

MEETING OF THE BOARD OF DIRECTORS: Virtual Board Meeting Meeting Notes

Thursday, May 17, 2018 - 9:07am - 10:58am, PDT

Attendees:

Board Members:

- Brendan Owens
- David Goldstein
- Ed McGlynn
- Gregg Ander
- Jeff Harris
- Marge Anderson
- Mark MacCracken
- Michelle Thomas
- Patrick O'Shei
- Peter Turnbull
- Steve Nadel
- Val Jensen

Staff:

- Ralph DiNola
- Amy Cortese
- Mary Hansel

Welcome and Call to Order

- Ed opened the meeting at 9:07am.
- Ralph welcomed Michelle Thomas and Val Jensen to the Board of Directors.
- Michelle has worked with Southern California Edison (SCE) for many years in energy efficiency. She moved to Energy Codes & Standards group from the regulatory area a couple years ago. She anticipates her Board work will further support NBI and its goals, which helps SCE further its goals.
- Val serves as Senior Vice President for Strategy (which includes EE) at ComEd, and recently celebrated his 10 year anniversary. Prior to that, he worked at DOE in Office of EE for about 6 years.
- Ralph introduced Mary Hansel, who assumed Controller position after Anna Gabis accepted another position.
- Meeting Agenda was reviewed, and no changes made.
- December Board meeting minutes were approved by all voting. Steve, Val, and Michelle abstained.

April 2018 Financials Review and Resolution for Line of Credit

- April 2018 financial statements are not yet ready due to staff transition. They will be complete by Tuesday, and a Finance Committee meeting will be scheduled to review them.

Board Minutes, cont.

- RESOLUTION for Line of Credit – The Board requested NBI to open a line of credit (LOC).
 - Brendan moved to approve authorization of a Line of Credit as proposed (for \$150,000 with Heritage Bank. Authorized signers will be Ralph DiNola and Jim Edelson).
 - Steve seconded.

Discussion:

- NBI's former line of credit with Pacific Continental expired.
- If NBI uses and can't pay, is the policy that NBI will come for repayment from BOD?
- Ralph will verify details on the former LOC, and check with Heritage Bank about the collateralization needs for the new LOC.
- NBI carries Directors & Officers insurance.
- NBI has never used a LOC.
- Ralph affirmed that the Finance Committee and full Board would be apprised before ever using the LOC. NBI doesn't have a policy on this, but one could be drafted for Board approval.

FRIENDLY AMENDMENT to RESOLUTION

- Peter proposed: Use of the LOC shall not commence without approval of the Board of Directors Finance Committee.
- Brendan: I accept the amendment. Steve: I accept as well.

VOTE: Resolution to renew line of credit:

- In favor of resolution: all ayes, unanimous.
- Opposed: 0
- Abstained: 0

Authorized:

David Goldstein, President

Date

FY 2019 Draft Budget Presentation and Review

- FY18-19 budget will be approved at June Board meeting; review only today.
- Budget overall is conservative, it's flat year to year.
- Budget spreadsheet was developed by previous consultant, Nancy Church, and Anna really fleshed it out. To develop the budget, we begin with the current template, review it and adjust, based on projected actuals for the current year, as well as forecasts.
- Jeff: Looks like the big difference is we are not doing the conference next year; is that the big takeaway here?
 - Ralph: Yes, and there are some detailed revenue items we'll talk about as well.

Discussion Regarding Annual Conference:

Board Minutes, cont.

- Ralph reported that NBI has heard from attendees that NBI should hold a conference every year.
- The Forum has a lot of potential for both NBI and our partner the Rocky Mountain Institute (RMI).
- Ralph reported NBI will meet with RMI leadership and will discuss potential for annual conference; their staff at the conference was very excited about it and “wants to take it up a notch”.

Expenses:

Ralph reported that NBI has some known, fixed expenses. The Cost of Revenue expense has to do with how much contract revenue is performed by NBI staff and how much is subcontracted out, so that amount may have some flex, but the main takeaway is that a significant amount of contract revenue is paid out to sub-consultants.

Revenues:

- The revenue charts are showing a trend, with a larger percentage of revenue derived from contracts. When Ralph joined NBI in 2015, sources of revenue were roughly 1/3 contract, 1/3 grants, and 1/3 memberships (i.e., contributions from our utility partners, and formerly call sponsorships). The Board indicated concern in relying so heavily on sponsorships, and NBI has shifted away from that, whether by design or by the reality of the changing capabilities of utilities.
- Contract Revenue is estimated, based on the Biz Dev Tracker spreadsheet that tracks opportunities, rated and weighted by viability factor. The first 6 months in the budget are committed; the final 6 months assumes continuing at same level.
- Grants: NBI is waiting for approval of a General Operating Support grant from the Energy Foundation and using an estimate for Tempest based on our current year proposal Tempest has been our most significant funder.
- We have done a significant amount of work in submitting grant proposals to other foundations that haven't been successful.
- Memberships are crucial, and we are very grateful for the support from our utility partners. We have not included memberships in the FY18-19 budget from SCE or PG&E
 - Recent conversations with Michelle & Peter indicate NBI can count on a smaller amount of contract work in lieu of sponsorship.
 - Michelle, SCE, reported challenges getting programs to commit, but that 93% of what they've done in the past should be available in the next couple of weeks
 - Peter reported that PG&E came through with funds for Grid Optimal Initiative “sponsorship”.
 - Ralph reported that moving to a membership model will hopefully bring in revenues from other utilities and is planning a membership drive in the Fall.

