. RPAC recommended that some NEEA staff edits be retained, some modified, and some rejected. RPAC also proposed additional edits. With these recommendations, summarized below and in the draft charters that follow, RPAC is supportive of its revised charter, the two Coordinating Committee charters, and the Work Group charter template. How the success of this new streamlining approach will be measured will be discussed with RPAC and the Board during Q1 2020.

## Summary of RPAC Recommendations (see the charters that follow for these recommendations in-line)

### RPAC Charter

1. Responsibilities, #1 – RPAC supports as modified by staff with revisions to the formatting and wording/grammar corrections.
2. Responsibilities, #2 – RPAC supports the proposed language replacing “course corrections”.
3. Responsibilities, #5-7 – RPAC supports the proposed language clarifying its role in relation to the other NEEA committees.
4. Authority – RPAC supports the proposed language modified to read “RPAC advises NEEA’s Executive Director” (vs. “RPAC reports to the Executive Director”).
5. NEEA Governance/Management/Advisory Roles and Responsibilities table<sup>1</sup>:
  - a. NEEA Board: RPAC has no concerns with this proposed language but recommends review by Governance Committee for consistency with other Board governance language.

<sup>1</sup> This table is also in the CC charters, with identical red-lines consistent with these recommendations.

- b. NEEA Executive Director: RPAC supports.
- c. RPAC: RPAC supports.
- d. Coordinating Committees: RPAC supports with one revision to clarify the CCs' relationship with RPAC.
- e. CEAC and RETAC: RPAC recommends temporarily removing these committees from the table until their roles are clarified and/or confirmed via the Streamlining process.
- f. Work Groups: RPAC supports.

#### RPAC Charter Addendum A – NEEA Program Advancement Process

##### 6. Portfolio Consent Voting

- a. Intro paragraph: RPAC recommends a new revision to clarify that “full consent” applies to those casting votes, as opposed to requiring a vote from all eligible RPAC members, present or not.
- b. No Votes: Consistent with the Governance Committee's concern with providing a prescriptive definition of “viability”, RPAC recommends simplifying this language and deleting the proposed definition of “viability” in Sec 3(c) under Challenge Flag Process. RPAC supports as modified.
- c. Abstain: RPAC recommends a new revision to expand the meaning of “Abstain” to include a neutral position, vs. indicating dissent only. RPAC supports as modified.
- d. Last paragraph: RPAC recommends:
  - i. Adding language specifying that voting results will be shared with NEEA's Executive Director and communicated to the Board.
  - ii. Leaving NEEA staff deletions. RPAC agrees that, given the deletion of Sec 4(b)(ii) under Challenge Flag Process (re: overruling a challenge flag) and the resulting requirement that all Challenge Flags/No Votes will be discussed with NEEA's Board before a decision is made, that no charter language requiring the halting or delay of a program is needed.

##### 7. Challenge Flag Process

- a. #1: Consistent with 6(d) above, RPAC supports deleting language that would require NEEA staff to halt/delay a program in the event of a Challenge Flag.
- b. #3(c): RPAC supports retaining the word “viability” as a worthwhile goal but shares the Governance Committee's concern with providing a prescriptive definition of “viability”. RPAC recommends deleting this proposed definition and returning to original charter language.
- c. #4: RPAC supports the deletion of 4(b)(ii) (recommended by the Governance Committee and agreed to by Susan Stratton during the Oct 30 GC meeting), which eliminates the need for sub-clause 4(b)(i), leaving Sec 4(b) reading as follows:
 

“If RPAC and NEEA staff cannot agree on a proposed solution that achieves 4(i-ii), NEEA's Executive Director shall escalate the matter for discussion by the Board prior to the Executive Director making the final decision on how the NEEA market transformation effort shall proceed.”

#### Coordinating Committee Charters

- 8. Committee Membership: RPAC supports the addition of language allowing BPA to appoint up to two Indirect Funder representatives to participate on each CC. Indirect Funders were represented on the former Sector Advisory Committees, and this language corrects this unintended omission.
- 9. NEEA Governance/Management/Advisory Roles and Responsibilities table
  - a. Identical recommendations per #5 above

#### Work Group Charter Template

- 10. RPAC is supportive of the Work Group charter template as proposed.

**PROPOSED RPAC CHARTER -- REDLINED****REGIONAL PORTFOLIO ADVISORY COMMITTEE CHARTER****Review process:**

HISTORY			
Source	Date	Action/Notes	Next Review
RPAC	Q1, 2015	Reviewed, no changes	Q1, 2016
Board Decision	June 2, 2015	Board approval	2020
Governance Committee	November 3, 2015	Recommended Board approval	2020
Executive Committee	November 19, 2015	Recommended Board approval	Q2 2020
Board Decision	December 3, 2015	Board approval	Q2 2020
RPAC	August 11, 2016 August 31, 2017	Revised Revised	Q1 2018
Governance Committee	October 24, 2017	Recommend Board approval	Q2 2020
Executive Committee	November 16, 2017	Recommend Board approval	Q2 2020
Board Decision	December 5, 2017	Board approval	Q2 2020
<u>RPAC</u>	<u>November 13, 2019</u>	<u>Revised</u>	<u>Q1 2020</u>
<u>Governance Committee</u>	<u>TBD, by email</u>	<u>Recommended Board approval</u>	<u>Q2 2025</u>
<u>Executive Committee</u>	<u>TBD, by email</u>	<u>Recommended Board approval</u>	<u>Q2 2025</u>
<u>Board Decision</u>	<u>December 5, 2019</u>	<u>Board approval</u>	<u>Q2 2025</u>

**Purpose**

The purpose of the Regional Portfolio Advisory Committee (Advisory Committee) is to ~~provide NEEA with broad-based advice, experience and guidance on electric market transformation programs and supporting activities. The Advisory Committee will work to reach consensus on the prioritization and advancement of market transformation programs to help steer NEEA's work toward achievement of the organization's strategic goals, priorities and objectives.~~ support Alliance success by advising on the optimal composition of NEEA's program portfolio, including a formal vote for program advancement at two key ~~decision~~ points in the Initiative Lifecycle, consistent with the goals and objectives of NEEA's ~~five year then-current~~ Business Plan and annual Operations Plan.

~~This Advisory Committee is a management advisory committee, providing support to the work of NEEA managers and other staff in its program development and implementation responsibilities. As such, it ultimately reports to NEEA's Executive Director.~~

~~-RPAC is a leadership advisory committee with a formal voting function that is used to advise NEEA's Executive Director on portfolio management. As such, RPAC Members have significant influence on alliance work and are expected to be sufficiently resourced to perform this function. This includes working within RPAC Member organizations to assure that the expertise needed to inform alliance work is represented on supporting advisory committees and work groups (i.e. right people, right topic, right time).~~

**Responsibilities**

1. ~~To support effective portfolio performance consistent with the goals, strategies and objectives of NEEA's Business Plan, r~~Review and advise
  - o ~~(a) on NEEA's electric Operations Plan annually to ensure effective portfolio performance consistent with the goals, strategies and objectives of NEEA's Business Plan annually, and~~



### PROPOSED RPAC CHARTER -- REDLINED

7. ~~Share experiences and advance understanding of how NEEA and utilities/public benefits administrators and key stakeholders can best work together on the market programs to leverage resources and results.~~
8. ~~Provide a forum for information exchange within the region on market program activities and interests, and opportunities for collaboration.~~
9. ~~Define criteria and weighting for the portfolio assessment tool.~~
10. ~~Recommend allocation of resources between sectors.~~
11. ~~Inform the members' organizations and key stakeholders on the activities and decisions of the Committee.~~
12. ~~Review Committee Charter at least annually and route substantive revisions to the NEEA Board Strategic Planning Committee for review.~~
13. ~~Provide direction and oversight for the Regional Strategic Market Plans identified in NEEA's current Business Plan. The Collaborative Charter, available [here](#)<sup>+</sup>, details the Advisory Committee's roles and responsibilities, membership and governance, purpose, and other information.~~

#### Committee Membership

Each electric direct funder will appoint a representative with voting authority ("Member") on ~~the RPAC Advisory Committee, and t~~<sup>he</sup> Executive Director may appoint additional voting member(s) as needed to support or enhance the effectiveness of the ~~Advisory Committee~~<sup>committee</sup>. Voting authority is exclusive to Members.

#### Portfolio Consent Voting

Full consent must be reached by ~~all Advisory Committee voting members~~<sup>RPAC Members in attendance, in person or electronically,</sup> in order for a NEEA program to advance through the Initiative Start and Scale-~~Up~~<sup>Approval</sup> milestones (refer to Addendum A – Program Advancement Process, Portfolio Consent Voting, for voting rules). To conduct a vote, a quorum of ~~Advisory Committee members~~<sup>RPAC members</sup> must participate. ~~(A~~<sup>a</sup> quorum is a simple majority of eligible participants.)

#### Authority

RPAC is authorized to take action or make recommendations as necessary to fulfill the responsibilities delegated to RPAC in this charter. RPAC ~~reports to~~ advises NEEA's Executive Director.

**Commented [BM4]:** 11/13/19--RPAC replaced "reports to" with "advises", and supports as modified.

#### Open Meetings and Closed Sessions

All ~~Advisory Committee~~<sup>RPAC</sup> meetings shall be open to ~~in-person participation by members of~~ the public. With the exception of sensitive information not appropriate for public dissemination, meeting materials (including but not limited to meeting packets, slide presentations, summary notes and Portfolio Consent Voting records) will be posted for public access. A closed session for part or all of any committee meeting may be called at any time to discuss sensitive information such as competitive or proprietary information that ~~should~~<sup>can</sup> not be publicly shared. Any ~~member of the Advisory Committee~~<sup>RPAC Member</sup> ~~can~~<sup>may</sup> request a closed session.

#### Meeting Schedule

~~The Advisory Committee~~<sup>RPAC</sup> will conduct standing meetings quarterly and ~~conduct~~ additional meetings and/or webinars as needed.

<sup>+</sup> [https://conduitnw.org/\\_layouts/Conduit/FileHandler.ashx?RID=2872](https://conduitnw.org/_layouts/Conduit/FileHandler.ashx?RID=2872)

## PROPOSED RPAC CHARTER -- REDLINED

### Shared Commitment

Advisory Committee members RPAC Members and NEEA sStaff share a commitment to communicate within and coordinate with among Member organizations on the activities and decisions of this and related advisory committees, in the spirit of collaboration and with the intent of operating with no surprises.

**Commented [BM5]:** 11/13/19--RPAC supports as modified.

### Review schedule:

RPAC will review this Charter at least annually and route substantive revisions to the appropriate NEEA Board Committee(s) for review. The Board will review this charter during the first year of the funding cycle, or at other times as needed.

<u>Purview of NEEA Governance/ Management/ Advisory Structure Roles and Responsibilities</u>	
<u>NEEA Board</u>	<ul style="list-style-type: none"> <li>• All corporate governance and fiduciary duties, including ensuring the system of rules, practices and processes by which a firm-NEEA is directed and controlled are in place to balance the interests of the alliance's many stakeholders, to support the achievement of the organization's purpose;</li> <li>• Strategic and Business and Operations Planning development and approval</li> <li>• Operations Plan and budget approval</li> </ul>
<u>NEEA Executive Director</u>	<ul style="list-style-type: none"> <li>• Manage the business of NEEA according to Strategic, Business and Operations Plans, set forth by Board</li> <li>• Oversee business operations and staff</li> </ul>
<u>Regional Portfolio Advisory Committee (RPAC)</u>	<ul style="list-style-type: none"> <li>• Advise NEEA's Executive Director on portfolio performance and program advancement; "challenge flag" process; RPAC+ downstream marketing elections</li> <li>• Monitor developments from other advisory committees with regard to regional coordination, market progress, and emerging technology</li> </ul>
<u>Sector Advisory Coordinating Committees (SACs/CCs)</u>	<ul style="list-style-type: none"> <li>• Advise NEEA staff on program coordination and optimization, to avoid overlap conflicts between NEEA and local programs, and seize opportunities for deeper collaboration. Collaborate with NEEA Staff and report to RPAC on coordination and optimization of NEEA programs and related activities, to identify and manage through potential implementation challenges between NEEA and local utility activities, and seize opportunities for amplified market influence</li> </ul>
<u>Cost Effectiveness and Evaluation Advisory Committee (CEAC)</u>	<ul style="list-style-type: none"> <li>• Advise NEEA's Executive Director on methods, data sources and inputs for use in NEEA's cost benefit analysis and energy savings reporting</li> <li>• Advise NEEA's Executive Director on market research and evaluation methodologies</li> </ul>
<u>Regional Emerging Technology Advisory Committee (RETAC)</u>	<ul style="list-style-type: none"> <li>• Advise NEEA's Executive Director on NEEA's work toward achieving its strategic pipeline goals</li> <li>• Track and coordinate the progression of energy efficiency technologies to improve technology readiness and market adoption in the Northwest</li> <li>• Advise on NEEA's work toward achieving its strategic pipeline goals</li> </ul>
<u>Work Groups</u>	<ul style="list-style-type: none"> <li>• Formed on an as-needed basis and staffed with as-needed expertise, for a limited term and specific purpose that is distinct from that of the ACs</li> <li>• Formed by RPAC on an as-needed basis and staffed with as-needed expertise, for a limited term and specific purpose that is distinct from that of RPAC, the CCs, and other Advisory Committees or Work Groups</li> </ul>

**Commented [BM6]:** 11/13/19--RPAC has no concerns with this proposed language, but recommends review by Governance Committee for consistency with other Board governance language.

**Commented [BM7]:** 11/13/19--RPAC supports as modified.

**Commented [BM8]:** 11/13/19--RPAC added "report to" to clarify CC relationship with RPAC, and supports as modified.

**Commented [BM9]:** 11/13/19--RPAC recommends temporarily removing CEAC from this table until role of RETAC is clarified and/or confirmed via the Streamlining process.

**Commented [BM10]:** 11/13/19--RPAC recommends temporarily removing RETAC from this table until role of RETAC is clarified and/or confirmed via the Streamlining process.

**Commented [BM11]:** 11/13/19--RPAC supports as modified.



## PROPOSED RPAC CHARTER -- REDLINED

### RPAC CHARTER ADDENDUM A – NEEA PROGRAM ADVANCEMENT PROCESS

#### OVERVIEW

In addition to collaborating with the appropriate sector advisory committee and work group, ~~NEEA staff will take a formal vote of its~~ Regional Portfolio Advisory Committee (~~Advisory Committee RPAC~~) ~~will take a formal vote~~ prior to a NEEA Program being adopted into the NEEA market transformation program portfolio (Initiative Start milestone), and prior to a NEEA Program being approved to 'scale-up' its market activities (Scale-Up ~~Approval~~ milestone). ~~NEEA will provide the Advisory Committee with supporting materials at least 10 business days prior to a vote, including:~~

- ~~A Stakeholder Coordination Plan to identify areas where coordination may or will be required, what steps NEEA will take to ensure appropriate coordination, and what process NEEA will follow moving forward. NEEA and funder representatives will generate this plan in a collaborative process prior to release to the Advisory Committee.~~
- ~~The Market Transformation Strategy (Business Case) that describes the overall design of the program, including the specific market barriers that NEEA believes are impeding market transformation, the steps proposed to overcome those barriers, whether efforts are best done by NEEA, the local organization or others and why, and estimated costs, benefits and related assumptions used to define the scope, goals and outcome metrics for the program.~~
- ~~The Program Implementation Plan that provides details on planned market interventions, timing and that clarifies roles and responsibilities.~~

NEEA will provide RPAC with a detailed “business case” at least 10 business days prior to a vote. Key components of the business case include: progress and findings to date; planned activities for the next stage; investment rationale and proposed budget, including estimated energy savings and cost effectiveness (at Scale-Up ~~Approval~~ milestone); market transformation theory, including market drivers, barriers and intervention strategies; a marketing strategic plan; a funder coordination plan, and detailed roles and responsibilities to clarify expectations for funders and for NEEA staff regarding the execution of and coordination on key program activities.

In addition to this process, there is a formal intervention process (i.e. the “challenge flag”) that allows RPAC Members to request changes and improvements if a funder believes a program is heading in a direction contrary to that which was agreed upon.

#### PORTFOLIO-CONSENT VOTING

A roll-call vote will be taken at ~~the Advisory Committee RPAC~~ prior to a NEEA program advancing through the Initiative Start and Scale-Up ~~Approval~~ milestones. Full consent<sup>2</sup> must be reached ~~by those casting votes~~ for a NEEA program to advance. ~~To the extent an Advisory Committee member’s organization has opted out of a NEEA program, that member shall abstain from voting on the advancement of that program.~~

An ~~Advisory Committee member RPAC Member~~ may register his/her “Yes” vote in multiple ways as follows:

<sup>2</sup> Full Consent = In groups that require unanimous agreement or full consent (unanimity) to approve group decisions, if any participant objects, he/she can block consensus.

**Commented [BM12]:** 11/13/19--RPAC recommends this revision to clarify that “full consent” applies to those casting votes, as opposed to requiring a vote from all eligible RPAC members, present or not.

## PROPOSED RPAC CHARTER -- REDLINED

### 1. Yes

- In person or ~~via by phone/webinar~~ during a meeting where a ~~Portfolio Consent Vote~~ vote is taken
- In writing (electronic or otherwise) to NEEA Staff in advance of a meeting
- Via an appointed delegate, in the event the ~~Advisory Committee member RPAC Member~~ is unable to participate

### 2. No

- In person or by phone during a meeting where a vote is taken
- RPAC Members voting "No" shall identify their concerns and ~~how they might be addressed so that RPAC Members and NEEA staff have an opportunity to discuss and understand the Member's position, propose a solution consistent with 3(c) under Challenge Flag Process below, propose a solution that addresses both their concerns and the viability of the NEEA market transformation effort.~~

### 3. Abstain

An RPAC Member may choose to abstain as a means of registering ~~a neutral opinion or dissent without voting "No", to block a program's advancement~~

### 4. Present, Not Voting

An RPAC Member who is present may choose not to vote as a means of remaining neutral on a program's advancement.

- 1. Notes:** ~~If an Advisory Committee member RPAC Member is unable to participate in a meeting where a vote is to take place, and does not register a vote in writing in advance of the meeting, and appoints no delegate to represent his/her organization at the meeting, that member is considered to forgo his/her vote on the program slated for voting at that time.~~
- ~~2. A "No" vote must be delivered personally during a meeting, whether by phone or in person.~~
- ~~3. Advisory Committee members voting "No" shall identify their concerns and how they might be addressed so that Advisory Committee members and NEEA Staff have an opportunity to discuss and understand the position of the member voting "No."~~

Voting results will be shared with NEEA's ~~Board Executive Director, communicated to the Board,~~ and posted for public access along with other ~~committee RPAC~~ meeting materials. ~~If the Advisory Committee RPAC does not reach full consent for program advancement, the advancement of the program will be delayed and NEEA's Executive Director will direct the program team to address the committee's RPAC's concerns and bring a modified program proposal back to the Advisory Committee RPAC for a vote. In the rare occasions when consensus cannot be achieved through this process, the Executive Director will discuss with the Board prior to the Executive Director making the final decision on the program's advancement the committee shall follow Step 4 under Challenge Flag Process.~~

## FULL CONSENT—Definition

*In groups that require unanimous agreement or full consent (unanimity) to approve group decisions, if any participant objects, he/she can block consensus.*

## DISSENT OPTIONS

When a participant does not support a proposal, he or she does not necessarily need to block it. When a call for consensus on a motion is made, a member may register dissent in one of three ways:

1. Declare reservations but let the motion pass;
2. Stand aside or abstain to let the motion pass for the good of the region;

**Commented [BM13]:** 11/13/19—Consistent with the Governance Committee's concern with providing a prescriptive definition of "viability", RPAC recommends simplifying this language and deleting the proposed definition of "viability" in Sec 3(c) under Challenge Flag Process (see below). RPAC supports as modified.

**Commented [BM14]:** 11/13/19--RPAC recommends this revision to expand the meaning of "Abstain" to include a neutral position, vs. dissent only. RPAC supports as modified.

**Commented [BM15]:** 11/13/19--RPAC supports as modified.

**Commented [BM16]:** 11/13/19--RPAC recommends adding "communicated to the Board" and supports as modified.

**Commented [BM17]:** 11/13/19--Given the deletion of Sec 4(b)(ii) under Challenge Flag Process and the resulting requirement that all Challenge Flags/No votes will be discussed with NEEA's Board, plus language that provides for expeditious handling of such occurrences, RPAC agreed that charter language halting or delaying a program was unnecessary. RPAC supports as modified.

***PROPOSED RPAC CHARTER -- REDLINED***

~~3. Block the motion and supply an alternative proposal or process for generating one.~~

## PROPOSED RPAC CHARTER -- REDLINED

### RPAC CHARTER ADDENDUM B-- "CHALLENGE FLAG" PROCESS

#### OVERVIEW

As part of the 2015-2019 NEEA Electric Business Plan (page 32), the NEEA Board committed to the following Standard Rules of Engagement for coordinating market transformation efforts between NEEA Staff and its funding utilities:

NEEA will:

- Jointly develop a local/regional program coordination plan in collaboration with funders that clearly defines roles and responsibilities prior to each milestone decision.

NEEA will not:

- Engage with market actors in funding utilities' territory without approval as detailed in the approved Stakeholder Coordination Plan; or
- Engage with or market directly to utility customers unless the activities are approved as part of the Stakeholder Coordination Plan.

NEEA will ask Local Utilities to:

- Commit to address market barriers on a local basis where they opt out of the market transformation activities such as marketing or channel development activities;
- Work with NEEA to identify potential areas of overlap with local market actors early in initiative planning/design to avoid conflict/surprises; and
- Agree to participate in any initiative evaluation where they elect to play a role in marketing or channel development activities.

