



NHA Board of Directors Meeting
Q1 2024 Agenda

March 12, 2024

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March 12, 2024

Table with 4 columns: Item, Time, Topic, and Action/Presenter. Rows include Lunch, Introductions / Safety, Consent Agenda / Updates, CEO Report, Treasurer's Report, Member Outreach, and Hydropower System Principles Training.

| | | | | |
|----------------|-----------|---|--|------------------|
| | 2:40-2:55 | Break | | |
| Item 6 | 2:55-3:10 | Digital Media Campaign | Copeland Tucker Dir. of Public Affairs | Information Only |
| Item 7 | 3:10-3:30 | How the Election (Including Retirements) may Impact NHA | Matthew Allen Dir. of Leg. Affairs | Feedback |
| Item 8 | 3:30-3:55 | Legislative Updates - Advocacy Day - 3R Tax Credit to Preserve Existing Hydro - License Reform - Appropriations (marine, 240 grants) | Matthew Allen Brittney May Legislative Affairs Manager | Feedback |
| Item 9 | 3:55-4:15 | Regulatory and Markets Updates - Section 240 grants and other Infrastructure funding - IRA Tax Implementation (incl. domestic content) and NHA's repowering (80-20) petition - FERC's increasing requirement for license amendments - Status of NHA's CWA 401 challenge - Other regulatory and market updates | Michael Purdie Dir. of Reg. Affairs Connor Nelson Regulatory and Markets Specialist | Information Only |
| Item 10 | 4:15-4:25 | Approach to July Strategic Board Meeting | Malcolm Woolf | Feedback |
| Item 11 | 4:25-4:35 | Future Clean Currents Events - Timing and locations | Marla Barnes | Feedback |
| Item 12 | 4:35-4:40 | Potential new FLOW "Up & Coming" Award | Kelly Rogers Manager, Policy and Communications | Feedback |
| Item 13 | 4:40-4:45 | New Business | | |
| Item 14 | 4:45-5:00 | Executive Session | | |
| | 5:00 | Adjourn | | |

NHA Board of Directors' Meeting
March. 12, 2024

I'm looking forward to seeing (most of) you next week in D.C. for Waterpower Week in Washington!

This memorandum provides background information for the Board in advance of our Q1 Board meeting. A TEAMS link will be available for those unable to join us in person.

Agenda Item 1, Consent Agenda and General Updates

Recommended Actions: Approval

- **Approve** the December Q4 2023 Board Minutes (in Appendix), and
- Review for your information the reports from staff on Committees, Councils, and other NHA offerings (in Appendix).

Background/Options: To provide more time during our meetings for strategic discussion, items that should not require discussion are placed on a Consent Agenda. All items on this agenda will be moved as one. Any item can be removed from the Consent Agenda at the meeting should Board members desire further clarification or discussion. Board members are encouraged to review the item(s) in advance of the meeting and be prepared to approve them.

Agenda Item 2, CEO Report on Key Activities

Recommended Action: Information only.

Background: Malcolm Woolf will review NHA's progress to date toward accomplishing our 2024 Priority Actions (attached), as well as share our "NHA By the Numbers" 2023 summary, announce three new NHA Roundtables, and provide updates on other organizational developments.

Agenda Item 3, Treasurer's Report

Recommended Action: Information only.

Background: Consistent with NHA's Bylaws, NHA's Treasurer Eric Van Deuren will review NHA's finances through December 31, 2023, including the latest information on NHA's investments and reserves.

Attached for your information is:

- NHA's December 2023 Treasurer's Report, covering through December 31, 2023,
- NHA's Statement of Financial Position and Operating Income Statement, as of December 31, 2023,
- NHA's 2024 Q1 Membership Report, and
- NHA's 2024 Q1 Non-Dues Revenues Report.

Agenda Item 4, Membership Outreach

Recommended Action: Feedback.

Background: NHA membership is at an all-time high (325!), and we continue to represent roughly 85% of the hydropower and pumped storage generation capacity in the U.S. Our goal, of course, is to represent all of the industry, including power producers, equipment manufacturers and service and product suppliers of all types, which is why we need the Board’s help.

Our 2024 membership outreach targets include Portland General Electric, Idaho Power, Puget Sound Energy, and Hydro Quebec. During this brief session, Marla Barnes will seek volunteers to help us bring each of these companies back into the NHA family.

