

NATURAL GAS ADVISORY COMMITTEE CHARTER

Review process:



| HISTORY | | | |
|----------------------|-----------|--|-------------|
| Source | Date | Action/Notes | Next Review |
| Board Decision | 6-2-2015 | Reviewed and approved with no changes. | 2016 |
| NGAC | 5-18-2020 | Revised | Q1 2021 |
| Governance Committee | 7-8-2020 | Recommended for Board consideration | Q2 2025 |
| Executive Committee | 8-27-2020 | Recommended for Board consideration | Q2 2025 |
| Board Decision | 9-15-2020 | Board approval | Q2 2025 |
| NGAC | 2-1-2022 | Revised | Q1 2023 |
| Governance Committee | 5-13-2022 | Recommended Board approval | Q2 2025 |
| Executive Committee | 5-26-2022 | Recommended Board approval | Q2 2025 |
| Board Decision | 6-22-2022 | Board approval | Q2 2025 |

Purpose

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

NGAC is a leadership advisory committee with a formal voting function that is used to advise NEEA's Executive Director on portfolio management. As such, NGAC members have significant influence on alliance work and are expected to be sufficiently resourced to perform this function.

Responsibilities

1. Review and advise on NEEA's annual gas Operations Plan to support effective gas portfolio performance consistent with the goals, strategies and objectives of NEEA's Business Plan.
2. Review and vet within NGAC member organizations the "business case" document provided at voting milestones, and work as a committee to reach full consent to advance NEEA gas programs per the Program Advancement Process (refer to Addendum A), including adaptive management to achieve regional objectives via the "challenge flag."
3. Share knowledge, expertise and resources to support successful implementation of NEEA's gas program portfolio, including identifying opportunities for leverage among alliance and local programs, and managing intersecting activities in common markets.
4. Participate, as appropriate, in the "RPAC+" downstream marketing coordination process (refer to NEEA's 2020-2024 Business Plan, Appendix 9) 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 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 gas program portfolio.
6. 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 gas program portfolio.
7. Provide a forum for information exchange within the region on gas market and program portfolio updates and developments, and opportunities for collaboration.

Committee Membership

Each direct funder of the natural gas portion of NEEA’s Business Plan (NGAC Funder) will appoint a representative on NGAC and the Executive Director may appoint additional non-voting member(s) as needed to support or enhance the effectiveness of the committee. Voting is limited to NGAC Funders.

Portfolio Consent Voting

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

Authority

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

Open Meetings and Closed Sessions

All NGAC 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 can not be publicly shared. Any NGAC member may request a closed session.

Meeting Schedule

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

Shared Commitment

NGAC members and NEEA Staff share a commitment to communicate within and coordinate among the 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

NGAC 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.

| <i>NEEA Governance/ Management/ Advisory Roles and Responsibilities</i> | |
|--|---|
| NEEA Board | <ul style="list-style-type: none">• 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• Strategic and Business Plan development and approval• Operations Plan and budget approval |
| NEEA Executive Director | <ul style="list-style-type: none">• Manage the business of NEEA according to Strategic, Business and Operations Plans, set forth by Board• Oversee business operations and staff |
| Regional Portfolio Advisory Committee (RPAC) | <ul style="list-style-type: none">• Advise NEEA’s Executive Director on portfolio performance and program advancement; “challenge flag” process; RPAC+ downstream marketing elections• Monitor developments from other advisory committees with regard to regional coordination, market progress, and emerging technology |

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|---|---|
| Coordinating Committees (CCs) | <ul style="list-style-type: none"> • 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 |
| Cost Effectiveness and Evaluation Advisory Committee (CEAC) | <ul style="list-style-type: none"> • Advise NEEA's Executive Director on methods, data sources and inputs for use in NEEA's cost-benefit analysis and energy savings reporting • Advise NEEA's Executive Director on market research and evaluation methodologies |
| Regional Emerging Technology Advisory Committee (RETAC) | <ul style="list-style-type: none"> • Advise NEEA's Executive Director on NEEA's work toward achieving its strategic pipeline goals • Track and coordinate the progression of energy efficiency technologies to improve technology readiness and market adoption in the Northwest |
| Natural Gas Advisory Committee (NGAC) | <ul style="list-style-type: none"> • Advise NEEA's Executive Director on gas portfolio performance and program advancement; "challenge flag" process; RPAC+ downstream marketing elections • Monitor developments from other advisory committees with regard to market progress and emerging technology |
| Work Groups | <ul style="list-style-type: none"> • 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 |

NGAC CHARTER ADDENDUM A – NEEA PROGRAM ADVANCEMENT PROCESS

OVERVIEW

The Natural Gas Advisory Committee (NGAC) will take a formal vote prior to a NEEA Program being adopted into the NEEA natural gas market transformation program portfolio (Concept Advancement milestone), and prior to a NEEA Program being approved to scale-up its market activities (Program Advancement milestone).

NEEA will provide NGAC 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 Program Advancement milestone); market transformation theory, including market drivers, barriers and intervention strategies; a program risk assessment, 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 NGAC Funders to request changes and improvements if the 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 NGAC prior to a NEEA gas program advancing through the Concept Advancement and Program Advancement milestones. Full consent¹ must be reached by those casting votes for a NEEA program to advance.

An NGAC Funder may register a 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 NGAC member is unable to participate
2. No
 - a. In person or by phone during a meeting where a vote is taken
 - b. NGAC Funders voting “No” shall identify their concerns and propose a solution consistent with 3(c) under Challenge Flag Process
3. Abstain
 - a. An NGAC Funder may choose to abstain as a means of registering a neutral opinion or dissent without voting “No”
4. Present, Not Voting
 - a. An NGAC Funder who is present may choose not to vote as a means of remaining neutral on a program’s advancement.

Note:

Voting results will be shared with NEEA’s Executive Director, communicated to the Board, and posted for public access along with other NGAC meeting materials. If NGAC does not reach full 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 NGAC Funder to request changes and improvements if the funder believes a program is heading in a direction contrary to that which was agreed upon. In such a case, the requesting Funder should exercise the process as follows:

1. Funder 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, Funder should inform NEEA Staff that the funder intends to exercise the “challenge flag” option.

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

2. Funder and NEEA Staff work together to determine the best option for addressing the concern with NGAC, based on the impact on the program and timing of the next scheduled NGAC meeting. Options include, but are not limited to:
 - a. Discuss during the next regularly scheduled NGAC meeting.
 - b. Convene a special NGAC meeting/webinar.
3. Funder prepares "Challenge Flag" memo for NGAC, articulating:
 - a. The NEEA activity that a funder believes is going in a direction contrary to that which was agreed upon by NGAC;
 - b. The nature and scope of Funder's concern;
 - c. A proposed solution that Funder feels addresses both the funder's concern and the viability of the NEEA market transformation effort.
4. NEEA Staff convenes NGAC for a facilitated discussion on Funder's proposed resolution, with the goal of addressing both (i) Funder's concern, and (ii) the viability of the NEEA market transformation effort.
 - a. If NGAC and NEEA staff agree on a proposed solution that achieves 4(i-ii), then NGAC shall indicate its support by reaching full-consent on the proposed solution and the NEEA market transformation effort shall proceed as modified.
 - b. If NGAC 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 full Board (the Board's Executive Committee shall not serve as a proxy for the full board in such instances) prior to the Executive Director making the final decision on how the NEEA market transformation effort shall proceed.