Per the RPAC Charter, Responsibility #4, an Advisory Committee member (Member) may exercise the "Challenge Flag" process. The "challenge flag" is a formal intervention process that allows an RPAC Member to request changes and improvements if he/she believes NEEA has not honored these guidelines or if NEEA activities go beyond the scope of effort a program is heading in a direction contrary to that which was agreed upon, agreed upon by the Advisory Committee. In such a case, the requesting Member should exercise the process as follows:

#### THROWING THE CHALLENGE FLAG

A Member who feels a NEEA activity has not honored the coordination guidelines outlined above should exercise the "challenge flag" process as follows:

- Member ~~should~~ shall first communicate the concern in a reasonably timely way to NEEA Staff and attempt to resolve the matter directly. If a satisfactory resolution cannot be reached, Member should inform NEEA Staff that he/she intends to exercise the "challenge flag" option. At this point, NEEA Staff halts any activities related to Member's concern until it can be addressed in the Advisory Committee setting with RPAC.
- Member and NEEA Staff work together to determine the best option for addressing the concern in the Advisory Committee setting with RPAC, based on the impact on the program and timing of the next scheduled Advisory Committee-RPAC meeting. Options include, but are not limited to:
  - Discuss during the next regularly scheduled Advisory Committee-RPAC meeting.
  - Convene a special Advisory Committee-RPAC meeting/webinar.
- Member prepares "Challenge Flag" memo for Advisory Committee-RPAC, articulating:

**Commented [BM18]:** 11/13/19--RPAC supports as modified.

**Commented [BM19]:** 11/13/19--Given the deletion of Sec 4(b)(ii) under Challenge Flag Process and the resulting requirement that all Challenge Flags/No votes will be discussed with NEEA's Board, plus language that provides for expeditious handling of such occurrences, RPAC agreed that charter language halting or delaying a program was unnecessary. RPAC supports as modified.

### PROPOSED RPAC CHARTER -- REDLINED

- a. The NEEA activity that ~~has not honored the Standard Rules of Engagement and/or goes beyond the scope of effort he/she believes is going in a direction contrary to that which was~~ agreed upon by ~~the Advisory Committee~~RPAC;
  - b. The nature and scope of Member's concern;
  - c. ~~A proposed solution that Member feels addresses both its his/her concern and the viability of the NEEA market transformation effort. Viability is determined by the magnitude of change to the future energy savings potential (i.e. does it have a detrimental impact on the timing or ability to remove barriers that would affect future sustained market adoption and/or resulting savings, or does it introduce additional risk in other areas that would impact the long term results and overall success of the efficiency effort for the region.)~~
4. NEEA Staff convenes ~~Advisory Committee~~RPAC for a facilitated discussion on Member's proposed resolution, with the goal of addressing both (i) Member's concern, and (ii) the viability of the NEEA market transformation effort.
- a. If ~~the Advisory Committee~~RPAC and NEEA ~~s~~Staff agree on a proposed solution that achieves 4(i-ii), then ~~the Advisory Committee~~RPAC shall indicate its support by reaching full-consent ~~(per RPAC Charter Addendum A)~~ on the proposed solution and the NEEA market transformation effort shall proceed as modified.
  - b. If ~~the Advisory Committee~~RPAC and NEEA ~~s~~Staff cannot agree on a proposed solution that achieves 4(i-ii), ~~the matter shall be handled as follows: NEEA market transformation activity causing Member's concern shall remain on hold, and NEEA staff shall prepare an alternative solution to propose at a future Advisory Committee RPAC meeting.~~

~~Upon re-convening, if the Advisory CommitteeRPAC and NEEA Staff agree on the alternative solution, and full consent is reached by the Advisory Committee, then no further action is required and the NEEA market transformation effort shall proceed as modified.~~

~~In the event that the Advisory Committee and NEEA Staff are still unable to agree on a proposed solution that addresses 4(i-ii), the matter will be escalated to NEEA's Executive Director for discussing with the Board. NEEA's Executive Director shall escalate the matter for discussion by the Board prior to the Executive Director making the final decision on how the NEEA market transformation effort shall proceed. or~~

~~NEEA's Executive Director may overrule the Challenge Flag if, in the Executive Director's opinion, it is outside of the Challenge Flag Process or inconsistent with the Business or Operations Plan(s). Overrule of a Challenge Flag will be reported to the Board as part of the Executive Director update.~~

**Commented [BM20]:** 11/13/19—RPAC supports retaining the word "viability" as a worthwhile goal, but shares the Governance Committee's concern with providing a prescriptive definition of "viability". RPAC recommends deleting this proposed definition, and supports as modified.

**Commented [BM21]:** 11/13/19—RPAC supports the deletion of 4(b)(ii), which eliminates the need for sub-clause 4(b)(i), leaving Sec 4(b) reading as follows:

"If RPAC and NEEA staff cannot agree on a proposed solution that achieves 4(i-ii), NEEA's Executive Director shall escalate the matter for discussion by the Board prior to the Executive Director making the final decision on how the NEEA market transformation effort shall proceed."

RPAC supports as modified.

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**Commented [BM22]:** On October 30, the Governance Committee and Susan Stratton recommended deleting 4(b)(ii).

## PROPOSED RPAC CHARTER -- REDLINED

### RPAC CHARTER ADDENDUM B – “RPAC+”<sup>3</sup> DOWNSTREAM MARKETING COORDINATION PROCESS

#### OVERVIEW

Downstream marketing activities<sup>4</sup> are a small subset of the marketing activities undertaken at NEEA, and they are a sensitive subject with funders due to the customer touch. These guiding principles address a dual objective: funder concerns around marketing to customers and the ongoing effectiveness of regional Market Transformation work. The intent of this work is to ensure transparency, adequate time for deliberation, coordination in the planning process, and the ability to assess the effectiveness of the alliance’s evolving regional downstream marketing work.

#### PRINCIPLES FOR DOWNSTREAM MARKETING EXECUTION ACTIVITIES

1. An implementation process will achieve the dual objective above.
2. An option for self-delivery and exemption will be provided for funders.
3. Funders will have flexibility regarding the timing of self-delivery.
4. The delivery of marketing activities in participating and self-delivering service territories will include the entire electric and/or gas service territory, including areas with overlapping zip codes.
5. Decisions made should include consideration of the regional result and initiatives’ objectives.

These guiding principles represent a compromise by NEEA’s Board. They are not intended to set a precedent for reimbursement, self-delivery or exemption. The Board will re-evaluate these guiding principles as part of a mid-cycle assessment in 2022 to determine effectiveness of these principles and identify suggested improvements. Funder documentation of self-delivery work and/or exemption will be essential for this review. RPAC+ will develop specific metrics and desired outcomes for this mid-cycle review.

#### COORDINATION PROCESS

1. ILC Milestones – As part of the Business Case for Scale-Up ~~Approval~~ milestone votes at RPAC, downstream marketing activities will be flagged if they are a strategy for that phase of the program. To the extent downstream marketing is known as a potential intervention following the Initiative Start milestone, it will be flagged in the Business Case.  
*Purpose: Information sharing around marketing, decision point for program progress.*
2. Prior to October each year, or as early as available – Funders agree to share marketing plans relating to relevant alliance programs.  
*Purpose: Information sharing, consider opportunities for leverage and coordination.*
3. Early October each year – As part of the Operations Plan packet, RPAC+ will receive a Marketing calendar with downstream activities for the upcoming calendar year highlighted.
  - a. Marketing calendar is presented as part of Operations Plan presentation
  - b. RPAC+ shares marketing calendar internally with marketing and program staff and discusses proposed downstream activities in advance of Q4 RPAC meeting*Purpose: Information sharing in preparation for decision at Q4 RPAC meeting*

<sup>3</sup> RPAC+ = A group consisting of RPAC members, funder marketing staff and other electric and natural gas funder staff.

<sup>4</sup> Downstream Marketing Activities = Region-wide marketing activities to promote energy efficient products/services/ practices in the NEEA portfolio directly to end-use customers, including digital ads, purchased social, billboards and print, broadcast (radio/tv), point of purchase and direct mail where NEEA may use a market-facing brand. “Downstream marketing activities” do not include marketing to midstream and upstream partners—including installer base, distributors, and manufacturers.

### **PROPOSED RPAC CHARTER -- REDLINED**

4. **Q4 RPAC Meeting** – Funders will be prepared to discuss their marketing plans and opportunities for regional synergies. Funders will commit to participating, self-delivery, or exemption for downstream marketing activities for the upcoming calendar year.  
*Purpose: Decision point for activities in the draft Operations Plan marketing calendar, informs the Operations Plan that is approved by the Board.*
5. **Two months prior to planned campaign** – NEEA staff will conduct a webinar for RPAC+ sharing NEEA's planned marketing approach. Funders opting to self-deliver agree to document and share their planned marketing approach within four weeks following this webinar.  
*Purpose: Information sharing*
6. **Q2 RPAC Meeting** – If changes or additions are made to the current-year Marketing calendar, there is another discussion at the Q2 RPAC meeting and changes will be sent to RPAC+ a month prior to the meeting for internal review/vetting. Funders will commit to participating, self-delivery, or exemption for downstream marketing activities in their territories.  
*Purpose: Decision point for any activities added to marketing calendar*
7. **Quarterly** – Marketing calendar will be included in quarterly marketing newsletter. Newsletter distribution will include marketing contacts, RPAC, gas funders, and sector advisory committee members (other program staff can request to be included).  
*Purpose: Information sharing*
8. **Ad hoc** – If there are new marketing activities that were not included in the previous semiannual review but have a planned start-date before or within two months following the next scheduled review, a special communication with RPAC+ will be initiated to determine whether a special meeting/webinar is needed, or if the next scheduled review (Q4 or Q2) is sufficient for determining how the activity will be executed.  
*Purpose: Possible decision point if a special meeting/webinar is needed.*

### **OPTION FOR SELF-DELIVERY AND EXEMPTION**

1. Funders agree to document their rationale for self-delivery or exemption and, when choosing to self-deliver, share their plans to support the intended outcome of the regional effort.
2. NEEA staff will provide an online template to support funder documentation in a streamlined and efficient manner. Funders agree to document activities executed in the market within approximately 30 days following execution of self-delivered activities. Funders agree to document and share results as they become available.
3. Documentation is recommended in the spirit of sharing, collaboration and learning, and is not intended as scrutiny of Funder decisions.

### **FLEXIBILITY AROUND SELF-DELIVERY TIMING**

1. At the time the Marketing calendar is reviewed with RPAC+ (Q2 and Q4), Funder plans for self-delivery of downstream marketing activities will include an expected execution timeframe and rationale. Funders choosing self-delivery of regional execution agree to conduct activities within a timeframe that will help meet regional objectives in the spirit of this agreement.
2. When a Funder opts for self-delivery of downstream marketing activities, NEEA staff and the funder should attempt to coordinate activities to optimize campaign effectiveness. This coordination should include consideration of timing sensitivity (e.g. seasonality, partnership commitments, etc.).

### **OVERLAPPING ZIP CODES**

1. Alliance activities will include all electric and/or natural gas zip codes for funders participating in the regional campaign irrespective of self-delivery or exemption elections of other funders with overlapping zip codes. Other coordination arrangements may be considered.
2. Self-delivery activities may include coverage for overlapping zip codes in addition to any regional campaign activity. Funders opting to self-deliver agree to include all of their electric and/or natural gas service territory zip codes in the activity they undertake to support the regional campaign.

***PROPOSED RPAC CHARTER -- REDLINED*****REIMBURSEMENT**

1. Reimbursement for self-delivering funders will be based on the funder share of budgeted costs for each campaign or activity in each Operations Plan and as agreed by funders at each Q2 RPAC meeting for any mid-year changes to marketing activities.
2. No reimbursements are provided if the campaign or activity is cancelled.
3. Reimbursement is not provided for exemption.
4. Reimbursement will be provided on request and computed on an annual basis and will be provided in the form of a bill credit after acceptance of the audit report for the preceding year.



## PRODUCTS COORDINATING COMMITTEE CHARTER

### Review process:



HISTORY			
Source	Date	Action/Notes	Next Review Date
RPAC	November 13, 2019	Proposed Draft	Q1 2020
Governance Committee	TBD, by email	Recommended Board approval	Q2 2025
Executive Committee	TBD, by email	Recommended Board approval	Q2 2025
Board Decision	December 5, 2019	Board approval	Q2 2025

### Purpose

The purpose of the Coordinating Committees (CCs) is to support Alliance success by collaborating with NEEA staff on coordination and optimization of NEEA programs and related activities, to identify and manage through potential implementation challenges between NEEA and local utility activities, and seize leveraging opportunities that can drive amplified market influence.

This coordination is a critical and complementary function to support the Regional Portfolio Advisory Committee's (RPAC) role to advise on NEEA's portfolio composition and management, consistent with the goals and objectives of NEEA's then-current Business Plan and annual Operations Plan. As such, the CCs are considered RPAC subcommittees and shall report to RPAC.

### Responsibilities

1. To support effective performance of NEEA programs and related activities, consistent with the goals and objectives of NEEA's annual Operations Plan, coordinate with NEEA staff to (a) identify and manage through instances of conflicting activities in common markets, and (b) identify and seize opportunities for leverage among alliance and local programs.
2. Share knowledge, expertise and resources with NEEA staff and RPAC members to improve the design, delivery and results of regional programs and related activities.
3. Ensure information and outcomes from CC are shared within CC member organizations, and coordinate with RPAC member as needed to support RPAC's role.
4. Provide a forum for information exchange within the region on market and program updates and developments, and opportunities for collaboration.

### Committee Membership

Each RPAC member may appoint one representative from his/her organization, who possesses sufficient expertise to fully inform alliance work, to serve on the CC. Additionally, Bonneville Power Administration may appoint up to two Indirect Funder representatives to participate on the CC for two-year terms.

**Commented [BM1]:** 11/13/19—RPAC supports the addition of language allowing BPA to appoint up to two Indirect Funder representatives to participate on each CC. Indirect Funders were represented on the former Sector Advisory Committees, and this language corrects this unintended omission.

### Open Meetings and Closed Sessions

All CC meetings shall be open to the public. With the exception of sensitive information not appropriate for public dissemination, meeting materials (including but not limited to meeting packets, slide presentations, and summary notes) will be posted for public access. A closed session for part or all of any committee meeting may be called at any time to discuss sensitive information such as competitive or proprietary information that shall not be publicly shared. Any CC member may request a closed session.

### Meeting Schedule

The CCs will determine with NEEA staff the appropriate meeting cadence based on the specific coordination needs of each CC.

### Shared Commitment

CC members and NEEA staff share a commitment to robustly communicate within and among their respective organizations on the activities of this committee, in the spirit of collaboration and with the intent of operating with no surprises.

### Charter Review schedule:

RPAC will review CC charters annually to confirm need and resource availability. The Board will review this charter during the first year of the funding cycle, or at other times as needed.

<b>NEEA Governance/ Management/ Advisory Roles and Responsibilities</b>	
NEEA Board	<ul style="list-style-type: none"> <li>• All corporate governance and fiduciary duties, including ensuring the system of rules, practices and processes by which NEEA is directed to balance the interests of the alliance's stakeholders, to support the achievement of the organization's purpose</li> <li>• Strategic and Business Plan development and approval</li> <li>• Operations Plan and budget approval</li> </ul>
NEEA Executive Director	<ul style="list-style-type: none"> <li>• Manage the business of NEEA according to Strategic, Business and Operations Plans, set forth by Board</li> <li>• Oversee business operations and staff</li> </ul>
Regional Portfolio Advisory Committee (RPAC)	<ul style="list-style-type: none"> <li>• Advise NEEA's Executive Director on portfolio performance and program advancement; "challenge flag" process; RPAC+ downstream marketing elections</li> <li>• Monitor developments from other advisory committees with regard to regional coordination, market progress, and emerging technology</li> </ul>
Coordinating Committees (CCs)	<ul style="list-style-type: none"> <li>• Collaborate with NEEA Staff and <u>report to</u> RPAC on coordination and optimization of NEEA programs and related activities, to identify and manage through potential implementation challenges between NEEA and local utility activities, and seize opportunities for amplified market influence</li> </ul>
Cost Effectiveness and Evaluation Advisory Committee (CEAC)	<ul style="list-style-type: none"> <li>• Advise NEEA's Executive Director on methods, data sources and inputs for use in NEEA's cost benefit analysis and energy savings reporting</li> <li>• Advise NEEA's Executive Director on market research and evaluation methodologies</li> </ul>
Regional Emerging Technology Advisory Committee (RETAC)	<ul style="list-style-type: none"> <li>• Advise NEEA's Executive Director on NEEA's work toward achieving its strategic pipeline goals</li> <li>• Track and coordinate the progression of energy efficiency technologies to improve technology readiness and market adoption in the Northwest</li> </ul>
Work Groups	<ul style="list-style-type: none"> <li>• Formed by RPAC on an as-needed basis and staffed with as-needed expertise, for a limited term and specific purpose that is distinct from that of RPAC, the CCs, and other Advisory Committees or Work Groups</li> </ul>

**Commented [BM2]:** 11/13/19--RPAC has no concerns with this proposed language, but recommends review by Governance Committee for consistency with other Board governance language.

**Commented [BM3]:** 11/13/19--RPAC added "report to" to clarify CC relationship with RPAC, and supports as modified.

**Commented [BM4]:** 11/13/19--RPAC recommends temporarily removing CEAC from this table until role of CEAC is clarified and/or confirmed via the Streamlining process.

**Commented [BM5]:** 11/13/19--RPAC recommends temporarily removing RETAC from this table until role of RETAC is clarified and/or confirmed via the Streamlining process.

## INTEGRATED SYSTEMS COORDINATING COMMITTEE CHARTER

### Review process:



HISTORY			
Source	Date	Action/Notes	Next Review Date
RPAC	November 13, 2019	Proposed Draft	Q1 2020
Governance Committee	TBD, by email	Recommended Board approval	Q2 2025
Executive Committee	TBD, by email	Recommended Board approval	Q2 2025
Board Decision	December 5, 2019	Board approval	Q2 2025

### Purpose

The purpose of the Coordinating Committees (CCs) is to support Alliance success by collaborating with NEEA staff on coordination and optimization of NEEA programs and related activities, to identify and manage through potential implementation challenges between NEEA and local utility activities, and seize leveraging opportunities that can drive amplified market influence.

This coordination is a critical and complementary function to support the Regional Portfolio Advisory Committee's (RPAC) role to advise on NEEA's portfolio composition and management, consistent with the goals and objectives of NEEA's then-current Business Plan and annual Operations Plan. As such, the CCs are considered RPAC subcommittees and shall report to RPAC.

### Responsibilities

1. To support effective performance of NEEA programs and related activities, consistent with the goals and objectives of NEEA's annual Operations Plan, coordinate with NEEA staff to (a) identify and manage through instances of conflicting activities in common markets, and (b) identify and seize opportunities for leverage among alliance and local programs.
2. Share knowledge, expertise and resources with NEEA staff and RPAC members to improve the design, delivery and results of regional programs and related activities.
3. Ensure information and outcomes from CC are shared within CC member organizations, and coordinate with RPAC member as needed to support RPAC's role.
4. Provide a forum for information exchange within the region on market and program updates and developments, and opportunities for collaboration.

### Committee Membership

Each RPAC member may appoint one representative from his/her organization, who possesses sufficient expertise to fully inform alliance work, to serve on the CC. Additionally, Bonneville Power Administration may appoint up to two Indirect Funder representatives to participate on the CC for two-year terms.

### Open Meetings and Closed Sessions

All CC meetings shall be open to the public. With the exception of sensitive information not appropriate for public dissemination, meeting materials (including but not limited to meeting packets, slide presentations, and summary notes) will be posted for public access. A closed session for part or all of any committee meeting may be called at any time to discuss sensitive information such as competitive or proprietary information that shall not be publicly shared. Any CC member may request a closed session.

### Meeting Schedule

The CCs will determine with NEEA staff the appropriate meeting cadence based on the specific coordination needs of each CC.

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### Shared Commitment

CC members and NEEA staff share a commitment to robustly communicate within and among their respective organizations on the activities of this committee, in the spirit of collaboration and with the intent of operating with no surprises.

### Charter Review schedule:

RPAC will review CC charters annually to confirm need and resource availability. The Board will review this charter during the first year of the funding cycle, or at other times as needed.

<b>NEEA Governance/ Management/ Advisory Roles and Responsibilities</b>	
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NEEA Executive Director	<ul style="list-style-type: none"> <li>• Manage the business of NEEA according to Strategic, Business and Operations Plans, set forth by Board</li> <li>• Oversee business operations and staff</li> </ul>
Regional Portfolio Advisory Committee (RPAC)	<ul style="list-style-type: none"> <li>• Advise NEEA's Executive Director on portfolio performance and program advancement; "challenge flag" process; RPAC+ downstream marketing elections</li> <li>• Monitor developments from other advisory committees with regard to regional coordination, market progress, and emerging technology</li> </ul>
Coordinating Committees (CCs)	<ul style="list-style-type: none"> <li>• Collaborate with NEEA Staff and <u>report to</u> RPAC on coordination and optimization of NEEA programs and related activities, to identify and manage through potential implementation challenges between NEEA and local utility activities, and seize opportunities for amplified market influence</li> </ul>
Cost Effectiveness and Evaluation Advisory Committee (CEAC)	<ul style="list-style-type: none"> <li>• Advise NEEA's Executive Director on methods, data sources and inputs for use in NEEA's cost benefit analysis and energy savings reporting</li> <li>• Advise NEEA's Executive Director on market research and evaluation methodologies</li> </ul>
Regional Emerging Technology Advisory Committee (RETAC)	<ul style="list-style-type: none"> <li>• Advise NEEA's Executive Director on NEEA's work toward achieving its strategic pipeline goals</li> <li>• Track and coordinate the progression of energy efficiency technologies to improve technology readiness and market adoption in the Northwest</li> </ul>
Work Groups	<ul style="list-style-type: none"> <li>• Formed by RPAC on an as-needed basis and staffed with as-needed expertise, for a limited term and specific purpose that is distinct from that of RPAC, the CCs, and other Advisory Committees or Work Groups</li> </ul>

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**Commented [BM5]:** 11/13/19--RPAC recommends temporarily removing RETAC from this table until role of RETAC is clarified and/or confirmed via the Streamlining process.