Net Assets: Total Net Assets approximates Net Income, projected for FY17-18 & budgeted for FY18-19.

Board Minutes, cont.

- Will add a total Net Assets line to clarify.
- Ralph asked whether the Board would consider passing a revised budget after revenue projections are more solid, which will likely be after the June Board meeting.
 - Steve affirmed that he could take it up with the Finance committee.
- Suggestion was made to break down the Contract Revenue budget a bit, since it is such a large number. Would like to identify if any one contract constitutes a large % of the overall budget. Ralph indicated we can show the difference between booked and forecasted.
- Ralph reported that NBI looks to Board members to help develop opportunities. He would like to see a fuller pipeline with more certainty and lead time.
- Ralph reiterated concern about unsuccessful grant applications and losing a couple of big proposals.
 - Marge reported that she will bring her list of proposals and hit list as comparison which is interesting because the two non-profits are essentially in the same space.
- Steve noted Communications expense is much lower in the budget than the projected actual for FY18-19. Mary reported that about \$40K was spent on website development in the current year and is not expected to continue next FY.
- Finance Committee can review an updated draft budget, based on April 2018 actuals, and make recommendation to the Board to adopt.

Board Update on NBI Programs, Operations and Development

- Jeff left meeting at 10:15, PDT.

Getting to Zero Forum: Stacey provided a summary report about the Forum.

- This is the 3rd independent Forum.... We try to create a forum for people to network with others doing the same type of work.
 - 371 attendees
 - 16% increase in ticket revenue
 - 16% increase in sponsorship revenue
 - 29 Sessions
 - 12 Partners
 - 88% was Really Good or Loved It!
 - 92% Somewhat Likely or Very Likely to return – those who said no were students.
 - Fewer Workshops & Tours attendee; will analyze.
 - Highlighted Zero Energy stories, including credit union with six Zero Energy branches.
- How do we flatten out the ramp up and drop off curve... how do we motivate this core of advocates to advance Zero Energy?
- How do we take outcomes and turn it into better tools and promotions for ZEBs?
- Marge reported feeling it had a tipping point quality to it... like there was momentum. Having it in the Rust Belt with some Rust Belt examples was good.
 - The quality of networking was high... focus on performance-based procurement that we are trying to push...
 - More gender-imbalanced than previous Forums.
 - Overall, I thought it was a really positive event.

Board Minutes, cont.

- Brendan echoed Marge in terms of the vibe.
 - Seeing several people there from his city in planning and zoning and connecting with them was valuable.
 - I do think the idea of bringing more partnership, even international, feels right to me. Now feels right... we've got a pretty good track record to be able to approach a partner on how we want to grow this thing and here's the value we bring.
- Ralph: We would really be open to hearing who might be partners... ILFI, AIA? Have them have some ownership... to mainstream.
- Peter: It solidified a sense of community in this ZE space.
- Brendan: in the Forum we had in Denver, it was all about buildings and I was kind of concerned about that... at this Forum, it didn't seem we had to explain grid, system integration at a basic level. I was very pleased by that level of awareness and that we can capitalize NBI leadership, not only in ZE, but buildings as... not only programming for next year, but how to talk about this...
- Turn into a prospectus we can present to a utility.
- David reported that South Koreans looking to develop an ISO standard on Net Zero. The EU has standards on Net Zero... how do we move this international?
- Ralph: RMI has more of an international reach. If we held the next Forum in Southern CA, it would give us more opportunity to engage Asia.
- Ralph thanked Stacey and reported that she is the one responsible for putting the Forum together.
- Stacey reported NBI changed meeting planners and they did not deliver on their objectives and it left it to staff... did you notice any issues as attendees? Peter didn't notice anything.
- Ralph reported being disappointed with the venue.

Grid Optimal Initiative

- Ralph reported initiative was launched in earnest at eLab Accelerator at RMI. Alexi, Mark Frankel, Brendan and Peter were there.
- Brendan was struck by how many of the problems that were trying to be solved... there were 14 or 15 teams... all were searching for Grid Optimal, but they didn't know what to call it. Teams were searching for a tool that Grid Optimal will be. My guess is that I will look back at that week and see it as a tipping point between supply & demand side.
- Peter: When you hear the premise of eLab and what they are trying to do, this was one of the better projects... great application of that process.
 - I put up a LinkedIn post that's gotten about 2,600 views.
- Val: Once I figure it out I think it could be super valuable.
- Ralph: We are still working on our drive for support; we appreciate any who can support.

Business Development

Ralph showed a summary of some of the contracts NBI has won.

Closing

- June 5-6, 2018 meeting in downtown Chicago, hosted by Val (thank you!).

Board Minutes, cont.

- Draft agenda:
 - June 5 afternoon for staff presentations and perfunctory tasks
 - June 6 full day.
 - Peter can't arrive until the 6th.
- September meeting dates sent out. Prefer East or co-locating with international EE meeting in southern CA?
 - Brendan prefers East Coast.
 - David may need to do something at the int'l conference, so would like to co-locate in southern CA.

Adjourn

Meeting adjourned at 10:58am PDT.