

WHPA Executive Committee (EC) Meeting – January 17, 2018

Call to Order

Western HVAC Performance Alliance (WHPA) Staff Mark Lowry (BBI) called the meeting to order at 12:04 p.m. PST.

Agenda

PDT TIME	TOPIC	FACILITATOR
5 min. 12:00pm-12:05pm	Roll Call	Wendy Worrell
5 min. 12:05pm-12:10pm	Prior Minutes Approval (from December 13, 2017 EC Meeting)	Mark Lowry
80 min. 12:10pm-1:30pm	Facilitated Discussion: Transition to California 501(c)(3) Nonprofit Public Benefit Corporation <ul style="list-style-type: none"> • Roadmap Overview • EC as Interim Board of Directors & Articles of Incorporation Needs • Draft Bylaws Status & Next Steps 	Mark Lowry
by 1:30pm	Closing Comments & Adjournment	Paul Thomas & Ron Jarnagin

Roll Call – Attendance

WHPA Staff Wendy Worrell (InfoPlast) took roll. A quorum (eight or more) of the Executive Committee (EC) was present or represented by proxy.

To avoid repetition, the abbreviation for the name of the member organization will be used in the body of the minutes.

Organization	First Name	Last Name	WHPA Category	Participation
Executive Committee (Voting Members, Quorum = 8)				
ACCA (Air Conditioning Contractors of America)	Don	Langston	Contractor Association	P
AHRI (Air-Conditioning, Heating, and Refrigeration Institute)	Garrett	McGuire	HVAC Manufacturer Association	P
ASHRAE	Ron	Jarnagin	Engineering Society	P (Co-Chair)
CEC (California Energy Commission)	Lea	Haro	Government (Other than CPUC)	P
CPUC (California Public Utilities Commission)	Justin	Hagler	CPUC	P
HARDI (Heating, Airconditioning & Refrigeration Distributors International)	Talbot	Gee	Distributor Association	P
IHACI (Institute of Heating and Air Conditioning Industries)	Bob	Wiseman	Contractor Association	P
JCEEP (Joint Committee on Energy and Environmental Policy) Western States Council	Dave	Dias	Organized Labor	P
NCI (National Comfort Institute)	Dominick	Guarino	Educator, Trainer	P
PG&E (Pacific Gas and Electric Company)	Christian	Weber	California IOU	A
SCE (Southern California Edison)	Scott	Higa	California IOU	P
SDG&E (San Diego Gas & Electric)	Paul	Thomas	California IOU	P (Co-Chair)
SoCalGas (Southern California Gas Company)	Harvey	Bringas	California IOU	P
UA (United Association)	Don	Tanaka	Organized Labor	A (proxy to UA- Jerry Trevino)
Guests (Non-Voting)				
ACCA (Air Conditioning Contractors of America)	Louis	Fuentes	Contractor Association	A (standing ACCA proxy)
AHRI (Air-Conditioning, Heating, and Refrigeration Institute)	Allison	Edwards	HVAC Manufacturer Association	A (standing AHRI proxy)
BMI (BuildingMetrics Inc.)	Pete	Jacobs	Energy Efficiency Program Consultant	A
PG&E (Pacific Gas and Electric Company)	Mark	Salavitch+	California IOU	A
SCE (Southern California Edison)	Matthew	Horwitz	California IOU	A
SoCalGas (Southern California Gas Company)	Peter	Tanios+	California IOU	A
UA (United Association)	Jerry	Trevino+	Organized Labor	P (UA Proxy)

Organization	First Name	Last Name	WHPA Category	Participation
WHPA Staff (Non-Voting)				
BBI (Better Buildings, Inc. CEO)	Mark	Lowry	Energy Efficiency Program Consultant	P (Facilitator)
InfoPlast	Wendy	Worrell	Other Stakeholder	P (Host/Roll Call)
Key SEO/Key Marketing Group	Judy	Johnson	Other Stakeholder	P (Scribe)

Approve Minutes of December 13, 2017, Meeting

MOTION was made by Co-Chair Ron Jarnagin (ASHRAE) and seconded by Co-Chair Paul Thomas (SDG&E) to approve the December 13, 2017 EC Meeting Minutes. The Motion **CARRIED** as all EC members present or represented by proxy voted in favor of passing the motion.