## RPAC WORK GROUP CHARTER TEMPLATE

### **Purpose**

The purpose of RPAC Work Groups is to support Alliance success by collaborating with NEEA staff to achieve specific objectives identified by the Regional Portfolio Advisory Committee (RPAC), Coordinating Committees (CCs) and/or NEEA staff, consistent with the goals and objectives of NEEA's then-current Business Plan and annual Operations Plan. Work Groups shall be formed on an as-needed basis and staffed with as-needed expertise, for a limited term and specific purpose that is distinct from that of RPAC and the CCs.

An RPAC member, CC member and/or NEEA staff may propose to RPAC the formation of a RPAC Work Group, including guidance on desired stakeholder representation and expertise (i.e. right people, right topic, right time). RPAC is responsible for sponsoring the formation of all Work Groups, and shall conduct an annual review of each active Work Group to ensure its purpose remains both relevant and distinct from that of RPAC, the CCs, and any other active Work Group.

### **Responsibilities**

1. Collaborate with NEEA staff to support the objective(s) identified by RPAC (see *Objectives* below), sharing knowledge, expertise and resources to achieve the identified objective(s).
2. Determine with NEEA staff the appropriate meeting cadence and required duration for the Work Group, and commit the resources required to achieve the identified objective(s) on schedule.
3. Ensure information and outcomes from Work Group collaboration are (a) shared within Work Group-member organizations, and (b) reported to RPAC, and if applicable, to the relevant Coordinating Committee.
4. Sunset the Work Group (a) on schedule or upon extension<sup>1</sup> from RPAC, and (b) upon achieving the objective(s) set by RPAC.

\* \* \* \* \*

### **[INSERT TOPIC/NAME] WORK GROUP**

### **Statement of Purpose and Connection to Business and/or Operations plans**

*[Statement clearly defining why Work Group is needed (e.g. stakeholder coordination on field activities/pilots, etc.)]*

### **Objective(s)**

1. ### *[Clearly define what the objectives are (e.g., what are the expected outcomes of the Work Group)]*

### **Outcomes Reported To:**

☐ RPAC only

☐ RPAC and CC (*Specify CC*)

### **Estimated Duration and Meeting Cadence**

- Start date:
- Meeting frequency:
- Completion/sunset date:

### **Specific Expertise Needed**

- ###

### **Stakeholder Representation Needed:**

- ###

<sup>1</sup> In the event a Work Group requires additional time to achieve its objective(s), beyond the duration identified in Responsibility #2, a justification shall be provided to RPAC for approval.

## REGIONAL PORTFOLIO ADVISORY COMMITTEE CHARTER

## Review process:



HISTORY			
Source	Date	Action/Notes	Next Review
RPAC	Q1, 2015	Reviewed, no changes	Q1, 2016
Board Decision	June 2, 2015	Board approval	2020
Governance Committee	November 3, 2015	Recommended Board approval	2020
Executive Committee	November 19, 2015	Recommended Board approval	Q2 2020
Board Decision	December 3, 2015	Board approval	Q2 2020
RPAC	August 11, 2016 August 31, 2017	Revised Revised	Q1 2018
Governance Committee	October 24, 2017	Recommend Board approval	Q2 2020
Executive Committee	November 16, 2017	Recommend Board approval	Q2 2020
Board Decision	December 5, 2017	Board approval	Q2 2020
RPAC	November 13, 2019	Revised	Q1 2020
<a href="#">Governance Committee</a>	<a href="#">TBD, by email</a>	<a href="#">Recommended Board approval</a>	<a href="#">Q2 2025</a>
<a href="#">Executive Committee</a>	<a href="#">TBD, by email</a>	<a href="#">Recommended Board approval</a>	<a href="#">Q2 2025</a>
<a href="#">Board Decision</a>	<a href="#">December 5, 2019</a>	<a href="#">Board approval</a>	<a href="#">Q2 2025</a>

**Purpose**

The purpose of the Regional Portfolio Advisory Committee (Advisory Committee) is to support Alliance success by advising on the optimal composition of NEEA's program portfolio, including a formal vote for program advancement at two key points in the Initiative Lifecycle, consistent with the goals and objectives of NEEA's then-current Business Plan and annual Operations Plan.

RPAC is a leadership advisory committee with a formal voting function that is used to advise NEEA's Executive Director on portfolio management. As such, RPAC Members have significant influence on alliance work and are expected to be sufficiently resourced to perform this function. This includes working within RPAC Member organizations to assure that the expertise needed to inform alliance work is represented on supporting advisory committees and work groups (i.e. right people, right topic, right time).

**Responsibilities**

1. To support effective portfolio performance consistent with the goals, strategies and objectives of NEEA's Business Plan, review and advise
  - (a) on NEEA's electric Operations Plan annually, and
  - (b) on how each program proposed to be added to, or advanced within, NEEA's program portfolio improves and enhances the portfolio.
2. Review and vet within RPAC Member ("Member") organizations the "business case" document provided at voting milestones, and work as a committee to reach full consent to advance NEEA programs per the Program Advancement Process (refer to Addendum A), including adaptive management to achieve regional objectives via the "challenge flag." Key components of the business case include progress and findings to date, planned activities for the next stage, investment rationale and proposed budget, market transformation theory, a marketing strategic plan, a funder

- coordination plan, and expectations for funders and for NEEA staff regarding the coordinated execution of key program activities.
3. Share knowledge, expertise and resources to support successful implementation of NEEA's program portfolio, including identifying opportunities for leverage among alliance and local programs, and managing intersecting activities in common markets.
  4. Participate in the "RPAC+" downstream marketing coordination process (refer to Addendum B – RPAC+ Downstream Marketing Coordination Process) to ensure transparency, coordination in the planning process, and the ability to assess the effectiveness of the alliance's evolving regional downstream marketing work.
  5. Monitor outcomes of alliance program coordination/optimization discussions at the Coordinating Committees to inform RPAC's deliberations on the addition and advancement of programs within NEEA's program portfolio.
  6. Monitor developments in energy savings estimates, including those due to changes in assumptions or methodology vetted by the Cost Effectiveness and Evaluation Advisory Committee, to stay apprised on implications for NEEA's program portfolio
  7. Monitor developments in alliance emerging technology efforts, including those vetted by the Regional Emerging Technology Advisory Committee, to advise on potential gaps in NEEA's program portfolio.
  8. Provide a forum for information exchange within the region on market and program portfolio updates and developments, and opportunities for collaboration.
  9. Conduct annual review of each active NEEA Work Group to ensure its purpose remains both relevant and distinct from that of other NEEA Advisory Committees.

### ***Committee Membership***

Each electric direct funder will appoint a representative with voting authority ("Member") on RPAC and the Executive Director may appoint additional voting member(s) as needed to support or enhance the effectiveness of the committee. Voting authority is exclusive to Members.

### ***Portfolio Consent Voting***

Full consent must be reached by RPAC in order for a NEEA program to advance through the Initiative Start and Scale-Up milestones (refer to Addendum A – Program Advancement Process, Portfolio-Consent Voting, for voting rules). To conduct a vote, a quorum of RPAC members must participate (a quorum is a simple majority of eligible participants).

### ***Authority***

RPAC is authorized to take action or make recommendations as necessary to fulfill the responsibilities delegated to RPAC in this charter. RPAC advises NEEA's Executive Director.

### ***Open Meetings and Closed Sessions***

All RPAC meetings shall be open to the public. With the exception of sensitive information not appropriate for public dissemination, meeting materials (including but not limited to meeting packets, slide presentations, summary notes and Portfolio Consent Voting records) will be posted for public access. A closed session for part or all of any committee meeting may be called at any time to discuss sensitive information such as competitive or proprietary information that cannot be publicly shared. Any RPAC Member may request a closed session.

### ***Meeting Schedule***

RPAC will conduct standing meetings quarterly and additional meetings and/or webinars as needed.

### ***Shared Commitment***

RPAC Members and NEEA staff share a commitment to communicate within and coordinate among Member organizations on the activities of this and related advisory committees, in the spirit of collaboration and with the intent of operating with no surprises.

### ***Review schedule:***

RPAC will review this Charter at least annually and route substantive revisions to the appropriate NEEA Board Committee(s) for review. The Board will review this charter during the first year of the funding cycle, or at other times as needed.

<b><i>NEEA Governance/ Management/ Advisory Roles and Responsibilities</i></b>	
NEEA Board	<ul style="list-style-type: none"> <li>• All corporate governance and fiduciary duties, including ensuring the system of rules, practices and processes by which NEEA is directed to balance the interests of the alliance’s stakeholders, to support the achievement of the organization’s purpose</li> <li>• Strategic and Business Plan development and approval</li> <li>• Operations Plan and budget approval</li> </ul>
NEEA Executive Director	<ul style="list-style-type: none"> <li>• Manage the business of NEEA according to Strategic, Business and Operations Plans, set forth by Board</li> <li>• Oversee business operations and staff</li> </ul>
Regional Portfolio Advisory Committee (RPAC)	<ul style="list-style-type: none"> <li>• Advise NEEA’s Executive Director on portfolio performance and program advancement; “challenge flag” process; RPAC+ downstream marketing elections</li> <li>• Monitor developments from other advisory committees with regard to regional coordination, market progress, and emerging technology</li> </ul>
Coordinating Committees (CCs)	<ul style="list-style-type: none"> <li>• Collaborate with NEEA Staff and report to RPAC on coordination and optimization of NEEA programs and related activities, to identify and manage through potential implementation challenges between NEEA and local utility activities, and seize opportunities for amplified market influence</li> </ul>
Work Groups	<ul style="list-style-type: none"> <li>• Formed by RPAC on an as-needed basis and staffed with as-needed expertise, for a limited term and specific purpose that is distinct from that of RPAC, the CCs, and other Advisory Committees or Work Groups</li> </ul>



## RPAC CHARTER ADDENDUM A – NEEA PROGRAM ADVANCEMENT PROCESS

### OVERVIEW

Regional Portfolio Advisory Committee (RPAC) will take a formal vote prior to a NEEA Program being adopted into the NEEA market transformation program portfolio (Initiative Start milestone), and prior to a NEEA Program being approved to 'scale-up' its market activities (Scale-Up milestone).

NEEA will provide RPAC with a detailed “business case” at least 10 business days prior to a vote. Key components of the business case include: progress and findings to date; planned activities for the next stage; investment rationale and proposed budget, including estimated energy savings and cost effectiveness (at Scale-Up milestone); market transformation theory, including market drivers, barriers and intervention strategies; a marketing strategic plan; a funder coordination plan, and detailed roles and responsibilities to clarify expectations for funders and for NEEA staff regarding the execution of and coordination on key program activities.

In addition to this process, there is a formal intervention process (i.e. the “challenge flag”) that allows RPAC Members to request changes and improvements if a funder believes a program is heading in a direction contrary to that which was agreed upon.

### PORTFOLIO-CONSENT VOTING

A roll-call vote will be taken at RPAC prior to a NEEA program advancing through the Initiative Start and Scale-Up milestones. Full consent<sup>1</sup> must be reached by those casting votes for a NEEA program to advance.

An RPAC Member may register his/her vote as follows:

1. Yes
  - a. In person or by phone during a meeting where a vote is taken
  - b. In writing (electronic or otherwise) to NEEA Staff in advance of a meeting
  - c. Via an appointed delegate, in the event the RPAC Member is unable to participate
2. No
  - a. In person or by phone during a meeting where a vote is taken
  - b. RPAC Members voting “No” shall identify their concerns and propose a solution consistent with 3(c) under Challenge Flag Process.
3. Abstain
 

An RPAC Member may choose to abstain as a means of registering a neutral opinion or dissent without voting “No”.
4. Present, Not Voting
 

An RPAC Member who is present may choose not to vote as a means of remaining neutral on a program’s advancement.

Voting results will be shared with NEEA’s Executive Director, communicated to the Board, and posted for public access along with other RPAC meeting materials. If RPAC does not reach full

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<sup>1</sup> **Full Consent** = In groups that require unanimous agreement or full consent (unanimity) to approve group decisions, if any participant objects, he/she can block consensus.

consent for program advancement, the committee shall follow Step 4 under Challenge Flag Process.

### **“CHALLENGE FLAG” PROCESS**

The “challenge flag” is a formal intervention process that allows an RPAC Member to request changes and improvements if he/she believes a program is heading in a direction contrary to that which was agreed upon. In such a case, the requesting Member should exercise the process as follows:

1. Member shall first communicate the concern in a timely way to NEEA staff and attempt to resolve the matter directly. If a satisfactory resolution cannot be reached, Member should inform NEEA Staff that he/she intends to exercise the “challenge flag” option.
2. Member and NEEA Staff work together to determine the best option for addressing the concern with RPAC, based on the impact on the program and timing of the next scheduled RPAC meeting. Options include, but are not limited to:
  - a. Discuss during the next regularly scheduled RPAC meeting.
  - b. Convene a special RPAC meeting/webinar.
3. Member prepares “Challenge Flag” memo for RPAC, articulating:
  - a. The NEEA activity that he/she believes is going in a direction contrary to that which was agreed upon by RPAC;
  - b. The nature and scope of Member’s concern;
  - c. A proposed solution that Member feels addresses both his/her concern and the viability of the NEEA market transformation effort.
4. NEEA Staff convenes RPAC for a facilitated discussion on Member’s proposed resolution, with the goal of addressing both (i) Member’s concern, and (ii) the viability of the NEEA market transformation effort.
  - a. If RPAC and NEEA staff agree on a proposed solution that achieves 4(i-ii), then RPAC shall indicate its support by reaching full-consent on the proposed solution and the NEEA market transformation effort shall proceed as modified.
  - b. If RPAC and NEEA staff cannot agree on a proposed solution that achieves 4(i-ii), NEEA’s Executive Director shall escalate the matter for discussion by the Board prior to the Executive Director making the final decision on how the NEEA market transformation effort shall proceed.

## RPAC CHARTER ADDENDUM B – “RPAC+”<sup>2</sup> DOWNSTREAM MARKETING COORDINATION PROCESS

### OVERVIEW

Downstream marketing activities<sup>3</sup> are a small subset of the marketing activities undertaken at NEEA, and they are a sensitive subject with funders due to the customer touch. These guiding principles address a dual objective: funder concerns around marketing to customers and the ongoing effectiveness of regional Market Transformation work. The intent of this work is to ensure transparency, adequate time for deliberation, coordination in the planning process, and the ability to assess the effectiveness of the alliance’s evolving regional downstream marketing work.

### PRINCIPLES FOR DOWNSTREAM MARKETING EXECUTION ACTIVITIES

1. An implementation process will achieve the dual objective above.
2. An option for self-delivery and exemption will be provided for funders.
3. Funders will have flexibility regarding the timing of self-delivery.
4. The delivery of marketing activities in participating and self-delivering service territories will include the entire electric and/or gas service territory, including areas with overlapping zip codes.
5. Decisions made should include consideration of the regional result and initiatives’ objectives.

These guiding principles represent a compromise by NEEA’s Board. They are not intended to set a precedent for reimbursement, self-delivery or exemption. The Board will re-evaluate these guiding principles as part of a mid-cycle assessment in 2022 to determine effectiveness of these principles and identify suggested improvements. Funder documentation of self-delivery work and/or exemption will be essential for this review. RPAC+ will develop specific metrics and desired outcomes for this mid-cycle review.

### COORDINATION PROCESS

1. **ILC Milestones** – As part of the Business Case for Scale-Up milestone votes at RPAC, downstream marketing activities will be flagged if they are a strategy for that phase of the program. To the extent downstream marketing is known as a potential intervention following the Initiative Start milestone, it will be flagged in the Business Case.  
*Purpose: Information sharing around marketing, decision point for program progress.*
2. **Prior to October each year, or as early as available** – Funders agree to share marketing plans relating to relevant alliance programs.  
*Purpose: Information sharing, consider opportunities for leverage and coordination.*
3. **Early October each year** – As part of the Operations Plan packet, RPAC+ will receive a Marketing calendar with downstream activities for the upcoming calendar year highlighted.
  - a. Marketing calendar is presented as part of Operations Plan presentation
  - b. RPAC+ shares marketing calendar internally with marketing and program staff and discusses proposed downstream activities in advance of Q4 RPAC meeting*Purpose: Information sharing in preparation for decision at Q4 RPAC meeting*
4. **Q4 RPAC Meeting** – Funders will be prepared to discuss their marketing plans and opportunities for regional synergies. Funders will commit to participating, self-delivery, or exemption for downstream marketing activities for the upcoming calendar year.  
*Purpose: Decision point for activities in the draft Operations Plan marketing calendar, informs the Operations Plan that is approved by the Board.*
5. **Two months prior to planned campaign** – NEEA staff will conduct a webinar for RPAC+ sharing NEEA’s planned marketing approach. Funders opting to self-deliver agree to document and share their planned marketing approach within four weeks following this webinar.

<sup>2</sup> **RPAC+** = A group consisting of RPAC members, funder marketing staff and other electric and natural gas funder staff.

<sup>3</sup> **Downstream Marketing Activities** = Region-wide marketing activities to promote energy efficient products/services/ practices in the NEEA portfolio directly to end-use customers, including digital ads, purchased social, billboards and print, broadcast (radio/tv), point of purchase and direct mail where NEEA may use a market-facing brand. “Downstream marketing activities” do not include marketing to midstream and upstream partners—including installer base, distributors, and manufacturers.

*Purpose: Information sharing*

6. **Q2 RPAC Meeting** – If changes or additions are made to the current-year Marketing calendar, there is another discussion at the Q2 RPAC meeting and changes will be sent to RPAC+ a month prior to the meeting for internal review/vetting. Funders will commit to participating, self-delivery, or exemption for downstream marketing activities in their territories.

*Purpose: Decision point for any activities added to marketing calendar*

7. **Quarterly** – Marketing calendar will be included in quarterly marketing newsletter. Newsletter distribution will include marketing contacts, RPAC, gas funders, and sector advisory committee members (other program staff can request to be included).

*Purpose: Information sharing*

8. **Ad hoc** – If there are new marketing activities that were not included in the previous semiannual review but have a planned start-date before or within two months following the next scheduled review, a special communication with RPAC+ will be initiated to determine whether a special meeting/webinar is needed, or if the next scheduled review (Q4 or Q2) is sufficient for determining how the activity will be executed.

*Purpose: Possible decision point if a special meeting/webinar is needed.*

### **OPTION FOR SELF-DELIVERY AND EXEMPTION**

1. Funders agree to document their rationale for self-delivery or exemption and, when choosing to self-deliver, share their plans to support the intended outcome of the regional effort.
2. NEEA staff will provide an online template to support funder documentation in a streamlined and efficient manner. Funders agree to document activities executed in the market within approximately 30 days following execution of self-delivered activities. Funders agree to document and share results as they become available.
3. Documentation is recommended in the spirit of sharing, collaboration and learning, and is not intended as scrutiny of Funder decisions.

### **FLEXIBILITY AROUND SELF-DELIVERY TIMING**

1. At the time the Marketing calendar is reviewed with RPAC+ (Q2 and Q4), Funder plans for self-delivery of downstream marketing activities will include an expected execution timeframe and rationale. Funders choosing self-delivery of regional execution agree to conduct activities within a timeframe that will help meet regional objectives in the spirit of this agreement.
2. When a Funder opts for self-delivery of downstream marketing activities, NEEA staff and the funder should attempt to coordinate activities to optimize campaign effectiveness. This coordination should include consideration of timing sensitivity (e.g. seasonality, partnership commitments, etc.).

### **OVERLAPPING ZIP CODES**

1. Alliance activities will include all electric and/or natural gas zip codes for funders participating in the regional campaign irrespective of self-delivery or exemption elections of other funders with overlapping zip codes. Other coordination arrangements may be considered.
2. Self-delivery activities may include coverage for overlapping zip codes in addition to any regional campaign activity. Funders opting to self-deliver agree to include all of their electric and/or natural gas service territory zip codes in the activity they undertake to support the regional campaign.

### **REIMBURSEMENT**

1. Reimbursement for self-delivering funders will be based on the funder share of budgeted costs for each campaign or activity in each Operations Plan and as agreed by funders at each Q2 RPAC meeting for any mid-year changes to marketing activities.
2. No reimbursements are provided if the campaign or activity is cancelled.
3. Reimbursement is not provided for exemption.
4. Reimbursement will be provided on request and computed on an annual basis and will be provided in the form of a bill credit after acceptance of the audit report for the preceding year.



# Board Committee Reports



# Memorandum – *Governance Committee Report*

11/19/2019

TO: NEEA Board of Directors

FROM: Susan Stratton on behalf of the NEEA Governance Committee

DATE OF COMMITTEE MEETING: 10/30/2019

Members present: Holly Braun, John Chatburn, Cory Scott, Kim Thompson, Deb Young

Members absent: Jason Eisdorfer

NEEA staff: Susan Stratton, Becca Yates, Joe Kraus, BJ Moghadam, Kyle Burchard, Jane Waian

Guests: None

## **Topic #1: *Bylaws and RPAC Process Debrief***

### **Ask of the Committee: For Information**

Susan Stratton provided some perspective on the difficulties encountered in review and approval of The RPAC charter and Board Bylaws. Staff apologized for the process gaps and offered process improvement changes that were supported by the Committee:

1. All redlined documents presented to the Board for approval will include **all** changes from the current approved version until final Board approval is reached. This applies especially to those changes that were made in stages and/or by different committees and staff.
2. Any Board or Advisory Committees involved in modifying documents will be able to view and comment on subsequent changes before being presented to the Board for a vote. All such changes should be identified as substantive or “clean-up” where appropriate.
3. As Bylaw changes need to align with Business Plan changes, the review process should begin in parallel with that process so that needed changes are recognized and analyzed well in advance of the end of the cycle. Final approval by the Board can still take place in the final year of the cycle.