Agenda Item 5, Decision Time: Go/No-Go on Launching NHA’s “Hydropower System Principles Training” Curriculum

Recommended Action: Approval

Background: As discussed at prior Board meetings, NHA has been exploring with an ad-hoc working group the creation of a high-quality, NHA-certified professional development training program. Seed funds to start this effort were included in NHA’s 2024 budget.

During this session, Chris Hayes and Joseph LoSasso will present NHA’s recommendations for moving forward, including the results of our member survey and the RFP for curriculum development. This session will dig into the financial projections and implications for NHA’s finances. NHA staff is seeking Board approval (in the form of a modified 2024 budget) for course development, with the goal of launching the one-day training program in Q4 2024 (or perhaps at Clean Currents?) and the full 40-hour training program early in 2025.

Agenda Item 6, NHA’s Digital Ad Campaign

Recommended Action: Feedback

Background: In this session, Copeland Tucker will provide a sneak preview of our new 2024 digital media ad: “The Solution is Right in Front of You.” The ad, which will officially be launched at Waterpower Week, will air on social media and streaming services (Facebook, LinkedIn, Hulu, etc.). As discussed at the December 2023 Board meeting, the 2024 campaign is targeting decision makers in the Washington, DC area, as well as climate agenda setters around the nation. We anticipate reaching over 230K over the six-week social media campaign.

Agenda Item 7, How the 2024 Federal Election May Impact NHA

Recommended Action: Informational

Background: The announced retirements of both House Energy and Commerce Chair Cathy McMorris Rodgers and Senate Energy Committee Chair Joe Manchin ensure that the upcoming 2024 election will bring significant changes to the congressional landscape. Matthew Allen, NHA’s legislative affairs director, will lead this discussion of what the election might mean for the water power industry and our ability to advance our top policy priorities.

Agenda Item 8, Legislative Updates

Recommended Action: Informational

Background: Brittney May, NHA’s legislative manager, will kick off this session with a discussion of our upcoming Advocacy Day, a critical opportunity to remind Capitol Hill about the value of water power in providing 24/7 reliable power on a grid increasingly powered by variable renewables.

Matthew Allen, NHA’s Legislative Director, will then provide a brief update on our top three legislative priorities, all of which are actively in play during the 118th Congress, namely:

1. the “3R” tax credit to preserve and expand the existing hydropower fleet by providing a 30% investment tax credit for environmental and dam safety investments,
2. reform of the hydropower licensing and relicensing process, and
3. federal appropriations for both DOE’s Water Power Technologies Office and Grid Deployment Office, which administers the 240 grant programs.

Agenda Item 9, Key Regulatory and Market Updates, including Infrastructure and IRA Implementation and Clean Water Act 401

Recommended Action: Informational

Background: The Bipartisan Infrastructure Law and the Inflation Reduction Act (IRA) promises to fundamentally transform the electricity landscape. In this session, Michael Purdie and Connor Nelson will briefly provide an update on:

1. DOE’s implementation of the \$750M in the section 240s grant programs, and remaining Bipartisan Infrastructure Law and Inflation Reduction Act funding opportunities,
2. Treasury’s implementation of critical IRA tax provisions (such as domestic content), and update on the 80-20 Rule,
3. NHA’s pending federal challenge to the Biden Administration’s re-write of the Trump Administration’s Clean Water Act 401 rule, and
4. Other regulatory and organized electricity markets updates.

Agenda Item 10, Approach to July Board Meeting

Recommended Action: Feedback

Background: NHA is currently in Year 2 of our four-year Strategic Plan, which runs from 2023-26. The July Board meeting, therefore, provides a good opportunity to assess our progress to date and consider any potential mid-course corrections. In addition, we hope to create space at the Strategic Board Meeting to discuss a few larger, strategic challenges and opportunities on the horizon. This session will discuss this approach to the Strategic Board meeting and what preparations are needed to make the time as productive as possible.

Agenda Item 11, Future Clean Currents Events

Recommended Action: Feedback

Background: NHA is looking forward to building on the success of Clean Currents in Atlanta in 2021, Sacramento in 2022, and Cincinnati in 2023, when we go to Portland, Oregon, in October 2024 and then Pittsburgh, Pennsylvania, in October 2025.