Facilitated Discussion: Transition to California 501(c)(3) Nonprofit Public Benefit Corporation

PRESENTATION was made by WHPA Staff Mark Lowry (BBI) clarifying that, “It was felt at the December EC meeting that this January WHPA Executive Committee meeting should be dedicated to the single topic of the future of the WHPA.” The overviewed *WHPA Roadmap for Success – 2018 & Beyond* document was sent to each EC member prior to the January meeting. Mark reported that the first 20 pages are “the meat” of the document.

COMMENTS: WHPA Staff Mark Lowry (BBI) reported that the following actions need completion for the process of converting the WHPA into a non-profit entity (*See the Roadmap Executive Summary starting on page 17*):

1. Complete the initial filings for incorporation and then apply for nonprofit tax-exempt status at the State (California) and Federal level.
2. Find the chief staff officer (Executive Director) to “take the ball and help carry the new entity forward”.
3. Adopt a budget reflecting the Board’s consensus on activity levels and after securing “seed money” startup grants. The Funding shown in Section C on page 18 of the Roadmap clarifies sample revenue streams, primarily from dues and startup grant “seed money” from the utilities to get the nonprofit entity going in the first year.
4. Determine goal prioritization and stakeholder engagement levels as there will not be resources to work with the same level of engagement as in the past. Initial focus would be on trying to get some of the group back up and running quickly so that more than just the Board is engaged in 2018.
5. Develop policies and procedures to facilitate smooth operation of the WHPA as a nonprofit corporation. Several needed activities were not addressed in the documents to date, so that it would not be so onerous to make policy and procedure changes in the future.

QUESTION: WHPA Staff Mark Lowry (BBI) asked the EC members what further information they needed to determine if they could serve as a Director on the Board of the new entity.

QUESTION: Co-Chair Paul Thomas (SDG&E) asked WHPA Staff Mark Lowry (BBI) to clarify the time commitment for a board member for the initial activities.

- **RESPONSE** by WHPA Staff Mark Lowry (BBI): “There will be monthly conference call meetings of the board; officers might meet additionally twice a month as a group.”
- **COMMENT:** Don Langston (ACCA) noted that there have been monthly meetings for the EC since the organization was formed. “Any time commitment for a board member above five hours a month scares me.” Don further clarified that the role of the board is to direct. “I just want to challenge everyone to have a purpose for every Director meeting.”
- **COMMENT:** Co-Chair Ron Jarnagin (ASHRAE) clarified that when thinking about time commitments, Board work needs to be separated from committee work. Ron reported that he has never been on a board that meets every month.
- **COMMENT:** WHPA Staff Mark Lowry (BBI) commented that in the past the EC had work product approval responsibility which consumes a lot of EC time, but that in the future, “I can see the Board authorizing a Board Committee to approve all the Work Products.” Mark clarified that in the long term, the Director work should be strategic, not tactical.
- **COMMENT:** Co-Chair Paul Thomas (SDG&E) summarized that he would expect monthly meetings of the Board for the first quarter of 2018, and then fewer meetings thereafter, for an estimated Director time commitment of two (2) to three (3) hours a month for the first three (3) months of 2018. He noted expectation that Committees of board members would be formed for additional (startup) work, and that the second quarter of 2018 would include review of the Board role.

COMMENT: WHPA Staff Mark Lowry (BBI) clarified that discussion was needed about funding and budgeting during this meeting and reported that page 18 of the Roadmap reflects a start-up budget scenario, including initial staffing, and that the Chart on page 13 of the roadmap clarifies suggested membership dues.