## **Topic #2: *RPAC and Coordinating Committee Charters, Work Group Charter***

### **Ask of the Board: Support changes to be advanced to the Board for approval**

The staff presented a full reconstituted redline of the RPAC, Coordinating Committees and Working Group Charters. The Committee discussed several items that were of concern to the Streamlining Committee and the Board. The Committee and NEEA staff agreed to remove some of staff’s substantive changes, and to have RPAC review all of staff changes. The adjusted redline was subsequently sent to the RPAC for its final review on November 13. Staff will provide an update to Governance and to this committee on the outcome of the RPAC review. If all are aligned, then the documents can be forwarded to the Board for approval.

#### **Ask of the Board: Support Committee charter changes to be advanced to the Board for approval**

The Committee reviewed following charters:

1. Executive Committee
2. Finance and Audit
3. Strategic Planning
4. Governance
5. Natural Gas
6. End Use Load Research
7. Ad Hoc Committee to Select Leadership Award Winners Charter
8. Ad Hoc Committee to Select Public Interest Board Candidate Charter

All Changes were of a “clean-up” nature with the exception of one change to the Natural Gas Committee Charter. Specifically, the Natural Gas Committee recommended that its members appoint the Chair and any other members by unanimous consent. This recommendation is not consistent with Board Committee protocol. (All Committee members and Chairs are appointed by the Board Chair.) The Governance Committee asked that the Natural Gas Committee, at its meeting on November 5, articulate its reason for a change from Board committee protocol.

### Topic #4: *Board Orientation and Retreat Options*

#### **Ask of the Board: For Information**

The Committee discussed the plan for the March Orientation and the possibility of a regular Board Retreat. The Orientation is scheduled on the day before the Board meeting in March 2020. Potential topics were discussed and will be shared with the Board in December to determine topics of highest interest. The idea of a regular Board retreat had been raised at a previous Board meeting and members acknowledged that retreats had been part past NEEA Boards. The Committee spent limited time on this idea and agreed to explore it further in Q1 2020.

### Topic #5: *Public Interest Board Seat*

#### **Ask of the Board: Support for Reelection of Ben Otto to fill the Public Interest Board seat.**

The Ad Hoc Committee to Select the Public Interest Board Member reviewed five applicants for the position, including the incumbent, Ben Otto. The Ad Hoc Committee felt that the two highest qualified candidates were Ben Otto and Charlie Grist, but felt that it could not make a final call and deferred to the Governance Committee to make the final call or to bring both to a vote. The Committee recommends that Ben Otto be reelected to the position based on his exemplary representation of the Public Interest in his first term. The Committee also recognized the technical and policy expertise of Charlie Grist and his continuous engagement with NEEA through the RPAC and Board meetings.

### Topic #6: *Special Project Governance*

#### **Ask of the Board: For Information**

The Committee reviewed the need for a formal steering committee for all special projects, similar to that formed for the EULR. The Committee decided that this was not necessary unless the project comprised more than 5% of the budget or as otherwise recommended by the Executive Director for smaller projects. The Committee recommended that the staff get input and direction on smaller special projects in the way that best fits the objectives and characteristics of the project.



## BOARD EXECUTIVE COMMITTEE CHARTER

### Review process:



HISTORY			
Source	Date	Action/Notes	Next Review Date
Board of Directors	January 24, 2008	Adopted	As needed.
Board of Directors	May 26, 2010	Amended	As needed.
Board of Directors	February 24, 2015	Amended	As needed.
Governance Committee	November 3, 2015	Recommended Board approval.	2020
Executive Committee	November 19, 2015	Recommended Board approval.	Q2 2020
Board Decision	December 3, 2015	Board approval.	Q2 2020
<u>Governance Committee</u>	<u>October 30, 2019</u>	<u>Recommended Board approval.</u>	<u>Q2 2025</u>
<u>Executive Committee</u>	<u>August 22, 2019</u>	<u>Recommended Board approval.</u>	<u>Q2 2025</u>
<u>Board Decision</u>	<u>December 5, 2019</u>	<u>Adopted.</u>	<u>Q2 2025</u>

### Purpose:

The purpose of the Executive Committee (Committee) is to exercise powers of the Board which arise between regularly scheduled Board meetings or when it is not practical or feasible for the Board to meet.

The Committee assists the Board in fulfilling its responsibilities relating to oversight of the Executive Director.

### Key Responsibilities:

1. Establish procedures for receiving, retaining, and treating ethical complaints received by NEEA through anonymous submission by NEEA employees and others regarding questionable accounting, auditing matters or other ethical violations.
2. Recommend to the Board any employment and severance agreements between NEEA and the Executive Director. The Executive Committee is responsible for the execution of the aforementioned agreements.
3. On an annual basis, review and approve NEEA goals and objectives relevant to the compensation of the Executive Director, evaluate the Executive Director's performance in light of those goals and objectives and, either as a committee or together with the other



directors (as directed by the Board), determine and approve the compensation of the Executive Director based on this evaluation.

4. Oversee NEEA's compensation strategy to ensure it is appropriate to continue to attract, retain and motivate senior management and other key staff members. The Committee will monitor executive development practices in order to insure succession alternatives for the organization.
5. Oversee any third party independent management audits.

~~Review and reassess the adequacy of this Charter annually and recommend to the Board any changes deemed appropriate by the Committee.~~

6. Review the Committee's performance annually.

#### **Committee Membership:**

The Committee will consist of the Board Chair, Vice Chair, Secretary, and Treasurer and Past Chair (ex-officio) and the At-Large Member. The Committee is chaired by the Board Chair; in the event the Board Chair is absent, the Vice Chair may act as the Chair.

Members are elected by the Board at the annual meeting of the Board or as needed to fill a vacancy.

#### **Meetings:**

The Committee shall meet at such times and places and by such means as the Chair shall determine. The Committee shall maintain minutes of meetings and report promptly about its activities to the Board. All meeting minutes will be made available to the Board.

#### **Quorum:**

A majority of Committee members shall constitute a quorum.

#### **Authority:**

To the extent permitted by applicable law, ~~The~~ Committee is authorized to take action or make decisions if necessary on an emergency basis which would otherwise require a vote of sixty percent (60%) of the Board. Such action or decision shall be brought to the Board for ratification at the next meeting of the Board.

The Committee is not authorized to take any action which would require a vote of eighty percent (80%) of the Board. Changes to the ~~mission statement~~ purpose, the Articles of Incorporation and Bylaws are the only areas described in the bylaws requiring a vote of eighty percent (80%) of the Board as defined in the Bylaws.

#### **Review schedule:**

The Board will review this charter during the first year of the funding cycle, or at other times as needed.



## BOARD FINANCE AND AUDIT COMMITTEE CHARTER

### Review process:



HISTORY			
Source	Date	Action/Notes	Next Review Date
Finance and Audit Committee	August 12, 2015	Adopted.	As needed.
Governance Committee	November 3, 2015	Recommended Board approval.	2020
Executive Committee	November 19, 2015	Recommended Board approval.	Q2 2020
Board Decision	December 3, 2015	Board approval.	Q2 2020
<u>Governance Committee</u>	<u>October 30, 2019</u>	<u>Recommended Board approval.</u>	<u>Q2 2025</u>
<u>Finance and Audit Committee</u>	<u>August 21, 2019</u>	<u>Recommended Board approval.</u>	<u>Q2 2025</u>
<u>Executive Committee</u>	<u>November 14, 2019</u>	<u>Recommended Board approval.</u>	<u>Q2 2025</u>
<u>Board decision</u>	<u>December 5, 2019</u>	<u>Adopted.</u>	<u>Q2 2025</u>

### Purpose:

The purpose of the Finance and Audit Committee (Committee) is to provide oversight and advice to NEEA and the Board of Directors (Board) regarding NEEA's financial affairs, including:

- the financial reporting process and annual financial statements;
- the system of internal controls and fiscal policies;
- compliance with legal and regulatory requirements;
- the qualifications, independence and performance of the external auditors.

### Key Responsibilities:

1. Assist the Board in fulfilling its oversight responsibilities relating to audit and fiscal management and oversight.
2. Recommend the appointment and, if appropriate, termination of the independent auditor and evaluate and oversee the work of the independent auditor, who shall report to the Board.
3. Review annually the draft audit and financial statements and recommend to the Board whether to accept the independent auditor's report and financial statements.
4. Review with the independent auditor any problems encountered by the auditor in performing the audit, review any management letter provided and any response by NEEA to that

management letter, and review any matters that the independent auditor is required to communicate to the Committee.

5. Recommend for Board adoption the financial and investment policies that support principles of highest ethical financial compliance, and monitor internal financial control systems in accordance with approved financial policies.
6. Oversee implementation and compliance with NEEA's Conflict of Interest Policy and Financial Management Policies and recommend action as appropriate.
7. Review and provide financial guidance and oversight to staff and the Board including review and recommendation regarding approval of NEEA's annual budget and other financial matters as necessary. Financial matters include, but are not limited to: financial transactions, financial structure, financial results, financial and investment strategies and the establishment of accounts with banks or brokers.
8. Provide an update to the Board on a quarterly basis to communicate NEEA's financial performance, status and issues.

#### **Committee Membership:**

The Committee will consist of at least three Board members ~~appointed by the Board Chair.~~  
Members and the Committee Chair are appointed by the Board Chair.

Committee members shall be free from any relationship that, in the opinion of the Board, would interfere with the exercise of his or her judgment as a member of the Committee.

A basic understanding of financial statements, general accounting policies and practices, investment, cash-flow, and operations is desired.

NEEA's Executive Director, and/or his or her designee, ~~and Finance Manager~~ will serve as staff representatives on the Committee.

The members of the Committee will serve until their successors are duly appointed or until their resignation or removal.

#### **Meetings:**

The Committee shall meet at least quarterly, or more frequently, as deemed necessary by any Committee member based on the urgency of issues at hand. The Committee shall maintain minutes of meetings and report regularly about its activities to the Board. Minutes of each meeting will be prepared and made available to the Board.

#### **Quorum:**

A majority of Committee members shall constitute a quorum.

#### **Authority:**

The Committee is authorized by the Board to take action or make recommendations as necessary to fulfill the responsibilities delegated to the Committee in this charter.

**Review schedule:**

The Board will review this charter during the first year of the funding cycle, or at other times as needed.



## BOARD STRATEGIC PLANNING COMMITTEE CHARTER

### Review process:



HISTORY			
Source	Date	Action/Notes	Next Review Date
Board of Directors	May 1, 2008	Adopted.	As needed.
Governance Committee	November 3, 2015	Recommended Board approval.	2020
Executive Committee	November 19, 2015	Recommended Board approval.	Q2 2020
Board Decision	December 3, 2015	Board approval.	Q2 2020
<u>Strategic Planning Committee</u>	<u>July 25, 2019</u>	<u>Recommended Board approval.</u>	<u>Q2 2025</u>
<u>Governance Committee</u>	<u>October 30, 2019</u>	<u>Recommended Board approval.</u>	<u>Q2 2025</u>
<u>Executive Committee</u>	<u>November 14, 2019</u>	<u>Recommended Board approval.</u>	<u>Q2 2025</u>
<u>Board decision</u>	<u>December 5, 2019</u>	<u>Adopted.</u>	<u>Q2 2025</u>

### Purpose:

The purpose of the Strategic Planning Committee (Committee) is to guide the ongoing strategic planning process for NEEA, engaging staff, Board and stakeholders in identifying strategic issues and opportunities, developing a draft plan for Board consideration and monitoring implementation progress. The Committee will also promote strategic thinking, decision-making, and learning within NEEA.

### Key Responsibilities:

1. Assist the organization in openly developing, implementing and continuously improving NEEA's corporate strategic planning process.
2. Ensure the strategic planning process considers, analyzes and addresses NEEA-wide strategic risk (issues) and opportunities as key components of the ongoing planning process.
3. Assist management in developing and refining a strategic plan (Plan), which identifies specific long-term goals and business objectives related to each opportunity determined to be in NEEA's best interest to pursue and approaches or strategies for reaching each goal or objective.

4. Develop assumptions of what it will take to accomplish the Plan and craft the value propositions of the costs and benefits of the Plan.
5. Assist management in determining financial and staff resources that are necessary and sufficient for the implementation of the Plan.
6. Conduct outreach for the purpose of gathering feedback and generate support with stakeholders for the process and the Plan.
7. Review and recommend approval of the Plan to the Board.
8. Meet periodically to (1) assess the progress and effectiveness of the existing Plan, (2) make recommended changes to the Plan where necessary and advisable, and (3) explore additional significant strategic issues and opportunities facing NEEA not included in the existing Plan which might be in the best interest of NEEA to pursue.
9. Periodically report to the Board ~~of Directors~~ on (1) evaluation of and recommended revisions to the Plan, or implementation and (2) significant strategic issues and opportunities facing NEEA reviewed since the most recent report.
10. Review the Committee's performance annually.

#### **Membership:**

~~Membership is open to NEEA Board members. Members and the Committee Chair are appointed by the Chair of the Board Chair at the annual meeting of the Board of Directors, or, as vacancies occur. The Committee will consist of at least three Board members. Members and the Committee Chair are appointed by the Board Chair.~~

#### **Meetings:**

The Committee shall meet at such times and places and by such means as the Committee Chair shall determine. The Committee shall maintain minutes of meetings and report regularly about its activities to the Board. All meeting minutes will be made available to the Board.

#### **Quorum:**

A majority of Committee members shall constitute a quorum.

#### **Authority:**

The Committee is authorized to take action as necessary to fulfill the responsibilities delegated to the Committee in this charter.

#### **Review schedule:**

The Board will review this charter during the first year of the funding cycle, or at other times as needed.



## BOARD GOVERNANCE COMMITTEE CHARTER

### Review process:



HISTORY			
Source	Date	Action/Notes	Next Review Date
Board of Directors	May 1, 2008	Adopted.	As needed.
Board of Directors	May 26, 2010	Amended.	As needed.
Board of Directors	May 30, 2013	Amended.	As needed.
May 15, 2015	May 15, 2015	Reviewed and adopted.	2016
Board of Directors	June 2, 2015	Reviewed and adopted.	2016
Governance Committee	November 3, 2015	Recommended Board approval.	2020
Executive Committee	November 19, 2015	Recommended Board approval.	Q2 2020
Board Decision	December 3, 2015	Board approval.	Q2 2020
<u>Governance Committee</u>	<u>October 30, 2019</u>	<u>Recommended Board approval.</u>	<u>Q2 2025</u>
<u>Executive Committee</u>	<u>November 14, 2019</u>	<u>Recommended Board approval.</u>	<u>Q2 2025</u>
<u>Board decision</u>	<u>December 5, 2019</u>	<u>Adopted.</u>	<u>Q2 2025</u>

### Purpose:

The purpose of the Governance Committee (Committee) is to assist the Board with the ongoing development and evaluation of NEEA's overall corporate governance framework, ensure compliance with the Board's bylaws, policies, principles and guidelines and recommend improvements when necessary.

In addition, the Committee will assist the Board in organizing itself to discharge its duties and responsibilities properly and effectively.

### Key Responsibilities:

1. Assess and review corporate governance principles ~~as defined in the Bylaws~~ and recommend any changes deemed appropriate to the Board for its consideration. Monitor compliance with Bylaws.

2. Assess and review alignment of existing systems, policies, guidelines, governance documents and charters with NEEA's bylaws and recommend changes to the Board for its consideration.
3. Make recommendations to the Board with respect to charters of committees of the Board, including the Executive, Strategic Planning, Finance and Audit, Natural Gas and Governance Committees; as well as any ~~aAd dHoc cC~~Committees.
4. Make recommendations to the Board with respect to the role and charters of critical committees of ~~the organization~~NEEA, such as, ~~aAd~~Advisory or ~~cE~~Expert ~~cC~~Committees.
5. Monitor and evaluate the functioning of the committees of the Board and make recommendations for any changes, including the creation and elimination of committees and committee assignments.
6. Make recommendations on meeting protocols of Board and Board ~~cC~~Committee meetings.
7. Maintain an orientation program for new directors and continuing education programs for directors, so that Board members understand their responsibilities and can maximize their contributions to leading ~~the organization~~NEEA.
8. Develop written descriptions of Board member responsibilities, including desired qualities and attributes.
9. Recommend the process and lead the Board ~~of Directors~~ in a periodic Board performance evaluation process to ensure the Board, Board committees, and other governance structures are working as intended.
10. Solicit and nominate Board candidates for the election of officers of ~~the corporation~~NEEA.

#### **Membership:**

The Committee will consist of at least three Board members. Members and the Committee Chair are appointed by the Board Chair

~~Membership is open to NEEA Board members. Members and the Committee Chair are appointed by the Chair of the Board at the annual meeting of the Board, or, as vacancies occur. Minimum membership is three.~~

#### **Meetings:**

The Committee shall meet at such times and places and by such means as the Committee Chair shall determine. The Committee shall maintain minutes of meetings and report regularly about its activities to the Board. All meeting minutes will be made available to the Board.

#### **Quorum:**

A majority of Committee members shall constitute a quorum.

#### **Authority:**

The Governance Committee is authorized to take action or make recommendations as necessary to fulfill the responsibilities delegated to the Committee in this charter.



**Review schedule:**

The Board will review this charter during the first year of the funding cycle, or at other times as needed.



# Memorandum

November 19, 2019

TO: NEEA Board of Directors

FROM: Susan E. Stratton, Executive Director, and  
Becca Yates, Director, Stakeholder Relations, Corporate Strategy and Communications

SUBJECT: Natural Gas Committee Charter

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**Our Ask:** Review this memo, provide guidance on recommended edits and move to approve the Natural Gas Committee Charter.

**Background:** The Natural Gas Committee Charter was reviewed as part of the end of cycle bylaw, policy and charter review process. During this process, the Natural Gas Committee (NGC) proposed changes to the charter giving the NGC authority to appoint the Committee Chair. This is inconsistent with the rest of NEEA's Board Committee Charters that designate NEEA's Board Chair the authority to appoint committee chairs. Below is an account of these changes.

1. May 1, 2019 - NEEA staff made the below edits (highlighted in yellow) upon the request of the Natural Gas Committee.<sup>1</sup> Previous charter language was silent on who appoints the committee chair:

## Committee Membership

Membership is open to ~~NEEA~~ Board members. Membership includes one representative from each direct natural gas funder of the ~~Natural Gas~~ Business Plan. The ~~Chair of the~~ Board Chair may also appoint (1) one member that represents an electric-only funder, and (2) one member that represents a non-funding entity (i.e., a public interest or governor recommended Director). The Committee will appoint the Committee Chair and may also appoint additional member(s) with the full consent of members.

2. On October 20, 2019 the Governance Committee asked NEEA staff to edit the language to be consistent with other NEEA Board Committee Charters. The following edits were made by staff<sup>2</sup> and sent to the Natural Gas Committee for its review at its November 5, 2019 meeting.

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<sup>1</sup> These changes were made by NEEA staff upon the request of the Natural Gas Committee but were not reviewed by the Natural Gas Committee prior to Governance Committee's review.

<sup>2</sup> These changes were made by NEEA staff upon the request of the Governance Committee but were not submitted to the Governance Committee for approval before carried forward to Natural Gas Committee for review.

### Committee Membership

~~The Committee will consist of at least three Board members. Membership is open to NEEA Board members. Membership includes one representative from each direct natural gas funder of the Natural Gas Business Plan. The Chair of the Board Chair will appoint the Committee Chair and may also appoint (1) one member that represents an electric-only funder, and (2) one member that represents a non-funding entity (i.e., a public interest or governor recommended Director), and (3) any additional members. The Committee may also appoint additional member(s) with the full consent of members.~~

3. On November 5, 2019, the NGC reviewed these edits and offered the following comments:
  - a. The NGC asked again that it be allowed to appoint the Chair rather than the Board Chair, given the separate funding of the natural gas portfolio. The members requested that the language requiring the Board Chair to make the appointment be removed.
  - b. The appointment of “any additional members” seems to be unnecessary and the Committee recommended deleting the last part of that sentence beginning with “and...”. The Committee was also OK with the deletion of the final sentence.
  - c. The NGC also commented that the proposed staff edits could be interpreted to mean non-Board members could sit on the Committee as long as there was representation from at least three Board members. This was not the intention of the edits. This sentence is consistent with all other updated Board Committee charters.
4. On November 14, 2019, the Executive Committee reviewed 1) the edits requested by the Governance Committee, and 2) the Natural Gas Committee suggested changes outlined in numbers 1-3 above. The Executive Committee expressed concern with the Natural Gas Committee’s recommended changes and requested more information on why the request was being made. The Executive Committee also:
  - a. Requested NEEA staff send the October 20 charter version requested by Governance Committee to the Board for discussion along with a memo outlining the Natural Gas Committee’s recommended changes.
  - b. Offered substitute language for discussion that the Board Chair appoints a Committee Chair in consultation with the Natural Gas Committee.
  - c. Stated a willingness to find common ground on the edits, including deleting the “...and (3) any additional members” as the NGC recommended.

## NATURAL GAS COMMITTEE CHARTER

### Review process:



HISTORY			
Source	Date	Action/Notes	Next Review Date
Governance Committee	July 24, 2018	Recommended for Board approval.	Q1 2020
Executive Committee	August 23, 2018	Recommended for Board approval.	Q1 2020
Board Decision	September 13, 2018	Adopted.	Q1 2020
Governance Committee	October 30, 2019	Discussion and provided input.	Q2 2025
Natural Gas Committee	July 30, 2019	discussion and provided input.	Q2 2025
Executive Committee	November 14, 2019	Discussion and provided input.	Q2 2025
Board decision	December 5, 2019	Adopted.	Q2 2025

### Purpose

The purpose of the Natural Gas Committee (Committee) is to assist the Board with the development and approval of ~~the Natural Gas Market Transformation Business Plans (Business Plans)~~ and ~~a~~Annual Natural Gas Operationsing Plans (Operationsing Plans).

In addition, the Committee will recommend members to the Natural Gas Advisory Committee (NGAC) and review and recommend the NGAC committee charter for Board approval.

### Responsibilities

1. Recommend members to the NGAC in accordance with the NGAC committee charter and recommend the NGAC committee charter for Board approval.
2. ~~Assist with the development of~~ the ~~Natural Gas~~ Business Plan and recommend Business and Operationsing Plans for Board approval.
3. ~~Discuss nengperspective~~  
Seek consensus on all significant issues affecting Natural Gas funders needs and issues prior to presenting the issue and/or recommendation to the Board.