This session, led by Marla Barnes, will look toward 2026 and beyond. Is October still the best time of year? Should we keep alternating between East and West? Should we return to Sacramento in 2026 or try a different city like Las Vegas? Direction from the Board is needed as we work to negotiate future contracts.

Agenda Item 12, Proposed New NHA Award to celebrate a FLOW “Up and Coming” Star

Recommended Action: Feedback

Background: The Future Leaders of Waterpower (FLOW) program has proposed a new NHA award to recognize an “Up and Coming” star in the water power industry. Inspired by NHA’s Henwood Award, the proposal is to recognize someone who has been in the industry between 3-10 years. Kelly Rogers will lead this session to discuss the proposed award and explore ways to leverage this idea to encourage greater interaction between FLOW members and NHA’s Board.

Agenda Item 13, New Items for Board

Recommended Action: Information only.

Background: This session is set aside for any Board member to raise additional items not previously discussed.

Agenda Item 14, Executive Session

Recommended Action: Information only.

Background: Executive Sessions are portions of the Board meeting that only Board members attend. Staff and other attendees are excluded to allow for candid and confidential conversations between Board members and/or the CEO.

FINANCIAL REPORT

TO: NHA Board of Directors
FROM: Eric Van Deuren, Treasurer
DATE: March 5, 2024
RE: NHA Treasurer's Report

Unaudited financial statements through December 31st are submitted for review.

SUMMARY:

NHA ended 2023 ahead of the September forecast and adjusted budget due to a few different factors. Higher than budgeted net revenues from the Waterpower Week and Clean Currents meetings, lower than expected spending, and growth in NHA's investments, which netted \$142K to the bottom line. In sum, NHA finished the year with a net change of \$449K to the good, beating the September forecast and adjusted annual budget by \$272K and \$835K respectively.

SIGNIFICANT ITEMS TO NOTE:

Membership and G&A – Revenue exceeded the adjusted budget by \$58K, and expenses came in below budget by \$74K. Continued membership retention and new membership growth helped NHA beat budgeted revenue for the year.

Clean Currents – Clean Currents' revenue finished the year \$264K over the adjusted budget and added a total of \$1.1M to the bottom line. As expected, expenses did increase in the last quarter of the year, however they still fell short of budget by \$195K due mostly to lower than expected direct meeting costs.

Water Power Week – The Waterpower Week event added nearly \$230K in net profit to the bottom line, \$85K more than budgeted. Total expenses fell short of the final forecast by \$25K due to slightly lower than expected consulting and direct meeting costs.

Other Events – NHA's Regional Meetings added \$157K to the bottom line. Sponsorship and registration revenue exceeded the September forecast bringing total receipts to \$252K. Expenses surpassed the forecast number by \$30K due to higher-than-expected direct meeting costs.

Strategic Investment of Excess Reserves – In approving NHA's 2023 budget last December, the Board created a "strategic investment" line item to bring NHA back into compliance with the organization's liquid asset policy, which requires that NHA maintains an operating reserve balance of 6-12 months. NHA used these funds to 1) hire consultant Chris Hayes as senior advisor of Technical Programs and Services, 2) create a new position, now filled by Barbara Tyran, to support our Pumped Storage Development Council and to deepen our external relations; and 3) raise hydropower's visibility by sponsoring and speaking at various events, including the Aspen Clean Energy Institute and National Clean Energy Week.

OTHER NOTES:

In 2023 the investments returned \$142K, mostly in interest income. Consistent with NHA's investment policy, 17% of NHA's financial assets held in the brokerage account were invested in equities at December 31st.

NHA's liquid asset balance was \$3.22M at the end of December, down \$265K from one year prior. NHA is usually cash heavy at the beginning of the year due to membership and early event related collections, but cash balances diminish as expenses come in throughout the year.



