

# REGIONAL PORTFOLIO ADVISORY COMMITTEE CHARTER

## Review process:



<b>HISTORY</b>			
<b>Source</b>	<b>Date</b>	<b>Action/Notes</b>	<b>Next Review</b>
Board Decision	December 5, 2017	Board approval	Q2 2020
RPAC	November 13, 2019	Revised	Q1 2020
Executive Committee	November 14, 2019	Recommended Board approval	Q2 2025
Governance Committee	December 5, 2019	Recommended Board approval	Q2 2025
Board Decision	December 5, 2019	Board approval	Q2 2025
RPAC	February 23, 2022	Revised	Q1 2023
Governance Committee	May 13, 2022	Recommended Board approval	Q2 2025
Executive Committee	May 26, 2022	Recommended Board approval	Q2 2025
Board Decision	June 22, 2022	Board approval	Q2 2025

### ***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 program risk assessment, 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 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 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>
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>
Natural Gas Advisory Committee (NGAC)	<ul style="list-style-type: none"> <li>• Advise NEEA’s Executive Director on gas portfolio performance and program advancement; “challenge flag” process; RPAC+ downstream marketing elections</li> <li>• Monitor developments from other advisory committees with regard to market progress and emerging technology</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 (Concept Advancement milestone), and prior to a NEEA Program being approved to scale-up its market activities (Program Advancement 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 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 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 Concept Advancement and Program Advancement milestones. Full consent<sup>1</sup> must be reached by those casting votes for a NEEA program to advance.

An RPAC Member 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 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, a participant 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 a member 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 the member 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 the member 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 the member’s 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 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.

# 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.

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<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.