### **Committee Membership**

~~The Committee will consist of at least three Board members. Membership is open to NEEA Board members.~~ Membership includes one representative from each direct natural gas funder of the ~~Natural Gas~~ Business Plan. The ~~Chair of the Board~~ Chair will appoint the Committee Chair and may also appoint (1) one member that represents an electric-only funder, ~~and~~ (2) one member that represents a non-funding entity (i.e., a public interest or governor recommended Director), and (3) any additional members. ~~The Committee may also appoint additional member(s) with the full consent of members.~~

### **Quorum:**

A majority of Committee members shall constitute a quorum.

### **Authority:**

The Committee is authorized to take action or make recommendations as necessary to fulfill the responsibilities delegated to the Committee in this charter.

### **Meetings:**

The Committee will conduct standing meetings at least twice a year and conduct additional meetings as needed to fulfill its responsibilities delegated to the Committee in this charter. The Committee shall maintain minutes of meetings and report regularly about its activities to the Board. All meeting minutes will be made available to the Board.

### **Review schedule:**

The Board will review this charter during the first year of each NEEA funding cycle, or at other times as needed.

## END USE LOAD RESEARCH STEERING COMMITTEE CHARTER

### Review process:



HISTORY			
Source	Date	Action/Notes	Next Review Date
Governance Committee		Developed. Recommended for Board adoption.	Q1, 2020
Executive Committee		Reviewed and recommended for Board adoption	Q1, 2020
Board Decision		Reviewed and approved with changes.	Q1, 2020
End Use Load Steering Committee	February 6, 2019	Approved with changes.	Q1, 2025 or as needed.
<u>Governance Committee</u>	<u>October 30, 2019</u>	<u>Recommended for Board approval</u>	<u>Q2 2025</u>
<u>Executive Committee</u>	<u>November 14, 2019</u>	<u>Recommended for Board approval.</u>	<u>Q2 2025</u>
<u>Board decision</u>	<u>December 5, 2019</u>	<u>Adopted.</u>	<u>Q2 2025</u>

### ***Purpose***

The purpose of the End Use Load Research Steering Committee (Committee) is to provide oversight and management of the End Use Load Research (EULRP) Project on behalf of EULRP funders. The Committee will manage planning and implementation of the EULRP.

### ***Responsibilities***

1. Appoint members to the Working Group, and approve the Working Group charter.
2. Review and approve the EULRP workplan and budget on an annual basis.
3. Oversee and approve the planning and implementation of the EULRP.
4. Assist management in determining financial, staff, and contractor resources that are necessary and sufficient for the implementation of the EULRP.
5. Review and approve distribution of the EULRP confidential information to third parties.
6. Inform EULRP funders and Board on the activities and decisions of the Committee.

### ***Committee Membership***

Each direct funder of the EULRP may appoint a member to the Committee. The Committee may also appoint additional member(s), such as Northwest Power & Conservation Council staff with full consent of the funders.

### ***Quorum***

A majority of Committee members, including alternates, shall constitute a quorum.

### ***Consent Voting***

Voting is limited to Committee members and Committee member alternates. Full consent must be reached by all Committee members or alternates that are in attendance, in person or electronically.

### ***Open Meetings and Closed Sessions***

All Committee meetings shall be closed to the public. The funders may invite guests with full consent.

### ***Authority***

The Committee is authorized to take action or make decisions necessary to plan and implement the EULRP in accordance with NEEA's bylaws, selected Board policies<sup>1</sup>, and EULRP funding agreement requirements and obligations. The Committee must provide summary notes of decisions and program progress on a quarterly basis. The Executive Director or his or her designee(s) will participate in and facilitate all EULRP meetings.

### ***Meeting Schedule***

The Committee will conduct standing meetings quarterly and conduct additional meetings and/or webinars as needed.

### ***Review schedule:***

The Board will review this charter during the first year of the NEEA funding cycle, or at other times as needed.

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<sup>1</sup> The selected Board Policies include the Code of Ethics Policy, Conflict of Interest Policy, Disclosure of Information Policy, Financial Management Policies<sup>y</sup>, Human Resources Policy and Risk Management Policy.



## AD HOC COMMITTEE TO SELECT LEADERSHIP AWARD WINNERS CHARTER

### Review process:



HISTORY			
Source	Date	Action/Notes	Next Review Date
Governance Committee	January 24, 2017	Recommended Board approval.	Q2 2020
Executive Committee	February 14, 2017	Recommended Board approval.	Q2 2020
Board Decision	March 7, 2017	Adopted	Q2 2020
<u>Governance Committee</u>	<u>October 30, 2019</u>	<u>Recommended Board approval.</u>	<u>Q2 2025</u>
<u>Executive Committee</u>	<u>November 14, 2019</u>	<u>Recommended Board approval.</u>	<u>Q2 2025</u>
<u>Board decision</u>	<u>December 5, 2019</u>	<u>Adopted.</u>	<u>Q2 2025</u>

### Purpose:

The purpose of the Ad Hoc Committee to Select Leadership Award winners (Committee) is to select the annual NEEA Leadership Award winners.

**Key Responsibilities:** Review eligible<sup>1</sup> submissions for three awards: Innovation, Collaboration, and Lifetime Achievement. Select the most deserving person or team in each category. Participate in awards ceremony at annual meeting. The Committee shall use the following criteria for selection:

1. **The Innovation Award.** This award recognizes outstanding achievement in creating, utilizing or promoting innovative solutions that help the region achieve more energy efficiency. An innovative solution is one that seizes an opportunity, delivers value or satisfies an existing need more effectively than alternative technologies or solutions, or has positive impact beyond energy savings (i.e. job creation, environmental stewardship, etc.).
2. **The Collaboration Award.** This award recognizes outstanding achievement in collaborating with multiple individuals, groups, and/or organizations to help the region achieve more energy efficiency.
3. The recipient of this award demonstrates the following characteristics:
  - i. Places regional or team goals above personal goals.
  - ii. Creates team environment, is respectful of differences, solicits diverse views, builds consensus, shares knowledge and promotes knowledge sharing, maintains positive attitude, effectively engages team.
  - iii. Is welcoming of new ideas, new team members or groups.

<sup>1</sup> Individuals, organizations, group/teams, programs, and projects that reside in the Northwest are eligible. This includes any public or privately owned utilities, government agencies, or regional energy efficiency organizations, non-profits, or contractors. *Individuals may nominate themselves.*



- iv. Is ready to volunteer when the team needs support.
- 4. **The Lifetime Achievement Award.** This award recognizes the outstanding achievement of an individual whose career has greatly contributed to the advancement of energy efficiency in the Northwest.

**Membership:**

The Committee will consist of at least three Board members. Members and the Committee Chair are appointed by the Board Chair. Membership is open to Board members. Members and the Committee Chair are appointed by the Chair of the Board prior to the annual meeting of the Board, or as needed. Minimum membership is three. The Executive Director is a non-voting member of the Committee.

**Meetings:**

The Committee shall meet at such times and places and by such means as the Committee Chair shall determine in order to carry out its responsibilities. The Committee shall maintain minutes of meetings and report regularly about its activities to the Board. All meeting minutes will be made available to the Board. The Committee may be disbanded following accomplishment of its task.

**Quorum:**

A majority of Committee members shall constitute a quorum.

**Authority:**

The Committee is authorized to take action or make recommendations as necessary to fulfill the responsibilities delegated to the Committee in this charter. This Committee reports to the Executive Committee.

**Review schedule:**

The Board will review this charter during the first year of the funding cycle, or at other times as needed.



## AD HOC COMMITTEE TO SELECT PUBLIC INTEREST BOARD CANDIDATE CHARTER

### Review process:



HISTORY			
Source	Date	Action/Notes	Next Review Date
Governance Committee	January 24, 2017	Recommended Board approval.	Q2 2020
Executive Committee	February 14, 2017	Recommended Board approval.	Q2 2020
Board Decision	March 7, 2017	<u>Adopted.</u>	Q2 2020
<u>Governance Committee</u>	<u>October 30, 2019</u>	<u>Recommended Board approval.</u>	<u>Q2 2025</u>
<u>Executive Committee</u>	<u>November 14, 2019</u>	<u>Recommended Board approval</u>	<u>Q2 2025</u>
<u>Board decision</u>	<u>December 5, 2019</u>	<u>Adopted.</u>	<u>Q2 2025</u>

### Purpose:

The purpose of the Ad Hoc Committee to Select Public Interest Board Candidate (Committee) is to solicit and nominate Board Candidates for the public interest seat when a vacancy occurs in compliance with the Board's bylaws. ~~The Committee reports to the Governance Committee of the Board.~~

### Key Responsibilities:

~~Conduct~~ the public outreach to solicit nominations for the ~~Public Interest Seat~~. Solicit and nominate Board ~~Candidates~~ for the public interest seat. -Review applicants' qualifications. Interview well qualified candidates. Recommend one or more candidates to the Governance Committee for vote by the Board. The Board shall provide input on specific attributes, associations, areas of interest, etc., if any, it would like to see in prospective candidates. The following guidelines shall be used in the evaluation of candidates:

1. Demonstrated knowledge and understanding of energy efficiency in the region
2. Familiarity with NEEA's work and mission, and general understanding of market transformation principles
3. Ability and willingness to represent NEEA in public forums and settings
4. Ability to work constructively with stakeholders in the energy industry
5. Strong understanding of state policy issues and decision makers that can affect NEEA's operating environment
6. Interest in working with a diverse group of stakeholders, including utilities, the Energy Trust of Oregon and BPA
7. A history of public interest activities in the region
8. Ability to consider and represent the diverse public interest perspectives of stakeholders throughout the region

9. Willingness to participate in four Board ~~m~~Meetings per year
10. ~~No material~~Minimal conflicts of interest with NEEA's work

### **Membership:**

~~The Committee will consist of at least three Board members. Members and the Committee Chair are appointed by the Board Chair. Members and the Committee Chair are appointed by the Chair of the Board prior to the annual meeting of the Board, or as needed. Minimum membership is three. This~~  
Committee could include one or more Governor appointed Directors and the incumbent Director representing the public interest, as well as up to three others representing organizations in the energy field concerned with the public's interest. No person or organization interested in this seat shall participate on this Committee. ~~This committee will recommend the candidate(s) for the seat. The Board of Directors shall elect the candidate for the seat.~~

### **Meetings:**

The Committee shall meet at such times and places and by such means as the Committee Chair shall determine in order to present candidates ~~at the annual meeting of to~~ the Board, every three years or as needed. The Committee shall maintain minutes of meetings and report regularly about its activities to the Board. All meeting minutes will be made available to the Board. The Committee may be disbanded following accomplishment of its task.

### **Quorum:**

A majority of Committee members shall constitute a quorum.

### **Authority:**

The Committee is authorized to take action or make recommendations as necessary to fulfill the responsibilities delegated to the Committee in this charter. ~~The Committee reports to the Governance Committee of the Board.~~

### **Review schedule:**

The Board will review this charter during the first year of the funding cycle, or at other times as needed.

# Memorandum – *Strategic Planning Committee* *Report*



11/19/2019

TO: NEEA Board of Directors

FROM: NEEA Strategic Planning Committee

DATE OF COMMITTEE MEETINGS: OCTOBER 31, 2019

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## October 31, 2019 Meeting

Members in attendance included Michael Colgrove, Deb Young, and Ben Otto. Kim Thompson and Steve Bicker were absent. NEEA staff attending included Jeff Harris, Susan Stratton, Kyle Burchard, Becca Yates, Kaylan Dorsch, Susan Hermetnet, Jeff Mitchell, and Jane Waian.

**Consent Agenda.** The consent agenda included minutes from the July 2, 2019, the July 25, 2019 and August 20, 2019 Committee Meetings. The Consent Agenda was approved by unanimous vote of the committee members in attendance.

## Topic: Legislative and Policy Update and Analysis.

### Ask of NEEA Board

None. For information only.

### Summary

There was little legislative action since the July 25<sup>th</sup> update. Staff provided the committee with a tool that staff uses to track actions for each of the four major pieces of Washington legislation. Of note, the grid-enabled water heater requirements in HB1444 have been the subject of much debate about potential delays in implementation. As of this writing the requirements are still scheduled to take effect in 2021.

## Topic: New Opportunities and Extra-Regional Activities Update

### Ask of NEEA Board

Update only. No action required.

### Previous / Ongoing Engagements:

#### ENERGY STAR Retail Products Portfolio (ESRPP) in California.

The Committee discussed confidential business and financial issues related to potential actions in California.

**Nicor Gas:****Update.**

NEEA is supporting development of a formal logic model for gas-fired heat pump water heaters in Nicor territory funded under the Nicor/Resource Innovations (Nicor /RI) contract. This funding directly reduces the cost to Northwest funders of logic-model development that was already scoped for NEEA's own efforts for this technology.

**Other Midwest MT Collaborations:****Update.**

- Under the Nicor / RI contract, NEEA has continued to provide support to the Midwest Market Transformation Collaborative (MW-MTC). The MW-MTC has added new funding members and expressed interest in potential market transformation initiatives mirroring NEEA's Luminaire Level Lighting Controls (LLLC) and Extended Motor Products (XMP) initiatives.
- NEEA has signed a small market transformation support contract with the Center for Energy and the Environment (CEE-MN), a Minnesota based non-profit that is interested in developing a broader market transformation effort in their state.

**Topic: Guidelines for Extra-Regional Engagement.****Ask of NEEA Board**

For Board information.

**Summary**

NEEA staff revised the Draft Guidelines for Extra-regional Engagement based on discussion and feedback from the September Board meeting. The Committee reviewed the revised document and recommended that the document be adopted into the operating guidelines for NEEA. As operational guidelines, these do not require formal Board action. A revised version of the Guidelines document is linked below both as a clean version and a red-lined version of the document provided for the September Board discussion.

**Guidelines for Extra-Regional Engagement - clean version**

**Guidelines for Extra-Regional - redline version**

**Topic: 2020 SPC Workplan.****Ask of NEEA Board**

For Board information.

**Summary**

The Committee discussed and adopted the 2020 Workplan. The committee discussed that a normal cadence would include a review of the Strategic Plan in Q1; but given timing of the new funding cycle that it is appropriate to skip a formal review during this first-year of implementation. Accordingly, much of the 2020 workplan is likely to be focused on processing the new opportunities that come to the alliance. The workplan is attached.

**Ask of NEEA Board**

For Board information.

**Summary**

The Committee discussed the recently released proposed decision from the CPUC regarding the Market Transformation Framework for California. Of note, the proposed decision includes an independent Market Transformation Administrator (MTA) to be selected through competitive solicitation sometime in 2020. Actual implementation of MT programs would begin sometime in 2022-23. The proposed framework anticipates a portfolio of MT initiatives amounting to \$250m over five years.

Next steps: continue to track final actions at CPUC.

# Memorandum – *Finance and Audit Committee Report*



11/19/2019

TO: NEEA Board of Directors

FROM: NEEA Finance and Audit Committee

DATE OF COMMITTEE MEETING: 11/13/2019

Members present: Larry Blaufus, Scott Coe, Theresa Drake

Members absent: Ben Otto

NEEA staff: Susan Stratton, Becca Yates, Kyle Burchard, Roger Monette, Jeff Harris, Jeff Mitchell, Jane Wain

The meeting began with a vote on approving the minutes from the previous Committee meeting on August 21, 2019

## Topic #1: Review Draft 2020 Operations Plan

**Ask of NEEA Board: Review the draft plan and agree to present to the full Board in December for approval**

### Summary

The 2020 Operations Plan draft was presented to the Finance and Audit Committee for review and approval to be presented to the full Board of Directors in the December 4-5, 2019 Board Meeting. NEEA Staff walked the Committee through the feedback that was received following the full Board Operations Plan webinar on October 30, 2019. While no budgetary changes were requested, some edits were made to the narrative around the HVAC Product Group and Ductless Heat Pump Initiatives. The committee approved forwarding the Operations plan to the full Board for review and approval.

## Topic #2: Quarterly Review of NEEA Financials, Q3 actuals and Q3 Forecast

**Ask of NEEA Board: Information and Discussion**

### Summary

The Committee reviewed year to date financial results and forecast as of September 30, 2019. NEEA Staff walked the Committee through some minor adjustments made to the reporting packet format. Both Electric and Gas programs spent less than budgeted for the year through September. Some programs experienced timing delays, while other programs have lowered their expected expenditures for the full year. As a result, the most recent 2019 forecast indicates that both electric and gas programs will finish the year below budget

### Topic #3: Q3 Expenditure Review

#### Ask of NEEA Board: Information and Discussion

##### Summary

The Committee reviewed the Q3 Expenditure report and asked questions about specific transactions, which were answered by NEEA staff. The Committee discussed the value of the expenditure report and confirmed that the exercise is worthwhile and should continue. The Finance and Audit Committee would like the Board to confirm that the investment of NEEA Staff resources to produce the report should continue.

### Topic #4: Draft 2020 Finance and Audit Committee Work Plan

#### Ask of NEEA Board: Approve the draft 2020 Finance and Audit Committee Work Plan

##### Summary

The Committee reviewed the draft 2020 Finance and Audit Committee Work Plan. The draft Work Plan was approved by the Finance and Audit Committee.

### Topic #5: Extra-Regional Financial Reporting

#### Ask of NEEA Board: Review the proposed accounting process and extra-regional financial reporting to present to the Board in December

##### Summary

NEEA Staff walked the Committee through the proposed internal procedure for Special Projects. Staff explained that the funding source, all revenue and costs would be segregated from Business Plan funding sources. The Committee asked that additional language be added to the memo to highlight controls and procedures around this. The Committee was supportive of discussing the proposed internal procedure with the Board.

### Topic #6: Discussion of Confidential Contracts, Business, and Financial Issues

#### Ask of NEEA Board: Review and support proposed matter

##### Summary

NEEA Staff discussed confidential contracting, business, and financial issues with the Finance and Audit Committee.





# Memorandum

November 19, 2019

TO: NEEA Board of Directors

FROM: Susan E. Stratton, Executive Director

SUBJECT: Summary of feedback on NEEA's draft 2020 Operations Plan and staff response

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**Our Ask:** Review this memo and provide input to NEEA staff if additional actions or response is requested.

**Background:** NEEA staff presented planned 2020 activities to alliance advisory committee members on October 16, 2019, and to NEEA's Board on October 30. This memo summarizes feedback received and NEEA staff's response.

Feedback Themes	Staff Response	Decisions Needed
Concerns about the Manufactured Homes program funding	Concerns were raised about scaling the initiative up in 2020 if funding and program support will wind down in 2021. Staff met with funders to identify solutions to these concerns before the Q4 RPAC scale-up vote.	None; RPAC voted for scale-up to move the initiative into market development with the modifications identified by funders and NEEA staff.
Concerns about a shift in the program strategy for Next Step Homes.	The Next Step Homes program is preparing to scale-up to Market Development in 2020 and, as a result, is shifting its focus to growing market adoption of more efficient technologies and practices to influence future code advancement.	None; RPAC will vote on Next Step Homes Scale-up in 2020. NEEA staff is working with funders to address concerns in preparation for this milestone vote
Requests for clarification about NEEA's long-term plan in the residential HVAC market.	Plan edited to include additional language in the Emerging Technology and HVAC Product Group sections of the Operations Plan emphasizing that continued development of residential heat pumps is a priority for 2020.	None
Concerns about cold climate and lagging markets for Ductless Heat Pumps.	Plan edited to highlight existing activities underway to address this concern and clarify that: <ul style="list-style-type: none"> <li>• Program activities will be heavily weighted toward cold climate activities in 2020;</li> </ul>	None. Staff will continue to seek input from funders on this topic.

Feedback Themes	Staff Response	Decisions Needed
	<ul style="list-style-type: none"> <li>Budget is available in 2020 for on-going supply chain and utility trainings or interventions to support further adoption in cold climates and other lagging markets; and,</li> <li>NEEA staff recognize that work on residential heat pumps is far from done and NEEA's goal is to leverage the DHP program to bring new and improved technologies to the market that have broader applications. Staff will stay focused on how these technologies apply to cold climates and lagging markets.</li> </ul>	
Concerns about utility program cost-effectiveness for Ductless Heat Pumps and NEEA's role in helping to address this issue as well as questions around remaining barriers of high first cost.	<p>Operations Plan edited to:</p> <ul style="list-style-type: none"> <li>Add activity focused on convening the region to share tactics and identify opportunities for utilities to address cost-effectiveness challenges; and</li> <li>Clarify that first cost to the consumer has not decreased in recent years and that continuing to monitor costs and sales – and cost as a potential market barrier – will be critical.</li> </ul>	None
Concerns about lagging markets for heat pump water heaters and NEEA's long-term goal to influence a federal standard for water heating.	Staff met with the funder to talk through the concern and will continue discussions in 2020 to address alignment issues.	None. Staff will continue to seek input from funders on this topic.
Question about level of funding for IDL network and distribution of base funding to ensure viability of the labs, particularly the Montana State University lab.	No changes were made to the Operations Plan. Staff provided information that Cycle 6 base funding for the IDL network was reduced by 20% compared to Cycle 5 levels through the Cycle 6 Business Planning process. To ensure more equitable distribution of base funding to all five labs in the IDL network in Cycle 6, NEEA staff applied a funding formula similar to NEEA's funding formula. As a result, MSU lab will receive an increase in funding in Cycle 6. In addition, each lab has the opportunity to gain additional funding via service contracts tied to alliance initiatives or emerging technology activities.	None

Feedback Themes	Staff Response	Decisions Needed
Desire to have the incremental Multi-Family Building Stock Assessment (MFSA) work conducted with the Residential Building Stock Assessment (RBSA) to gain efficiencies.	Staff is presenting different options for how to approach the MFSA work with funders interested in funding the MFSA Special Project. One of these options includes conducting this additional and special-funded work with the RBSA study to gain efficiencies.	None



# Memorandum

Date: November 19, 2019

To: NEEA Board of Directors

From: Kyle Burchard, Director of Business Administration

Subject: Proposed Guidelines for Treatment of Special Projects Funding and Expenses (including Extra-Regional)

## Our Ask:

Review and discuss; support for proposed guidelines

## Background:

NEEA Staff have been working with market partners on special projects both inside and outside of the Northwest region in a limited capacity. NEEA Board members have asked questions in previous meetings about how these funds are accounted for and where they can be tracked in NEEA quarterly financial reports. NEEA Staff would like to answer those questions and clearly document a process for future opportunities.