C. Funding – Expense & Revenues

Adopt a budget reflecting Board’s consensus on activity levels and after securing commitment from IOUs for 2018 “seed money” startup grants

EXPENSES (SAMPLE)

SCENARIO 3: STARTUP	
ACTIVITY	ANNUAL BUDGET
(5) Compensation of current officers, directors, trustees and key employees	\$ 112,500
(7) Other salaries and wages	\$ 202,500
(9) Other employee benefits	\$ 20,000
(10) Payroll taxes	\$ 20,000
(11b) - Legal Expenses	\$ 15,000
(11c) - Accounting	\$ 48,000
(13) Office Expenses	\$ 10,000
(14) Information Technology	\$ 34,000
(17) Travel	\$ 5,000
(19) Conferences, conventions, meetings	\$ 31,000
(23) Insurance	\$ 15,000
(24e) All other: Communications 18,000; Equipment 5,000; Telephone & web conferencing 4,200; Taxes & Licenses 5,000	\$ 32,200
ANNUAL TOTAL:	\$ 545,200

REVENUES (SAMPLE)

SOURCE	ANNUAL BUDGET
Dues	\$ 57,500
Startup Grants	\$500,000
ANNUAL TOTAL:	\$557,500

Figure 1: Start-up Budget Example from WHPA Roadmap for Success – 2018 & Beyond, Page 18

COMMENT: Co-Chair Paul Thomas (SDG&E) reported that the Investor-Owned Utilities (IOUs) “are unanimous that the WHPA has value and should continue”, but noted that without transition funding, the WHPA will not continue. He clarified that even with membership dues, “we would not be able to accomplish what we collectively want to accomplish.” He suggested that it is appropriate for the utilities to help with funding during the transition. He clarified that while the utilities are not 100% committed (to the funding) yet as more information is needed, there is a high likelihood for 2018 funding. During 2018 there will also be a need to secure funding for 2019 and beyond from sources beyond the IOUs.

QUESTION: To confirm understanding, Talbot Gee (HARDI) asked what the chances are to get additional funding for 2019.

- **RESPONSE** by WHPA Staff Mark Lowry (BBI CEO): “I am not sure.” Mark clarified that some stakeholders previously suggested there might be State of California grants to pursue but reported that he had not researched grant opportunities as part of the current Roadmap’s development. He noted that somebody will need to focus on grants early in 2018 to increase the chances of obtaining funding.

QUESTION: Talbot Gee (HARDI) commented that when WHPA first started, a big motivator for HARDI was to be engaged in the Utilities’ program design. He asked if the new IOU Business Plan process would be totally removed from the WHPA.

- **RESPONSE:** Co-Chair Paul Thomas (SDG&E) reported that design of a lot of the IOU programs will be performed by third parties, with some of those third parties expected to continue engagement with the WHPA. Those discussions may work their way into program design. Paul noted the importance of continuing to have the WHPA as a forum for discussion with the CEC and CPUC to offer multiple stakeholder perspectives. “We don’t know 100%, but I think the WHPA will accomplish what you are after, Talbot.”
- **COMMENT:** Justin Hagler (CPUC) confirmed that there needs to be an outlet for third party participation. He commented that the WHPA needs to be part of the Business Plan process to allow for needed stakeholder expertise.

COMMENT: Don Langston (ACCA) voiced his personal opinion that, “Unless the WHPA can really engage those in Sacramento who write the laws, and then engage with regulators, the WHPA will be a mediocre organization.” He suggested that to be effective, the entity will need ensure there is better engagement.

- **RESPONSE:** Co-Chair Paul Thomas (SDG&E) commented that, “We definitely need to look at that.” He noted that with the shift in IOU program design to third party implementers, the WHPA could engage with them more for near-term wins. He also noted that on the program administration side there is tremendous benefit in hearing directly from contractors, trade associations, and others. “I think there are some near-term wins, but we can’t lose sight of some of the longer-term strategic elements.”

COMMENT by Talbot Gee (HARDI): “If the primary mission of the organization is to facilitate and/or represent industry practitioner expertise into program design then it’s easy to tell whether the organization is successful. However, if that is an aspiration, but the mission is purely to exist in case someone happens to ask for input, that is ‘rangier’ for HARDI (to decide to participate).” Talbot noted that he “liked” the idea of industry expertise being pulled specifically to help programs have success. He suggested that if it is found that in a year “the new world does not allow the WHPA to do that,” decision could be made to change the mission or stop the whole thing.