## Proposed Process:

### Accounting

**Funding Source:** All special projects (including extra-regional) are tracked outside of NEEA Business Plan funding and are assigned to a separate 'special projects funding source' in NEEA's financial systems. All expenditures are subject to contracts and finance review at contract setup to ensure proper funding source and expense classifications.

**Labor Costs:** Hours worked on special projects are tracked using timesheets in Paycom and charged to the special projects funding source, therefore relieving Business Plan funding of those costs. Employee Timecards must be reviewed for accuracy and approved by the employee's supervisor. This requirement is outlined in the NEEA Employee Handbook under 'Tracking Time' (page 16):

*"all employees are required to use NEEA's electronic timekeeping system to track actual hours worked and type of work performed.....Employees must verify their timesheets for accuracy at the end of each pay period. At the end of every pay period each manager also must verify that time entered by the employee is correct."*

**Program Costs:** Expenses charged directly to the specific initiative within the special projects funding source. NEEA's Accounting operations processes have been designed to ensure compliance with Section III of NEEA's Financial Management Policies 'Disbursements' (page 6):

*"NEEA shall ensure that disbursements occur only upon proper authorization of management, are for valid business purposes and are properly recorded."*

NEEA Accounting procedures require that invoices reference a contract number when submitted. This assures that the invoice is billed against the appropriate contract and funding source. Adherence to this process and accuracy have historically been tested in the annual Audit.

**Allocation of Shared Services:** A proportional allocation of shared services is calculated and charged to the special projects funding source, therefore relieving Business Plan funding of those costs. The allocation methodology and accuracy of allocations have been historically reviewed as part of the Annual Audit.

**Revenue:** Revenue generated from extra-regional projects flows into the special projects funding source. Any proceeds (revenue) in excess of the costs required to deliver the initiative remain in special projects funding source. This 'profit' can be seen on the balance sheet as an increase of unrestricted net assets.

### ***Reporting***

**Current Reporting:** Special projects (including extra-regional) are reported separately as part of the quarterly financial reports. Reporting, forecasting, and budgeting is included only on those projects with have a contracted revenue stream.

**Reporting for Cycle 6:** Special Projects (including extra-regional) will be reported in quarterly financial reports consistent with Table 10 (Special projects Budget) of the 2020 Operations Plan.

### ***Proposal Funding***

**Board Review:** NEEA Staff will bring to the board any potential initiatives that the Strategic Planning Committee identifies as a high priority opportunity to pursue.

**Funding of Proposals:** NEEA Unrestricted Funds will be used to fund the proposal work for any special funds (including extra-regional). The Unrestricted Funds are comprised of various unrestricted contributions, interest, and other income NEEA has accumulated since inception. Unrestricted Funds are a component of the 'Net Assets Without Donor Restriction' balance published quarterly on the NEEA balance sheet. Below is breakdown of the 'Net Assets Without Donor Restriction' balance as of September 30, 2019. The two components the comprise Unrestricted Funds are highlighted in green.

Net Assets Without Donor Restriction as of September 30, 2019	
Royalty Payments	\$732,224
Net Property Plant & Equipment*	\$434,968
Other Unrestricted contributions	\$219,252
Unrestricted Interest and other Income	\$254,549
<b>Total</b>	<b>\$1,640,993</b>

\*Non-Cash Assets

**Tracking of Revenue and Costs:** NEEA Staff will charge their time and other associated costs to the special projects funding source to ensure that Business Plan funds are not used for the proposal work. NEEA Staff will track the profit from future work performed outside of the Business Plan and use that balance, when sufficient, to fund future proposal work approved by the Strategic Planning Committee.

# Memorandum



Date: November 19, 2019

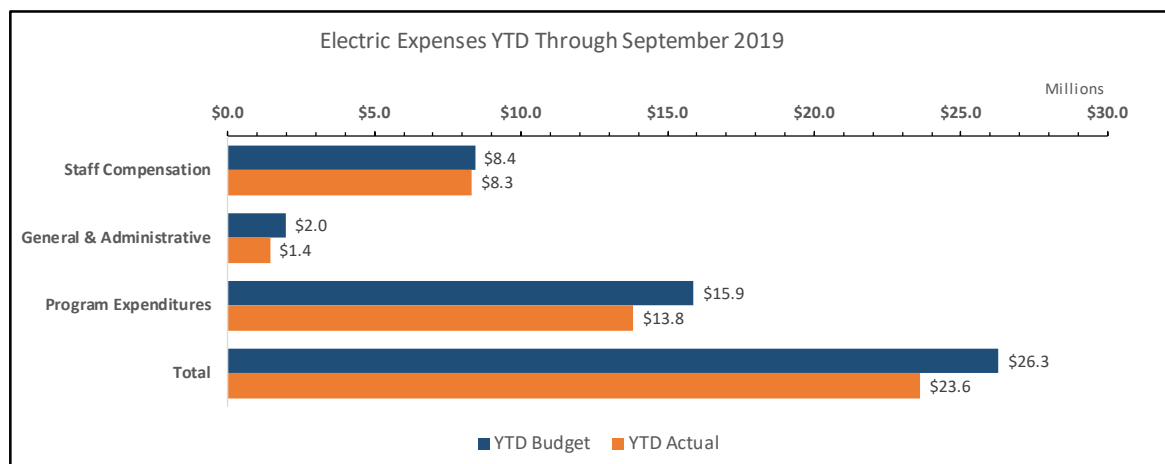
To: NEEA Board of Directors

From: Kyle Burchard, Director of Business Administration

Subject: Q3 YTD 2019 Financial Summary and Q3 2019 Annual Forecast

**Our Ask:** For information only.

## Q3 2019 Electric Financial Summary Report (YTD)



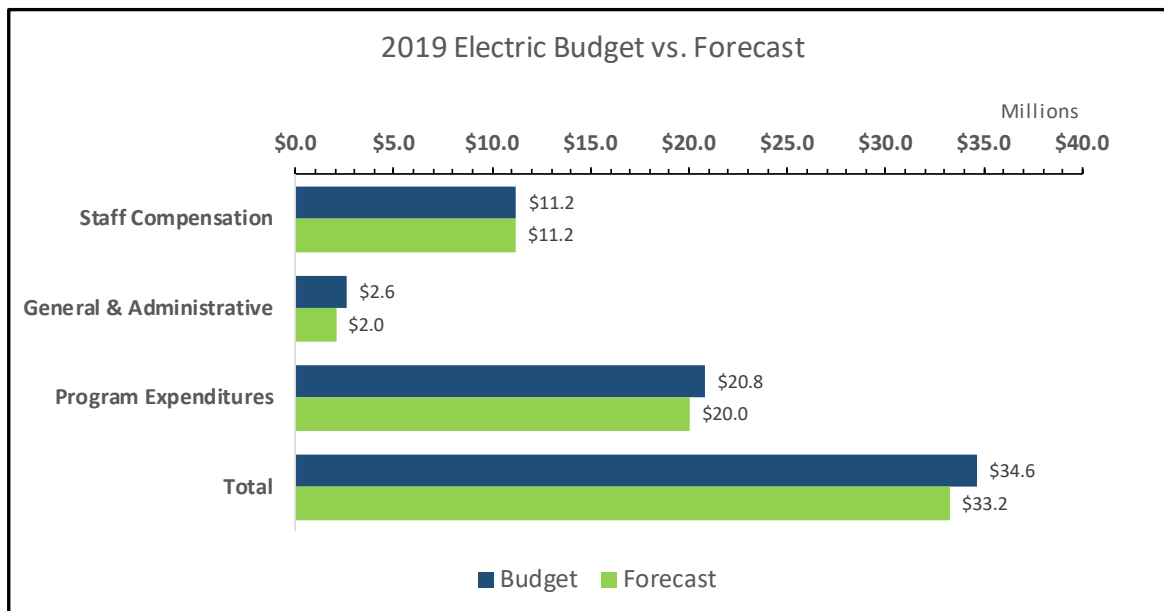
NEEA's electric actuals for the year to date through September 30, 2019 were \$23.6M vs. budget of \$26.3M, a variance of -\$2.7M (-10%). General and Administrative expenditures were under budget by -\$534K (-27%) due to unutilized professional services, IT hardware, and professional development. Total program expenditures of \$13.8M were under the \$15.9M budget by -\$2.1M (-13%).

### Key drivers of Q3 YTD actuals vs. budget:

1. Codes work was -\$652K (-34%) below its \$1.9M budget. This was caused by recruiting delays for Washington code compliance studies, which has resulted in a shifting of some work into 2020. Online portal development costs were also capitalized and not fully recognized in 2019 as anticipated in the budget. The full year forecast has been reduced to reflect -\$412K vs. budget to account for both variance drivers.
2. Stock Assessments was \$2M vs. the budget of \$1.6M (+25%). The contractor completed work more quickly than anticipated in the budget, and the scope of its work has been increased to include more refinement of the sample frame. The 2019 forecast has been increased by \$299K vs. budget.
3. Super-Efficient Dryers was -\$274K (-53%) below a budget of \$521K. The program processed fewer midstream incentives than anticipated to start 2019. NEEA staff were able to leverage the existing Market Research Online Community platform, which required less spend than budgeted. The current forecast is in-line with previous versions which reflected -\$264K lower spend than budgeted.

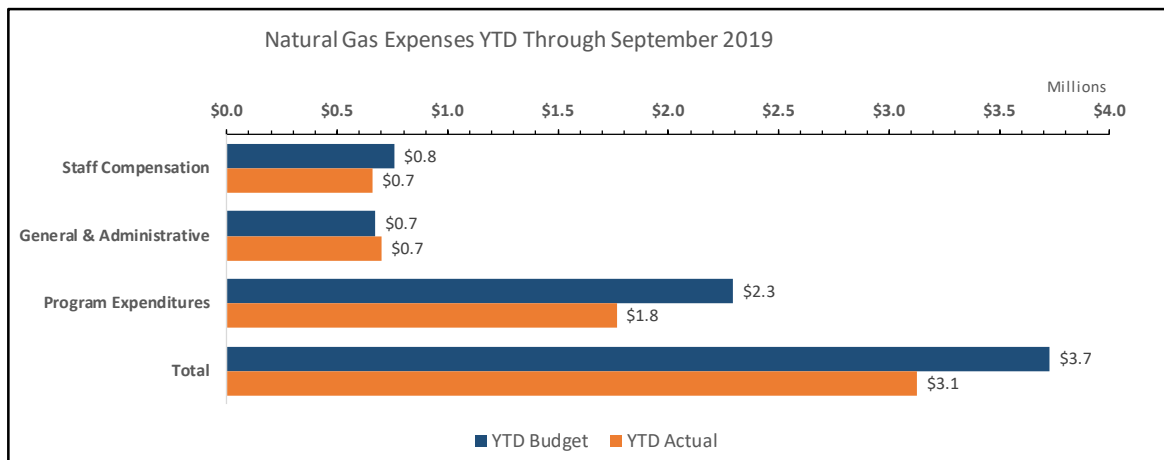
4. Retail Product Portfolio (RPP) finished Q3 under the budget of \$1.85M by -\$241K (-13%). This was driven by lower than anticipated midstream incentives from increased stringency of product specs. Higher sales volumes are anticipated for the remainder of the year, but the current projection is to finish 2019 -\$84K vs. budget.
5. Heat Pump Water Heaters was under the budget of \$2.04M by -\$202K (-10%). This variance was due to a delay in negotiations with distributors and finalizing 2019 performance-based HPWH sales contracts in Q1 2019. Contracts and reporting documentation are now in place to motivate distributors to drive HPWH sales through the rest of the year. The current 2019 forecast is consistent with the previous version which anticipates the initiative finishing +\$276K vs. budget.
6. Manufactured Homes was -\$198K (-48%) behind budget of \$412K from lower than expected NEEM+ homes qualifying for upstream incentives. The 2019 forecast has been reduced to reflect the expected finish of -\$96K vs. budget.

### Full Year Forecast as of Q3



The most recent forecast indicates that total Electric will finish 2019 -\$1.4M (-4%) below budget.

### Q3 2019 Natural Gas Financial Summary Report (YTD)



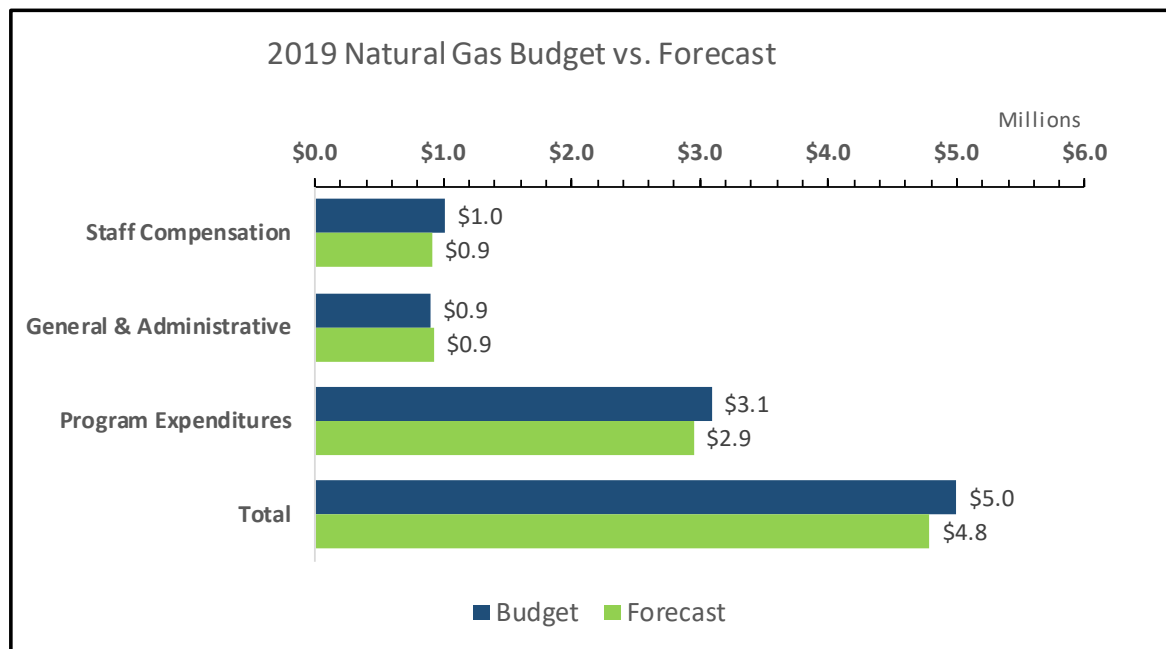


NEEA's natural gas actuals for the year to date through September 30, 2019 were \$3.1M vs. budget of \$3.7M, a variance of -\$601K (-16%). Compensation and Benefits were -\$99K under budget (-13%), as hiring for a product manager role was delayed. General and Administrative outlays were \$28K (4%) over budget. Program utilization was -\$529K below budget (-23%) and drove most of the YTD gas variance.

**Key drivers of Q3 YTD actuals vs. budget:**

1. Rooftop HVAC was -\$273K (-53%) less than budgeted, as field trial management resulted in lower expenditures. Marketing and market testing have been removed from the forecast due to a shift in strategy, which is reflected in the 2019 forecast which is -\$326K below budget.
2. The Gas Combination Unit Program saw a delay in lab and field-testing projects, which resulted in a -\$168K (-42%) shortfall vs. budget that will be surpassed as additional testing opportunities are utilized in Q4. This has been reflected in the latest forecast which is +\$375K above budget.
3. Heat Pump Water Heaters experienced an accelerated timeline for lab and field testing, resulting in a Q3 finish +\$81K (12%) vs. budget. NEEA staff expect this initiative to finish 2019 close to budget.

**Full Year Forecast as of Q3**



The most recent forecast indicates that total Natural Gas will finish 2019 -\$209K (-4%) below budget.

**Actual to Budget Variance: Electric Funds Only**

	Year to date as of Sep-2019				Impact of Variance	Notes
	Actuals	Budget	Variance	% Var		
Compensation and Benefits	8,329	8,422	(93)	-1%	Y	Higher than normal attrition at 14% compared to a target of <10%.
General and Administrative	1,444	1,978	(534)	-27%	G	Lower than anticipated G & A expenditures for Consulting Services, IT Hardware and Software, and Professional Development.
<b>Codes and Standards</b>						
Codes	1,291	1,942	(652)	-34%	Y	Washington Codes Evaluation delayed due to additional considerations for recruiting, some of which moved to 2020. WA Commercial Code online portal development costs will be capitalized and depreciated over 3 years; full year forecast has been reduced
All Other Codes & Standards	355	354	2	0%	G	On plan vs. Budget YTD
<b>Total Codes &amp; Standards</b>	<b>1,646</b>	<b>2,296</b>	<b>(650)</b>	<b>(28%)</b>		
<b>Commercial</b>						
Commercial Code Enhancement	274	355	(81)	(23%)	Y	Technical support and training plan developed in Q1 and timing of expenses is weighted more toward the second half of the year
Commercial Real Estate	387	330	57	17%	Y	Timing of marketing campaign resulted in slightly higher expenses in Q2, full year expenses are expected to be within budget
Extended Motor Products (XMP)	711	557	155	28%	G	Additional activities were added to key contracts to accelerate distributor and other market actor program participation, increase reflected in most recent forecast
High-Performance HVAC	318	471	(153)	(32%)	R G	Red: Delay in execution of manufacturer strategy for encouraging additional qualifying product lines Green: Strategy decision earlier in the year to not pursue additional pilot projects resulted in budget decrease: Full year forecast has been reduced
Lighting Midstream Pilot	299	383	(84)	(22%)	Y	The pilot has ramped more slowly than anticipated; midstream incentive payments delayed. Reduction for full year reflected in most recent forecast
New Initiative Budget	0	113	(113)	(100%)	G	No new initiatives entered the portfolio in 2019; the budget is part of the forecasted underspend for 2019.
Stock Assessments	2,034	1,626	408	25%	G	Contractor completing work more quickly anticipated in budget, as well as additional work being completed to refine sample frame which is reflected in forecast
Window Attachments	184	317	(133)	(42%)	Y	Market characterization work will extend into Jan 2020 and technical work for the program was delayed until 2020. Most recent forecast reflects further reduction
All Other Commercial	1,838	1,964	(126)	(6%)	G	Within reasonable variance YTD
<b>Total Commercial</b>	<b>6,046</b>	<b>6,115</b>	<b>(70)</b>	<b>(1%)</b>		
<b>Industrial</b>						
<b>Total Industrial</b>	<b>259</b>	<b>249</b>	<b>10</b>	<b>4%</b>	<b>G</b>	Within reasonable variance YTD
<b>Residential</b>						
Ductless Heat Pumps	888	761	127	17%	G	Expenses for Market Progress Evaluation are slightly higher and the timing of work has been accelerated a bit as compared to assumed budget timing. Forecast increase to include implementer contract to deliver cold climate DHP trainings in October in Montana, Idaho & Spokane
Heat Pump Water Heaters	1,840	2,043	(202)	(10%)	Y	Variance due to delays in negotiations and contracting with distributors; Contracts are now in place to motivate distributors and drive HPWH sales through the rest of the year and full year forecast has been increased
Lighting Residential	242	191	51	27%	G	Timing of model update work, forecast increased to finish 2019 slightly above budget
Manufactured Homes	214	412	(198)	(48%)	Y	Over-estimated the number of NEEM+ homes to be completed and upstream incentives to be paid; "hot" market has impacted our ability to get attention from manufacturers and retailers; Full year forecast has been reduced
Market Research	20	150	(130)	(87%)	G	Planned online consumer research has been delayed to allow time to revise the scope to better align with product family groupings; full year forecast has been reduced
Market Strategy	2	96	(94)	(98%)	G	Timing of activities is weighted towards the second half of the year
Next Step Homes	575	663	(87)	(13%)	Y	Due to project delays and limited contractor capacity to complete additional work by end of year, full year forecast has been reduced
Retail Product Portfolio	1,607	1,847	(241)	(13%)	G	Changes to increase stringency of product specs resulted in lower incentives – we expect incentives to ramp back up as the more efficient products are stocked and begin selling at higher volumes later this year
Scanning	80	159	(79)	(50%)	Y	Expenses are lower due to project delays; it is expected that full year forecast for all scanning (residential and commercial) will track to budget
Super-Efficient Dryers	247	521	(274)	(53%)	R G	Red: Retail activities have not resulted in meaningful increases in sales volumes, will be revisiting tactics in 2020. Green: Leveraging the existing Market Research Online Community platform for consumer research led to reduced market research costs; Full year forecast has been reduced
All Other Residential	60	133	(72)	(54%)	G	Within reasonable variance YTD
<b>Total Residential</b>	<b>5,776</b>	<b>6,975</b>	<b>(1,199)</b>	<b>(17%)</b>		
<b>Non-Sector</b>						
Conduit	28	85	(56)	(66%)	G	Scaling back the site from development to maintenance in anticipation of Cycle 6; full year forecast has been reduced
Market Data	30	122	(93)	(76%)	Y	Data purchases budgeted in Non-Sector and charged to appropriate Sector when acquired.
All Other Non-Sector	39	36	3	9%	G	Within reasonable variance YTD
<b>Total Non-Sector</b>	<b>98</b>	<b>243</b>	<b>(145)</b>	<b>(60%)</b>		
<b>Total Expense</b>	<b>23,597</b>	<b>26,278</b>	<b>(2,681)</b>	<b>(10%)</b>		
Impact of Variance: Disposition based on qualitative and quantitative assessment by NEEA staff at time of reporting. (R)ed, (Y)ellow, (G)reen						
All Other Report Lines Include						
Codes and Standards: Commercial Code Enhancement, Standards						
Commercial: Integrated Design Lab, Lighting Resources, Reduced Wattage Lamp Replacement, Top Tier Trade Ally, Long-term Monitoring and Tracking						
Industrial: Industrial Technical Training, Strategic Energy Management, Refrigeration Operator Training, Scanning, Long-term Monitoring and Tracking						
Residential: Stock Assessments						
Non-Sector: Market Strategov, Scanning						

## Electric: 2019 Summary Annual Forecast (\$ thousands)

Change from previous forecast.

Category	2019 Budget	January Revisions	April Revisions	July Revisions	Oct Revisions	Cumulative Revisions	Current Annual Forecast	Forecast Change Notes
Beginning Forecast		\$34,633	\$34,572	\$34,478	\$33,675			
Compensation & G & A	13,824	(12)	(127)	(282)	(189)	(610)	13,214	April: (\$126K) Professional Services: No longer anticipate need for transition support due to retiring Policy FTE. July: (\$137K) FTE turnover vacancy savings and (\$139K) reductions to Professional Services / Consulting. October: FTE Turnover Savings
Ductless Heat Pumps	1,012	15	11	33	56	115	1,127	Cost research added as well as MPER expansion from funder requests
Extended Motor Products (XMP)	750	34	54	(11)	112	188	938	Additional activities added to key contracts to accelerate distributor and other market actor program participation
Super-Efficient Dryers	660	(146)	(137)	(8)	26	(264)	396	April: Reduced mid-stream incentives, program management and evaluation costs due to continued slow market activity.
Market Research	350	10	(170)	(79)	11	(228)	122	April: Residential Market Research Online Community has been eliminated and Commercial has been scaled back.
Codes	2,540	(3)	(37)	(171)	(200)	(412)	2,128	July: Reduction for expenses to be capitalized and depreciated over 3 years Oct: Timing of WA Commercial Codes Enhancement work shifting to 2020
New Initiative Budget	203	0	(63)	(140)	0	(203)	0	April: Reduced budget as work has not been scoped based on current status of scanning opportunities. July: No Longer expect to advance Air Saver Unit in 2019.
Window Attachments	450	3	(1)	(88)	(48)	(135)	315	July: Reduced budget as product testing and assessment work has been delayed.
Commercial Building Stock Assessment	1,985	175	32	(42)	134	299	2,284	April: Work expected to be completed in November/December 2018 has pushed into 2019. NEEA is closely monitoring contractor performance on recruitment and site visits to ensure completion on time. Oct: Additional work to refine sample frame
Heat Pump Water Heaters	2,675	197	(151)	247	(17)	276	2,951	July: Allocating additional market channel support to enhance program outcomes.
All Other Initiatives/Projects	10,184	(84)	247	(261)	(320)	(418)	9,766	Cumulative revision change (\$100K) <> \$100K per line item.
<b>Total Projects</b>	<b>20,809</b>	<b>200</b>	<b>(216)</b>	<b>(522)</b>	<b>(247)</b>	<b>(784)</b>	<b>20,025</b>	Listed Below
Top Level Adjustment		(249)	249			0		
<b>Forecast Net Revisions</b>		<b>(60)</b>	<b>(94)</b>	<b>(804)</b>	<b>(435)</b>	<b>(1,393)</b>		
<b>Total Budget / Forecast</b>	<b>\$34,633</b>	<b>\$34,572</b>	<b>\$34,478</b>	<b>\$33,675</b>	<b>\$33,240</b>		<b>\$33,240</b>	

<b>All Other Initiatives/Projects</b>							
Betterbricks	106	0	0	(22)	(11)	(33)	73
Commercial Code Enhancement	514	0	(10)	10	(30)	(30)	483
Commercial Real Estate	440	(0)	1	(1)	(3)	(3)	437
Conduit	112	0	(18)	(21)	(17)	(56)	56
High-Performance HVAC	635	(19)	16	(68)	(19)	(90)	545
Industrial Technical Training	150	28	10	0	(13)	25	175
Integrated Design Lab	567	(6)	(1)	1	(5)	(11)	555
Lighting Midstream Pilot	503	1	17	(40)	(43)	(66)	437
Lighting Residential	241	(17)	(10)	49	(4)	19	259
Long-Term Monitoring	228	(18)	(12)	(10)	7	(33)	195
Luminaire Level Lighting Controls	896	29	136	(118)	31	79	975
Manufactured Homes	530	0	(0)	(20)	(76)	(96)	434
Market Data	125	0	27	(42)	(78)	(93)	32
Market Strategy	164	0	(55)	65	(33)	(23)	141
Next Step Homes	916	(136)	159	36	(36)	23	939
NW SEM Collaborative Fall Workshop	0	0	0	1	0	1	1
Reduced Wattage Lamp Replacement	175	12	(14)	(23)	22	(2)	173
Retail Product Portfolio	2,404	(12)	(8)	(2)	(62)	(84)	2,320
Scanning	406	0	4	(52)	(7)	(55)	351
Standards	416	9	57	(16)	33	83	499
Strategic Energy Management	137	(0)	(12)	48	19	55	192
Televisions	105	0	(50)	(0)	0	(50)	55
Top Tier Trade Ally	416	44	8	(35)	7	24	440
<b>Total All Other Initiatives/Projects</b>	<b>\$10,184</b>	<b>(\$84)</b>	<b>\$247</b>	<b>(\$261)</b>	<b>(\$320)</b>	<b>(\$418)</b>	<b>\$9,766</b>

**Actual to Budget Variance: Natural Gas Funds Only**

	Year to date as of Sep-2019				Impact of Variance	(\$ Thousands) Notes
	Actuals	2019 Budget	Variance	% Var		
<b>Compensation and Benefits</b>	<b>660</b>	<b>760</b>	<b>-99</b>	<b>-13%</b>	<b>Y</b>	Adjustments to expected shared staff needs and short-term vacancy
<b>General and Administrative</b>	<b>701</b>	<b>674</b>	<b>28</b>	<b>4%</b>	<b>G</b>	Reflects cost shift for temp worker covering for FTE on leave
<b>Project Expenses</b>						
Gas : Codes and Standards	26	45	(19)	(43%)	G	Gas Codes is on budget; The main Gas Standards opportunity in 2019 is related to dryers and will be charged to the Dryers budget in Q-4.
Gas : Combi Unit	233	401	(168)	(42%)	Y	Delays in lab & field testing slowed budget utilization. Expecting increased budget utilization remainder of 2019 due to emerging lab & field testing opportunities, reflected in forecast
Gas : Dryers	20	38	(18)	(47%)	R	Variance due to shifting and solidifying resource needs for unexpected Department of Energy rulemaking response. Slightly lower than budget expected result already reflected in forecast
Gas : Heat Pump Water Heaters	771	690	81	12%	Y	Accelerated timeline for lab & field testing expedited budget utilization. Forecast for full year reduced to be in line with budget
Gas : Market Research	88	165	(77)	(47%)	Y	Most market research has taken place within programs in 2019, so budget is accounted for there. Moved \$85,000 to Gas Heat Pump Water Heaters for tankless research and focus group. Recent forecast expected full year reduction vs. budget
Gas : Rooftop HVAC	246	520	(273)	(53%)	Y	Field trial management resulted in \$80k cost savings; \$160k removed from marketing and market testing due to shift in strategy; intentional delay in manufacturer outreach. Recent Forecast reflects additional reduction expected
Gas : Scanning : Non Sector	13	75	(62)	(83%)	Y	\$75,000 moved to Combi for field trial of non-GHP unit
All Other	370	362	8	2%		
<b>Total Project Expenses</b>	<b>1,766</b>	<b>2,295</b>	<b>(529)</b>	<b>(23%)</b>		
<b>Total Expense</b>	<b>3,128</b>	<b>3,728</b>	<b>(601)</b>	<b>(16%)</b>		
<b>Impact of Variance: Disposition based on qualitative and quantitative assessment by NEEA staff at time of reporting. (R)ed, (Y)ellow, (G)reen</b>						

<b>All Other Initiatives/Projects</b>	<b>Actual</b>	<b>Budget</b>	<b>Variance</b>	<b>% Var</b>
Gas : General	70	62	8	12%
Next Step Homes	300	300	(0)	(0%)
<b>Total All Other Initiatives/Projects</b>	<b>370</b>	<b>362</b>	<b>8</b>	<b>2%</b>

**Natural Gas: 2019 Summary Annual Forecast (\$ thousands)**

		Change from previous forecast.						
Category	2019 Budget	January Revisions	April Revisions	July Revisions	Oct Revisions	Cumulative Revisions	Current Annual Forecast	Forecast Change Notes
<b>Beginning Forecast</b>		<b>\$4,998</b>	<b>\$4,944</b>	<b>\$4,949</b>	<b>\$4,793</b>			
Compensation & G & A	1,910	(47)	17	1	(41)	(70)	1,840	Adjustments to expected shared staff needs and short term vacancy
Projects								
Gas : Codes	35	(0)	0	31	(19)	12	47	July: Increased to take advantage of a hot water recirculation opportunity
Gas : Combi Unit	558	2	2	151	221	375	933	July: Developed new opportunities to test multiple gas heat pump technologies. Oct: Expanded Opportunities for further combi development and testing
Gas : Heat Pump Water Heaters	920	0	42	47	(75)	14	934	April: Reallocated market research dollars to Gas Heat Pump Water Heaters where there is an anticipated need July: Expanded market research for tankless and heat pump water heaters Oct: Negotiated savings on lab testing
Gas : Market Research	220	(1)	(41)	(44)	(2)	(87)	133	April/July: Reallocated market research dollars to Gas Heat Pump Water Heaters where there is an anticipated need.
Gas : Rooftop HVAC	700	0	(0)	(239)	(87)	(326)	374	July: Field trial management resulted in \$80K cost savings and reduced \$160K for marketing and market test due to shifts in strategy. Oct: Removal of preliminary research on HVAC roadmap
Gas : Scanning	100	0	0	(75)	(2)	(77)	23	July: Shifted dollars to Combi Unit
Gas : Standards	25	0	0	(25)	0	(25)	0	July: Shifted dollars to Codes
All Other Initiatives/Projects	531	(9)	(15)	(2)	0	(26)	505	Listed Below
<b>Total Projects</b>	<b>3,089</b>	<b>(7)</b>	<b>(12)</b>	<b>(156)</b>	<b>37</b>	<b>(139)</b>	<b>2,949</b>	
<b>Forecast Net Revisions</b>		<b>(55)</b>	<b>5</b>	<b>(155)</b>	<b>(4)</b>	<b>(209)</b>		
<b>Total Budget / Forecast</b>	<b>\$4,998</b>	<b>\$4,944</b>	<b>\$4,949</b>	<b>\$4,793</b>	<b>\$4,789</b>		<b>\$4,789</b>	

<b>All Other Initiatives/Projects</b>							
Gas : Dryers	50	(5)	(10)	0	0	(15)	35
Gas : General	81	(4)	(5)	(2)	0	(11)	70
Next Step Homes	400	0	0	0	0	0	400
<b>Total All Other Initiatives/Projects</b>	<b>\$531</b>	<b>(\$9)</b>	<b>(\$15)</b>	<b>(\$2)</b>	<b>\$0</b>	<b>(\$26)</b>	<b>\$505</b>

## Cycle 5 Optional and Core Program Reconciliation

(\$ thousands)

Optional and Core Programs	Cycle 5 Budget	Cycle 5 Forecast	Variance	% Variance	Notes
Commercial Real Estate(CRE)	\$ 6,515	\$ 4,901	\$ (1,614)	-24.8%	CRE has been intentionally scaled this cycle, primarily to focus on more targeted engagement due to low uptake of the webinars and trainings that were part of the original scope and implementation plan.
Top Tier Trade Ally(TTTA)	\$ 5,206	\$ 4,281	\$ (926)	-17.8%	The launch of NXT Level 2 training was intentionally delayed until a broader base of participation was achieved.
Industrial Technical Training	\$ 1,166	\$ 1,067	\$ (99)	-8.5%	The Industrial Technical Training program has been able to achieve goals and objectives more efficiently than anticipated through diligent selection and management of partners and offerings.
<b>Sub-total Optional Programs</b>	<b>\$ 12,887</b>	<b>\$ 10,249</b>	<b>\$ (2,638)</b>	<b>-20.5%</b>	
NEEA Core Programs	\$ 155,363	\$ 154,309	\$ (1,054)	-0.7%	
<b>Total</b>	<b>\$ 168,250</b>	<b>\$ 164,558</b>			

\* Forecast: (Jan 2015 - Sep 2019 Actuals) + (Oct - Dec 2019 Forecast) completed Oct 17 - 25.)

Matrix Report Electric Funds Actual v Budget					(\$ Thousands)	
	Accounts	Year to date as of September 2019				
		Planning, Evaluation & Technology	Market Strategy & Execution	Stakeholder Relations	Administration	Total
Actuals	Compensation & Benefits	2,507	2,726	1,068	2,027	8,329
	Professional Services	5	54	121	305	485
	Equipment & Software	57	0	0	230	287
	Facilities & Occupancy	1	1	1	421	423
	Travel/Meetings/Prof. Dev.	87	135	34	168	424
	Depreciation	0	14	0	208	223
	Other G & A	18	17	12	(445)	(398)
	Total G & A	167	222	167	888	1,444
	Programs/Projects					
	Proj Costs C & S	332	1,313	0	0	1,646
	Proj Costs Commercial	2,594	3,451	0	0	6,046
	Proj Costs Industrial	50	210	0	0	259
	Proj Costs Residential	780	4,996	0	0	5,776
	Proj Costs Other	69	0	28	0	98
	Total Programs/Projects	3,826	9,970	28	0	13,824
	Total Expenses	6,500	12,918	1,264	2,915	23,597
2019 Approved Budget	Compensation & Benefits	2,547	2,829	1,074	1,972	8,422
	Professional Services	157	87	329	280	853
	Equipment & Software	77	0	18	267	361
	Facilities & Occupancy	0	0	0	413	413
	Travel/Meetings/Prof. Dev.	110	137	73	238	558
	Depreciation	0	0	0	224	224
	Other G & A	10	6	9	(457)	(431)
	Total G & A	354	230	429	965	1,978
	Programs/Projects					
	Proj Costs C & S	634	1,662	0	0	2,296
	Proj Costs Commercial	2,256	3,859	0	0	6,115
	Proj Costs Industrial	27	222	0	0	249
	Proj Costs Residential	868	6,106	0	0	6,975
	Proj Costs Other	158	0	85	0	243
	Total Programs/Projects	3,944	11,850	85	0	15,878
	Total Expenses	6,845	14,909	1,587	2,937	26,278
Variance	Compensation & Benefits	(40)	(102)	(6)	55	(93)
	Professional Services	(152)	(33)	(208)	26	(367)
	Equipment & Software	(19)	0	(18)	(37)	(74)
	Facilities & Occupancy	1	1	1	7	10
	Travel/Meetings/Prof. Dev.	(23)	(2)	(40)	(70)	(134)
	Depreciation	0	14	0	(16)	(1)
	Other G & A	7	11	3	12	34
	Total G & A	(186)	(8)	(262)	(77)	(534)
	Programs/Projects					
	Proj Costs C & S	(301)	(349)	0	0	(650)
	Proj Costs Commercial	338	(408)	0	0	(70)
	Proj Costs Industrial	23	(12)	0	0	10
	Proj Costs Residential	(88)	(1,110)	0	0	(1,199)
	Proj Costs Other	(89)	0	(56)	0	(145)
	Total Programs/Projects	(118)	(1,880)	(56)	0	(2,054)
	Total Expenses	(344)	(1,990)	(324)	(22)	(2,681)
Note: Major variance explanations included in the "Actual to Budget Variance: Electric Only" report.						

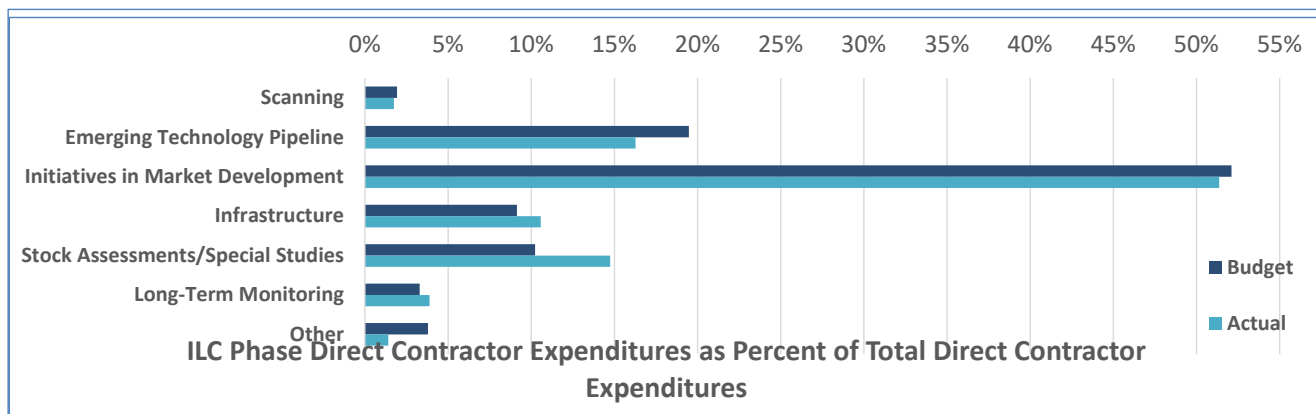
Matrix Report All Funds Actual v Budget						(\$ Thousands)	
		Year to date as of September 2019					
	Accounts	Electric Funds	Natural Gas Funds	End Use Load Research	Special Funds	Other Federal	Total
Actuals	Compensation & Benefits	8,329	660	157	72	3	9,222
	Professional Services	485	27	0	1	0	514
	Equipment & Software	287	0	0	0	0	287
	Facilities & Occupancy	423	0	0	0	0	423
	Travel/Meetings/Prof. Dev.	424	37	6	5	0	471
	Depreciation	223	0	0	0	0	223
	Other G & A	(398)	638	99	43	3	385
	Total G & A	1,444	701	105	49	3	2,303
	Programs/Projects						
	Proj Costs C & S	1,646	26	0	0	0	1,671
	Proj Costs Commercial	6,046	307	222	160	31	6,766
	Proj Costs Industrial	259	0	0	22	0	281
	Proj Costs Residential	5,776	1,430	1,442	9	0	8,656
	Proj Costs Other	98	3	0	119	0	221
	Total Programs/Projects	13,824	1,766	1,663	310	31	17,595
	Total Expenses	23,597	3,128	1,926	432	37	29,120
2019 Approved Budget	Compensation & Benefits	8,422	760	204	0	0	9,386
	Professional Services	853	0	0	0	0	853
	Equipment & Software	361	0	0	0	0	361
	Facilities & Occupancy	413	0	0	0	0	413
	Travel/Meetings/Prof. Dev.	558	39	11	0	0	607
	Depreciation	224	0	0	0	0	224
	Other G & A	(431)	635	99	0	0	303
	Total G & A	1,978	674	110	0	0	2,762
	Programs/Projects						
	Proj Costs C & S	2,296	0	0	0	0	2,296
	Proj Costs Commercial	6,115	0	935	0	0	7,050
	Proj Costs Industrial	249	0	0	0	0	249
	Proj Costs Residential	6,975	300	1,163	0	0	8,438
	Proj Costs Other	243	1,995	0	190	0	2,428
	Total Programs/Projects	15,878	2,295	2,098	190	0	20,461
	Total Expenses	26,278	3,728	2,412	190	0	32,609
Variance	Compensation & Benefits	(93)	(99)	(47)	72	3	(164)
	Professional Services	(367)	27	0	1	0	(339)
	Equipment & Software	(74)	0	0	0	0	(74)
	Facilities & Occupancy	10	0	0	0	0	10
	Travel/Meetings/Prof. Dev.	(134)	(2)	(5)	5	0	(136)
	Depreciation	(1)	0	0	0	0	(1)
	Other G & A	34	2	0	43	3	83
	Total G & A	(534)	28	(5)	49	3	(458)
	Programs/Projects						
	Proj Costs C & S	(650)	26	0	0	0	(625)
	Proj Costs Commercial	(70)	307	(713)	160	31	(285)
	Proj Costs Industrial	10	0	0	22	0	32
	Proj Costs Residential	(1,199)	1,130	279	9	0	219
	Proj Costs Other	(145)	(1,992)	0	(71)	0	(2,207)
	Total Programs/Projects	(2,054)	(529)	(435)	120	31	(2,866)
	Total Expenses	(2,681)	(601)	(486)	242	37	(3,488)



2019 NEEA Electric Initiative Life Cycle Project Costs - Direct Contractor Expenses Compared to Budget  
Fiscal Year-to-Date Through September 2019

(\$ Thousands)