- **RESPONSE:** WHPA Staff Mark Lowry (BBI) brought attention to the draft Mission /Vision/ Goals on page 98 of the Roadmap (below). He clarified that the HSES and Chartering Committees did a lot of work developing the current content. He noted that the overarching goals “provide the opportunity that Talbot just mentioned” and stated that while all stakeholders wanted to continue to provide input into utility programs, they did not want it as the sole focus of the organization. The Board will determine Goal priorities.

PERFORMANCE
ALLIANCE

1. Vision

The Western HVAC Performance Alliance (WHPA) is an organization that will serve as a credible, reliable, influential, and effective resource for a broad-based community of HVAC stakeholders who have joined forces to transform the marketplace focused on the energy efficiency, environmental quality, and sustainability goals of California. Through stakeholder collaboration a united HVAC industry has the power to impact the present and the future.

2. Mission

The WHPA will work as a guiding light for California stakeholders to educate and support present and future HVAC energy efficiency initiatives to benefit consumers. The organization will facilitate communication and action among a wide set of market actors through workforce education & training, emerging technologies, and industry-vetted HVAC programs.

3. Goals

3.1 Overarching Goals

The WHPA will ~~1) develop and continuously evolve recommendations;~~ 1) identify specific actions, milestones, schedules, and metrics for measuring progress on the near-term, mid-term, and long-term goals related to HVAC energy efficiency; 2) interact with market actors and end users to improve energy performance of HVAC systems; 3) ~~develop and continuously evolve recommendations;~~ 4) provide education and support of actions to ~~increase compliance, and integrate compliance into industry practices in a simple and understandable manner;~~ and 5) ~~act as an organization, we will to continually change with the market and with market forces.~~

The goals of the WHPA are organized into the following categories with understanding that strategies and sub-strategies will be developed and evolved over time as needed to meet those goals:

- [Energy Efficiency Program Goals](#)
- [Emerging Technology Development Goals](#)
- [HVAC Industry Goals](#)
- [HVAC Community Engagement Goals](#)
- [Consumer Outreach Goals](#)
- [Public Policy Goals](#)

Figure 2: Draft Vision, Mission, Overarching Goals from WHPA Roadmap for Success – 2018 & Beyond, Page 98

QUESTION: Talbot Gee (HARDI) asked if a new member should expect the WHPA to be engaged in every Title 24 revision, noting that that it could “get out of hand” very quickly.

- **COMMENT** by Don Langston (ACCA): “The flip side is that there are more things going into Title 24 that are getting harder (for contractors) to implement. I see this organization having value if we can have a voice from industry to the people putting the laws together.” He clarified that could only happen if there are people engaged from the state level. “It feels like we (the WHPA) are at the little kids’ table. I don’t want to see additional time and resource spent if there is no good value.”

- **COMMENT** by Talbot Gee (HARDI): “That implies to me that the staff infrastructure may need to be a bit beefier than what is in the proposal.” He noted that to have tangible impact on major issues, it might take a bigger investment in terms of who is staffing and doing the day-to-day work of the organization, which will mean working with the (public) agencies.

QUESTION by WHPA Staff Mark Lowry (BBI) to Lea Haro (CEC): “Do you have any comment as to how the CEC sees the WHPA in the future?”

- **RESPONSE:** Lea Haro (CEC) commented that engagement with the WHPA has been very useful to the CEC. She clarified that the work done by the Existing Buildings Energy Efficiency (EBEE) Action Plan Committee for the EBEE Action Plan and the work the Compliance Committee did on the Compliance Shortfalls are very useful for the CEC going forward. She also noted that, “Having this engagement with such a wide group of people is very important moving forward.” Lea clarified that people have been frustrated with some things the regulators are doing but that having a forum for that discussion is helpful. Otherwise “there is a larger distance between the stakeholders and the regulators”.

COMMENT: Co-Chair Paul Thomas (SDG&E) commented that having a clearinghouse is helpful and that it will continue. He confirmed that prioritization for 2018 is key. He noted that the Executive Director will need to coordinate with the Board of Directors for what can happen based on their wish list and budget for 2018 while also looking and securing funding for 2019.

COMMENT by Dominic Guarino (NCI): “Having more time spent (developing) a clear business plan will help. As a business person I feel there are some major gaps in this plan. I don’t want to do a lot of work this year and fall off the cliff the next year when we don’t get the grants.”