Initiative	Tech/MRE	Mkt Str & Exec	Stkhdr Rel	Total	% of Total	2019 Budget	% of Budget	Variance
Scanning								
General Scanning	242	0	0	242		308		(66)
	\$ 242	\$ -	\$ -	\$ 242		\$ 308		\$ (66)
Initiatives in Emerging Technology Pipeline								
Commercial Window Attachments	5	179	-	184		317		(133)
Extended Motor Products	84	627	-	711		557		155
High-Performance HVAC	74	244	-	318		471		(153)
Manufactured Homes	35	179	-	214		412		(198)
New Initiatives Budget	-	-	-	-		152		(152)
Next Step Home	72	504	-	575		663		(87)
Super Efficient Dryers	27	220	-	247		521		(274)
Initiatives in Emerging Technology Pipeline	\$ 296	\$ 1,954	\$ -	\$ 2,249		\$ 3,092	\$ -	\$ (842)
Initiatives in Market Development								
Commercial Code Enhancement	47	228	-	274		385		(111)
Ductless Heat Pumps	154	734	-	888		761		127
Heat Pump Water Heaters	147	1,693	-	1,840		2,043		(202)
Lighting Midstream Pilot	-	299	-	299		383		(84)
Luminaire Level Lighting Controls	34	513	-	546		589		(42)
Retail Product Portfolio	71	1,536	-	1,607		1,847		(241)
Codes and Standards	332	1,313	-	1,645		2,266		(621)
Initiatives in Market Development	\$ 785	\$ 6,316	\$ -	\$ 7,100		\$ 8,274	\$ -	\$ (1,174)
Infrastructure								
Commercial Real Estate	-	443	-	443		410		34
IDL Support	-	425	-	425		425		(0)
Lighting Resources	-	84	-	84		87		(3)
Strategic Energy Management	-	90	-	90		103		(13)
Industrial Technical Training	-	119	-	119		112		7
Top Tier Trade Ally	-	299	-	299		317		(18)
Infrastructure	\$ -	\$ 1,461	\$ -	\$ 1,461		\$ 1,453		\$ 8
Stock Assessments/Special Studies	\$ 2,038	\$ -	\$ -	\$ 2,038		\$ 1,626		\$ 412
Long-Term Monitoring	\$ 319	\$ 219	\$ -	\$ 538		\$ 523		\$ 15
Other	\$ 146	\$ 21	\$ 28	\$ 195		\$ 603		\$ (407)
Total	\$ 3,826	\$ 9,970	\$ 28	\$ 13,824		\$ 15,878		\$ (2,054)
Scanning	\$ 242	\$ -	\$ -	\$ 242	1.8%	\$ 308	1.9%	\$ (66)
Emerging Technology Pipeline	\$ 296	\$ 1,954	\$ -	\$ 2,249	16.3%	\$ 3,092	19.5%	\$ (842)
Initiatives in Market Development	\$ 785	\$ 6,316	\$ -	\$ 7,100	51.4%	\$ 8,274	52.1%	\$ (1,174)
Infrastructure	\$ -	\$ 1,461	\$ -	\$ 1,461	10.6%	\$ 1,453	9.1%	\$ 8
Stock Assessments/Special Studies	\$ 2,038	\$ -	\$ -	\$ 2,038	14.7%	\$ 1,626	10.2%	\$ 412
Long-Term Monitoring	\$ 319	\$ 219	\$ -	\$ 538	3.9%	\$ 523	3.3%	\$ 15
Other	\$ 146	\$ 21	\$ 28	\$ 195	1.4%	\$ 603	3.8%	\$ (407)



**Northwest Energy Efficiency Alliance, Inc.**  
**Statement of Financial Position**

	Current Qtr End (Sept 2019)	Previous Qtr End (Jun 2019)	Last Fiscal Year (Dec 2018)
<b>ASSETS</b>			
Current Assets			
Cash and Cash Equivalents	14,869,719	14,477,751	11,987,396
Accounts Receivable	4,938,460	4,090,248	976,267
Other Current Asset	466,481	1,219,245	579,448
=====			
Total Current Assets	20,274,660	19,787,244	13,543,111
Fixed Assets	434,969	408,834	453,653
=====			
Total ASSETS	20,709,629	20,196,077	13,996,764
<b>LIABILITIES &amp; EQUITY</b>			
Current Liabilities	5,609,238	4,520,721	5,825,034
=====			
Advances From Funders	13,214,787	13,868,610	6,354,013
=====			
Total Current Liabilities	18,824,025	18,389,331	12,179,048
Net Assets			
Without Donor Restriction	1,640,993	1,632,784	1,562,471
=====			
With Donor Restriction	244,611	173,963	255,245
=====			
Total Net Assets	1,885,604	1,806,747	1,817,716
=====			
Total LIABILITIES & NET ASSETS	20,709,629	20,196,077	13,996,764
=====			

## **Definitions**

### **Assets**

**Cash and cash equivalents:** unrestricted cash for operations

**Accounts Receivable:** outstanding invoices to funders and customers (DOE, extra-regional funds, etc.)

**Other current assets:** all pre paid expenses such as memberships, travel, conference registrations

**Fixed assets:** Property, Plant, & Equipment – computers, furniture, leasehold improvements etc.

### **Liabilities and Net Assets**

**Current liabilities:** Accounts Payable, bills

**Advances from funders:** Funds we have from advance billing for work in a future period (Electric, Natural Gas, EULR)

### **Net assets**

**Temporarily Restricted Net Assets:** Special funds and DOE money

**Unrestricted Net Assets:** It is synonymous with Retained Earnings in a for-profit corporation.

It is the long-term accumulation of net income and net loss through the life of the organization, including Royalty fund

**Total Net Assets:** Total Assets minus Total Current Liabilities, also the Total of Net Assets With and Without Donor Restrictions.



# Memorandum – *Natural Gas Committee Report*

11/19/2019

TO: NEEA Board of Directors

FROM: Susan Stratton on behalf of the NEEA Natural Gas Committee

DATE OF COMMITTEE MEETING: 11/5/2019

Members present: Monica Cowlshaw, Holly Braun, Michael Colgrove, Bob Stolarski, Steve Bicker, Bonnie Rouse

Members absent: Anna Scarlett

NEEA staff: Susan Stratton, Becca Yates, Kyle Burchard, Becky Walker, Jane Waian

Guests: None

## **Topic #1: *Process to Review Natural Gas Financials***

### **Ask of the Committee: For Information**

The Committee reviewed the process of operations plan budget and forecast review and decided that it was appropriate to keep this at the NGAC level.

## **Topic #2: *Natural Gas Operations Plan***

### **Ask of the Committee: Support changes to be advanced to the Board for approval**

The Committee sought further input on the Draft 2020 Operations Plan and all members were supportive of recommending the plan, as is, to be voted on by the Board.

## **Topic #3: *Review of Governance Comments on Natural Gas Committee Charter Amendments***

### **Ask of the Committee: Determine appropriate Charter amendments to be advanced to the Board for approval**

The Natural Gas Committee revisited the Charter changes that it forwarded to the Governance Committee for review. When Governance met, it determined that the Charter language as proposed was inconsistent with other Board Committee Charters in the “Committee Membership” section. Specifically, the Natural Gas Committee preferred that the appointment of the Chair of the Natural Gas Committee be conducted by the Committee members. The Governance Committee asked that the Natural Gas Committee provide additional feedback on the suggested changes prior to advancement to the Board but favored consistency among Board Committee Charters.

The Governance Committee asked the staff to recast the language to be consistent with the other charters.

This is an updated version of the section of the Natural Gas Committee Charter which incorporates direction from the Governance Committee. These edits make the charter consistent with other board committees as it would require the Board Chair to appoint the Committee Chair and any additional members.

~~The Committee will consist of at least three Board members. Membership is open to NEEA Board members. Membership includes one representative from each direct natural gas funder of the Natural Gas Business Plan. The Chair of the Board Chair will appoint the Committee Chair and may also appoint (1) one member that represents an electric-only funder, and (2) one member that represents a non-funding entity (i.e., a public interest or governor recommended Director), and (3) any additional members. The Committee may also appoint additional member(s) with the full consent of members.~~

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The Natural Gas Committee reviewed this Governance Committee version on November 5, 2019 and had two comments.

1. The appointment of “any additional members” seems to be unnecessary and the Committee recommends taking out the last part of the last sentence beginning with “and.”
2. The majority of the Natural Gas Committee members feel that the members, rather than the Board Chair, should appoint the Chair, given the “separate funding of the natural gas project.” The members request that the language requiring the Board Chair to make the appointment be removed. The existing language is silent about an appointment policy. The committee members would intend to vote on the Committee Chair as needed, in the absence of a Board Chair appointment.

The Chair of the Governance Committee recommended that this issue be forwarded to the Executive Committee for resolution.



# Memorandum – *Executive Committee Report*

11/19/2019

TO: NEEA Board of Directors

FROM: Susan Stratton on behalf of the NEEA Executive Committee

DATE OF COMMITTEE MEETING: 11/14/2019

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Members present: Andrew Grassell, Larry Blaufus, Cory Scott, Michael Colgrove

Members absent: Kim Thompson

NEEA staff: Jeff Harris, Susan Hermet, Julia Harper, Becca Yates, Joe Kraus, Kyle Burchard, Jane Waian, Susan Stratton, BJ Moghadam

Guests: Jason Eisdorfer, Brent Barclay

## **Topic #1: *Consent Agenda***

The minutes from the Committee Meeting on August 22, 2019 were approved.

## **Topic #2: *Committee Reports***

**Ask of the Board: Support the reelection of Ben Otto to fill the Public Interest Board seat.**

**Summary:** Strategic Planning Committee, Governance Committee, Finance and Audit Committee and the Natural Gas Committee provided reports of their meetings.

The Executive Committee supported the Strategic Planning Committee's recommendation to discuss a sensitive contracting/negotiation topic at Executive Session at the December 4, 2019 Board of Directors meeting.

The Executive Committee supported the Governance Committee's nomination of Ben Otto to fill the Public Interest Board seat.

## **Topic #3: *Regional Portfolio Advisory Committee (RPAC) Amended Charter, Coordinating Committee Charters, and Work Group Charter***

**Ask of the Board: Review and approve RPAC amended charter, the Integrated Systems Coordinating Committee Charter, the Products Coordinating Committee Charter and Work Group Charter Template**

**Summary:** The Executive Committee reviewed and approved the following charters and recommended presenting to the Board for approval:

- Regional Portfolio Advisory Committee (RPAC) amended charter,
- Integrated Systems Coordinating Committee Charter,
- Products Coordinating Committee Charter and
- Work Group Charter Template

## **Topic #4: *Proposed Amended Board and Steering Committee Charters***

**Ask of the Board:** Review and approve the following revised Board and Steering Committee Charters:

- Executive Committee
- Finance and Audit Committee
- Strategic Planning Committee
- Governance Committee
- Natural Gas Committee
- End Use Load Research Steering Committee
- Ad Hoc Committee to Select Leadership Award Winners
- Ad Hoc Committee to Select Public Interest Board Candidate

**Summary:** The Executive Committee reviewed and approved the following revised Board and Steering Committee charters and recommended presenting to the Board for approval:

- Executive Committee
- Finance and Audit Committee
- Strategic Planning Committee
- Governance Committee
- Natural Gas Committee\*
- End Use Load Research Steering Committee
- Ad Hoc Committee to Select Leadership Award Winners
- Ad Hoc Committee to Select Public Interest Board Candidate

\*see separate Natural Gas Charter memo.

### **Topic #5: Revised Extra-Regional Guidelines**

**Ask of the Board:** None

**Summary:** The Executive Committee reviewed and supported the revised extra-regional guidelines as part of NEEA Staff Operational Policy and recommended including in the Board packet for information only.

### **Topic #6: Anti-trust Guidelines**

**Ask of the Board:** None

**Summary:** The Executive Committee discussed the antitrust compliance review and support presenting the findings to the Board when complete.

### **Topic #7: Draft 2020 Executive Committee Work Plan/Draft 2020 Board Work Plan**

**Ask of the Board:** Approve the draft 2020 Board Work Plan

**Summary:** The Executive Committee reviewed and approved the draft 2020 Executive Committee Work Plan. The Committee also reviewed and recommended presenting the draft 2020 Board Work Plan to the Board for approval.

**Topic #8: *Draft Board Meeting Agenda/Draft Board Meeting Minutes***

**Ask of the Board: None**

**Summary:** The Executive Committee reviewed the draft Board meeting agenda and meeting minutes.

# Memorandum

November 19, 2019

TO: NEEA Board of Directors

FROM: Susan E. Stratton

SUBJECT: Diversity, Equity, Inclusion (DEI) Updates

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## Our ask: For information

### Background.

In September I presented a draft plan for DEI to the board for feedback. The focus for NEEA in 2020 will be data collection and setting baselines and targets for advancement in three areas:

1. NEEA culture and staff development;
2. Internal business practices and operations; and
3. Impact on funders and energy users.

Following the board meeting I met with the internal steering committee to discuss Board feedback:

1. Need to move through milestones more quickly (and, conversely, don't go too fast.)
2. Be specific on commitments and targets
3. Look at what NW funders and the federal government and others have created so that we don't reinvent something that had already been created.
4. Focus staff training on gaps identified in an initial survey
5. Consider milestones rather than completion dates as the DEI work will be ongoing.
6. Consider how to engage with stakeholders to get input on our DEI objectives.
7. How can current processes and projects incorporate more intelligence on DEI in the region?

As a result of the staff discussion, staff is moving forward in Q4 2019 to assess staff survey and training tools and resources so that staff can get a head start on the 2020 milestones related to NEEA culture and staff development. In Q1, the Business Administration group will begin to collect information on DEI dimensions for NEEA contractors to define a baseline and set metrics going forward. Staff has included a small amount for training or consulting on staff culture in 2020. If staff makes progress, it can begin to better define the role for NEEA in both culture and business practice areas earlier than promised in the draft presented to the board.

I propose that I continue to report quarterly to the Executive Committee on progress and then bring to the board in Q3 of 2020 our status in defining DEI for NEEA and in setting specific measurable objectives.



## 2020 Draft Board Work Plan

Topic		Key Recommendations/Decisions
Q1	Board Member Orientation (Seattle Area)	
	March Board Meeting (Seattle Area)	
	2019 year-end actuals and 2020 Forecast	
	ED Performance Objective approval for 2020	Approve ED performance objectives
	2019 ED Performance Evaluation	Approve ED performance evaluation
	Facilities Plan for Cycle 6	Review and approve facilities plan for Cycle 6
	Annual Audit	Review Audit process and scope
	Board on-going learning for 2020	Approve yearly plan
	Review Board Policies: Conflict of Interest, Disclosure of Information, Electric Funding Formula, Natural Gas Funding Formula, Human Resources, Natural Gas, Risk Management	Review Board Policies and provide input
	Audit firm review and selection	Approve audit firms to review, selection criteria and timeline
	Legislative and policy analysis	Discussion
	Board retreat	Discuss and decide whether to proceed with Board retreat
Q2	June Board Meeting (Sun Valley)	
	2020 Q1 Financials and Q2 Forecast	
	Yearly Conflict of Interest Form	Complete Conflict of Interest Form
	Review Board Policies: Conflict of Interest, Disclosure of Information, Electric Funding Formula, Natural Gas Funding Formula, Human Resources, Natural Gas, Risk Management	Approve amended Board Policies
	Review Board Guidelines: Board Committee Meetings, Board Decision Making, Board Member Alternates, Board Members Representing Multiple Constituents, New Strategic opportunity Screening, Principles for Board Work	Review Board Guidelines and provide input
	Board self-assessment	Review the proposal from GC and align on next steps
	Legislative and policy analysis	Discussion
	Review draft 2019 audit & audit firm satisfaction	Accept Audit
Q3	September Board Meeting (Montana)	
	2020 Q2 Financials & Q3 Forecast	
	Review Form 990	(no approval is needed)
	Review Board Guidelines: Board Committee Meetings, Board Decision Making, Board Member Alternates, Board Members Representing Multiple Constituents, New Strategic opportunity Screening, Principles for Board Work	Approve amended Board Guidelines
	Legislative and policy analysis	Discussion
	Dual Fuel proposed guidelines	Discussion
Q4	Annual Board Meeting (Portland)	
	2020 Q3 Financials and Q4 Forecast	
	Review 2021 Work Plan	Approve 2021 Annual Board Work Plan
	Review 2021 NEEA Budget (Operations Plan)	Approve 2021 NEEA Budget (Operations Plan)
	Audit firm review and selection	Approve audit firm for Cycle 6
	Board self-assessment	Review results and align on action items
	Legislative and policy analysis	Discussion
	Board retreat	Potential Board retreat

# Memorandum

November 19, 2019

TO: NEEA Board of Directors

FROM: NEEA staff

SUBJECT: Proposed 2020 Board Committee Meeting dates, revised 2020 Board Meeting dates/locations and proposed 2021 Board Meeting dates/locations

**Our Ask:** Please review the 2020 revised Board Meeting dates/locations and proposed 2021 Board Meeting dates/locations and advise if there are any known conflicts. The Board will vote to approve the revised 2020 Board Meeting dates/locations and the proposed 2021 Board Meeting dates on December 5th.

Note: The Advisory Committee structure has been revised and the proposed 2020 dates below reflect the new Integrated Systems Coordinating Committee (ISCC) and Products Coordinating Committee (PCC) structure. The date highlighted yellow is subject to change and there will likely be joint ISCC/PCC webinars in January, February and July.

## Background:

At the request of the Board, NEEA staff revised the 2020 Board Meeting date and locations to reflect holding Board Meetings over two days and traveling to alternative locations in the region for the Q2 Meeting. Each Committee Meeting will be scheduled from 1 – 3 pm PT and will occur early enough in the cycle to ensure Board Packets are distributed approximately two weeks prior to the Board Meeting.

The proposed 2021 Board Meeting dates reflect the new Meeting cadence.

Even though Board Committee Meetings do not require formal approval, Staff would like to ensure there are no major conflicts with Committee Member 2020 schedules.

## ***2020 Proposed Board Committee Meeting Dates (also showing Coordinating Committee and RPAC meetings)***

Meeting	Location	Day	Month	Date
Governance Committee	Webinar	Thursday	January	Jan 23
Strategic Planning Committee	Webinar	Wednesday	January	Jan 29
Natural Gas Committee	Webinar	Thursday	January	Jan 30
NGAC	Portland	Monday	February	Feb 10
CEAC	Portland	Thursday	February	Feb 20
RETAC	Portland	Tuesday	February	Feb 27
Finance and Audit Committee	Webinar	Wednesday	February	Feb 19
Executive Committee	Webinar	Thursday	February	Feb 20
RPAC	Portland	Thursday	March	Mar 4

Meeting	Location	Day	Month	Date
Board Orientation	Seattle	Monday	March	Mar 23
Q1 Board Meeting	Seattle	Tuesday	March	Mar 24
PCC	Portland	Tuesday	April	Apr 7
ISCC	Portland	Wednesday	April	Apr 8
Governance Committee	Webinar	Wednesday	April	Apr 15
Strategic Planning Committee	Webinar	Thursday	April	Apr 16
CEAC	Portland	Monday	April	Apr 20
Natural Gas Committee	Webinar	Wednesday	April	Apr 22
NGAC	Seattle	Monday	May	May 18
RETAC	Portland	Wednesday	May	May 20
RPAC	Seattle	Tuesday	June	Jun 2
Finance and Audit Committee	Webinar	Wednesday	June	Jun 3
Executive Committee	Webinar	Thursday	June	Jun 4
Q2 Board Meeting - Day 1	Sun Valley, ID	Monday	June	Jun 22
Q2 Board Meeting - Day 2	Sun Valley, ID	Tuesday	June	Jun 23
Governance Committee	Webinar	Wednesday	July	Jul 8
Strategic Planning Committee	Webinar	Thursday	July	Jul 9
Natural Gas Committee	Webinar	Wednesday	July	Jul 16
NGAC	Portland	Monday	August	Aug 10
RETAC	Portland	Thursday	August	Aug 13
RPAC	Portland	Tuesday	August	Aug 25
Finance and Audit Committee	Webinar	Wednesday	August	Aug 26
Executive Committee	Webinar	Thursday	August	Aug 27
CEAC	Portland	Thursday	September	Sep 10
Q3 Board Meeting - Day 1	Montana	Monday	September	Sep 14
Q3 Board Meeting - Day 2	Montana	Tuesday	September	Sep 15
PCC	Portland	Wednesday	October	Oct 7
ISCC	Portland	Thursday	October	Oct 8
NGAC	Seattle	Monday	October	Oct 26
Governance Committee	Webinar	Wednesday	October	Oct 28
Strategic Planning Committee	Webinar	Thursday	October	Oct 29
Natural Gas Committee	Webinar	Thursday	November	Nov 5
RPAC	Portland	Wednesday	November	Nov 4
RETAC	Portland	Monday	November	Nov 9
CEAC	Portland	Thursday	November	Nov 19
Finance and Audit Committee	Webinar	Tuesday	November	Nov 17
Executive Committee	Webinar	Wednesday	November	Nov 18
Q4 Board Meeting - Day 1	Portland	Thursday	December	Dec 3
Q4 Board Meeting - Day 2	Portland	Friday	December	Dec 4

**2020 Revised Board Meeting Dates/Locations**

Meeting	Location	Day	Date
Board Orientation (1 pm - 5 pm)	Seattle	Mon	Mar 23, 2020
Q1 Board Meeting - (8 am - 5 pm)	Seattle	Mon	Mar 24, 2020
Q2 Board Meeting - Day 1 (Noon - 5 pm)	Sun Valley, ID	Mon	Jun 22, 2020
Q2 Board Meeting - Day 2 (8 am - Noon)	Sun Valley, ID	Tue	Jun 23, 2020
Q3 Board Meeting - Day 1 (Noon - 5 pm)	Montana TBD	Mon	Sep 14, 2020
Q3 Board Meeting - Day 2 (8 am - Noon)	Montana TBD	Tue	Sep 15, 2020
Q4 Board Meeting - Day 1 (Noon - 5 pm)	Portland	Thu	Dec 3, 2020
Q4 Board Meeting - Day 2 (8 am - Noon)	Portland	Fri	Dec 4, 2020

**2021 Proposed Board Meeting Dates – Board will vote on these in December**

Meeting	Location	Day	Date
Board Orientation (Noon - 5 pm)	Seattle	Monday	Mar 22, 2021
Q1 Board Meeting - (8 am - 5 pm)	Seattle	Monday	Mar 22, 2021
Q2 Board Meeting - Day 1 (Noon - 5 pm)	Spokane	Monday	Jun 21, 2021
Q2 Board Meeting - Day 2 (8 am - Noon)	Spokane	Tuesday	Jun 22, 2021
Q3 Board Meeting - Day 1 (Noon - 5 pm)	Boise, ID	Monday	Sep 13, 2021
Q3 Board Meeting - Day 2 (8 am - Noon)	Boise, ID	Tuesday	Sep 14, 2021
Q4 Board Meeting - Day 1 (Noon - 5 pm)	Portland	Thursday	Dec 2, 2021
Q4 Board Meeting - Day 2 (8 am - Noon)	Portland	Friday	Dec 3, 2021