- **COMMENT:** Co-Chair Paul Thomas (SDG&E) voiced agreement that both a business plan and a strategic plan, are needed. He clarified that the Roadmap is neither of those but that it “gets us going in the right direction”. He noted that a business plan requires a lot of discussion and would be one of the first orders of business for the Executive Director to lead.
- **RESPONSE:** WHPA Staff Mark Lowry (BBI) confirmed that a business plan for the new organization must be developed.

QUESTION: Dominic Guarino (NCI) asked if it was premature to form the Board of Directors, if the nonprofit filing should be delayed, and if time could be taken to develop a business plan and not launch the new nonprofit until “we think it has a good chance of success for the long term”?

- **RESPONSE:** Co-Chair Paul Thomas (SDG&E) asked who would pay for the effort to develop a business plan since the IOU facilitation contract which has funded these activities expired in December 2017. He clarified that things have been expedited since the IOUs are not able to “re-up” the contract based on interpretation from the PUC on the pending Business Plan approval. “If we don’t get this going I don’t know how we would fund this.”

COMMENT: Dominic Guarino (NCI) commented that he was under the assumption that the IOUs would “bridge this” and asked if the “seed money” referenced in the Roadmap’s suggested budget was attached to the fact that there a nonprofit must be in place.

- **COMMENT:** Co-Chair Paul Thomas (SDG&E) commented that the plan for was transition to a nonprofit entity. He stated that, “I don’t think we can get it done without it being a nonprofit organization.”
- **COMMENT:** Scott Higa (SCE) voiced agreement with Paul Thomas’ (SDG&E) comments and noted that the timing has a lot to do with it.
- **COMMENT:** Co-Chair Paul Thomas (SDG&E) clarified that he thought “we are far enough down the road to be able to do this.”
- **COMMENT** by WHPA Staff Mark Lowry (BBI): “It sounds like the bankers have enough information to fund.”

COMMENT: Scott Higa (SCE) noted that the path has been to move the WHPA as an organization to a more sustainable structure and one not dependent on the IOUs for budgets to mitigate the risk every year that IOU funding will not occur. With the new business plan process, the current method of funding is even more at risk. He clarified that nonprofit status is a way for the utilities to help fund the WHPA going forward while putting the WHPA in a better position without being fully dependent on IOU funding.

- **COMMENT:** Dominic Guarino (NCI) confirmed agreement that the current path is the right direction, but noted that, “I want to be sure that industry stakeholders see the value” if there is a change from the original intent of the WHPA being to influence programs and policies.
- **COMMENT:** WHPA Staff Mark Lowry (BBI) commented that serving on the Board of Directors would be the best place to help guide the strategy, goal prioritization and implementation for the future of WHPA as the Board will determine the organization’s strategy and goals.

COMMENT: Talbot Gee (HARDI) stated that the ultimate problem is that by the end of 2018 if there is not a tangible seat at the table for the WHPA, the funding gap for 2019 would be a challenge to fill. He commented that the agencies need to be forthright as to

whether there will be a tangible support from the agencies to clarify the WHPA’s role in the code and program development, for which they are ultimately responsible. “If not, we are spinning our well-intended wheels forever.”

- **ACTION:** Justin Hagler (CPUC) to do some internal discussion at CPUC to determine “if I can provide more of a plan for where this is going”.
- **COMMENT:** Talbot Gee (HARDI) clarified that real outside money will not come in until stakeholders see if they have a “real seat at the table”.

QUESTION: Lea Haro (CEC) clarified that different stakeholders participate in rule making and in the development of standards. She asked, “What role do you see the WHPA as playing, moving forward?”

- **RESPONSE:** Talbot Gee (HARDI) noted that the rule-making and standards development process has always been a difficult one for industry practitioners to be heard. He asked if the agency would have a heightened due diligence requirement, possibly beta testing in the field before adoption into code, or something enabling the market to take the proposed changes and test them and provide input.
- **COMMENT:** Lea Haro (CEC) reported that the code development process is long and requires a high level of commitment. She asked if the WHPA would be willing to commit from beginning to end for the entire process. She clarified that the development of the 2019 Code cycle began in 2017 and that workshops go on for a year before they approach the “45-day period”.
- **COMMENT:** Bob Wiseman (IHACI) voiced agreement that commitment throughout the process is an important point. He clarified that the people out in the field doing this work do not have the time to participate in the process for years at a time, although they also need to be bought into the process “more than anybody”. He commented that the State needs to live in the reality that there are people who must implement these programs and follow these rules. He suggested that the point of WHPA all along has been to have that kind of influence and to give that kind of feedback to the agencies. “Maybe there is a way to formally integrate the WHPA into that multi-year progress.” He noted WHPA has made progress in opening communications to help demystify the process but suggested that there was more that could be done. He also noted that, “I don’t know an organization even remotely similar to the WHPA.”
- **COMMENT:** Lea Haro (CEC) voiced agreement that it is extremely important that those who are being impacted by the code have their say and to get their views on the public record for what works, what does not, and what will have a good or bad impact for their industry. “Maybe we can work out the details as to how we can get more engagement.”
- **COMMENT:** Don Langston (ACCA) commented that, “There is so much more that we can have in a public/private partnership.” He suggested that it would be powerful if the 45-day comment period was integrated into WHPA where there was one clearinghouse of information. He added that, “WHPA has been here for a long time and there are a number of people who have been here from the beginning who can provide insight into how to improve input and communication with regulators.”
- **COMMENT:** Dominic Guarino (NCI) commented that the WHPA’s role is to look for those moments in time where it can influence and as an industry help come up with solutions. He suggested that it might avoid a lot of long-term problems that stem from agencies not understanding the industry if WHPA were alerted to areas where input was needed and with enough time for stakeholders to develop input.
- **COMMENT:** WHPA Staff Mark Lowry (BBI) reported that in the past the WHPA has been structured to monitor and provide its members with awareness of regulatory proceedings and things that should be weighed in on, but that, except for a few circumstances, the WHPA has never been able to directly weigh in itself, because it has not been a legal entity and it has been a collaboration funded by the utilities. He clarified that by being a legal entity and getting away from the heavy reliance on utility funding, the new entity could provide feedback and develop recommendations and actually be a party to the proceedings. He noted that taking this step to change the funding structure helps bring to fruition that the type of input always wanted.
- **COMMENT:** Co-Chair Paul Thomas (SDG&E) voiced agreement with the above comments and clarified that in this new nonprofit structure the WHPA would be a party to the process, but it would not be advocating.

COMMENT: WHPA Staff Mark Lowry (BBI) reported that at least 11 Board members are required to cover the membership categories in the new organization. He clarified that Officers must also be identified and that the founding documents of Bylaws and Articles of Incorporation need to be approved. He noted that those decisions could be handled by email or by one more meeting of the Executive Committee.

- **QUESTION:** Bob Wiseman (IHACI) surmised that most people on the EC would agree to serve on the new Board but asked if recruitment efforts could go beyond the EC if 11 people for the initial Board are not secured from the EC.
- **RESPONSE:** WHPA Staff Mark Lowry (BBI) confirmed that “we will have to” go outside the EC if needed to fill the initial Board.

ACTION: WHPA Staff Mark Lowry (BBI) to confirm that voting for the bylaws of the new nonprofit will be by those who agree to be on the Board, rather than by the current WHPA Executive Committee.

DECISION that no formal commitment letter is required for an organization to authorize a representative to accept a position on the new board.

ACTION: WHPA Staff Mark Lowry (BBI) to send out email to each current member of the WHPA Executive Committee inviting them (their organization) to be on the Board of the new non-profit organization and asking them to respond. Those who respond that they will serve on the board of the new nonprofit will also be asked to vote to approve the bylaws of the new nonprofit organization.

COMMENT: Co-Chair Ron Jarnagin (ASHRAE) reported that if he is wanted, given his history with ASHRAE, he will “not escape” being on the WHPA Board of Directors.

New Business and Adjourn

No other new business was presented. No future meetings of the WHPA Executive Committee were scheduled nor expected.

The meeting adjourned at 1:43 p.m. PST.

Audio recording link: <https://fccdl.in/z4O1j6x78>.

Notes by Judy Key Johnson, WHPA Staff
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