National Hydropower Association
 STATEMENTS OF FINANCIAL POSITION - UNAUDITED
 As of December 31, 2023

| | 2023 | 2022 |
|--|--------------|--------------|
| ASSETS | | |
| Cash and cash equivalents | \$ 114,065 | \$ 764,519 |
| Investments | 3,108,230 | 2,722,644 |
| Accounts receivable (net of allowance) | 196,217 | 23,904 |
| Prepaid expenses | 123,669 | 54,132 |
| Property and equipment, net | 40,514 | 48,109 |
| Other assets | 902,382 | 1,004,114 |
| TOTAL ASSETS | 4,485,077 | 4,617,423 |
| LIABILITIES | | |
| Accounts payable and accrued expenses | 137,851 | 332,742 |
| Payroll liabilities | 171,181 | 70,229 |
| Deferred revenue | 468,230 | 986,745 |
| Deferred rent | 1,021,895 | 990,981 |
| TOTAL LIABILITIES | 1,799,158 | 2,380,696 |
| NET ASSETS | | |
| Ending Net Assets | 2,685,919 | 2,236,727 |
| TOTAL NET ASSETS | 2,685,919 | 2,236,727 |
| TOTAL LIABILITIES AND NET ASSETS | \$ 4,485,077 | \$ 4,617,423 |



National Hydropower Association
STATEMENT OF ACTIVITIES - UNAUDITED
for the twelve months ended December 31, 2023

| | Jan-Dec 2023 | September Forecast | Actuals vs. September Forecast | 2023 Adjusted Budget |
|---------------------------------------|------------------|-----------------------|--------------------------------------|----------------------------|
| REVENUE | | | | |
| Membership and G&A | 3,456,060 | 3,502,888 | (46,828) | 3,398,319 |
| Policy Advocacy | 328,377 | 341,000 | (12,623) | 335,000 |
| Tech Insights and Public Affairs | 235,851 | 233,000 | 2,851 | - |
| Clean Currents | 2,228,799 | 2,199,143 | 29,656 | 1,964,674 |
| Waterpower Week | 483,450 | 483,450 | - | 472,000 |
| Other Events | 252,450 | 236,000 | 16,450 | 185,000 |
| TOTAL OPERATING REVENUE | 6,984,987 | 6,995,481 | (10,495) | 6,354,993 |
| EXPENSES | | | | |
| Salaries, Benefits, and Temp Help | 2,549,152 | 2,484,932 | 64,220 | 2,494,041 |
| Membership and G&A | 859,398 | 907,763 | (48,365) | 933,200 |
| Policy Advocacy | 926,715 | 934,663 | (7,948) | 936,875 |
| Tech Insights and Public Affairs | 861,587 | 843,296 | 18,291 | 719,800 |
| Clean Currents | 1,129,190 | 1,300,875 | (171,685) | 1,324,228 |
| Waterpower Week | 256,307 | 281,494 | (25,187) | 278,225 |
| Other Events | 95,610 | 65,796 | 29,814 | 54,711 |
| TOTAL OPERATING EXPENSES | 6,677,959 | 6,818,819 | (140,860) | 6,741,081 |
| CHANGE IN OPERATING NET ASSETS | 307,028 | 176,662 | 130,366 | (386,088) |
| Investment Activity, Net | 142,164 | - | - | - |
| TOTAL CHANGE IN NET ASSETS | 449,192 | 176,662 | 130,366 | (386,088) |



2024 Membership Update

As of March 3, 2024, Page 1 of 2

2024 By the Numbers

| | |
|---------------------------------------|-------------|
| Overall # of Organizations | 325 |
| # of New Members (list on page 2) | 11 |
| Collected Dues | \$2,389,161 |
| # of Dropped Members (list on page 2) | 9 |

Actions for 2024 Q1

- Continue to collect dues payments for 2024 (\$1,085,587 left to collect from 114 organizations)
- Strategize with relevant board members, re: getting targeted dropped members to re-join for either remainder of 2024 or for 2025
- Continue contacting each organization that did not participate in any members-only activities in 2023 (using member engagement data), to determine the “why” and find out how NHA can be more valuable to these organizations
- Continue to engage with top prospects, re: value of membership, to get commitments for 2024:
 - Los Angeles Department of Water and Power
 - Portland General Electric
 - Xcel Energy
 - Clean Currents’ Exhibiting Companies Who Are Not Yet Members

2024 Membership Update

As of March 3, 2024, Page 2 of 2

Member Organizations Joining in 2024

| |
|---|
| Centralair |
| Delve Underground |
| GenH |
| Glenn Industrial Group |
| Kyle Fortney - University of Southern California and Synergics |
| Marine Renewables Canada |
| Mazzella |
| Shell |
| Southern Adventist University |
| voestalpine Giesserei Linz GmbH |
| Vulcan Paint |

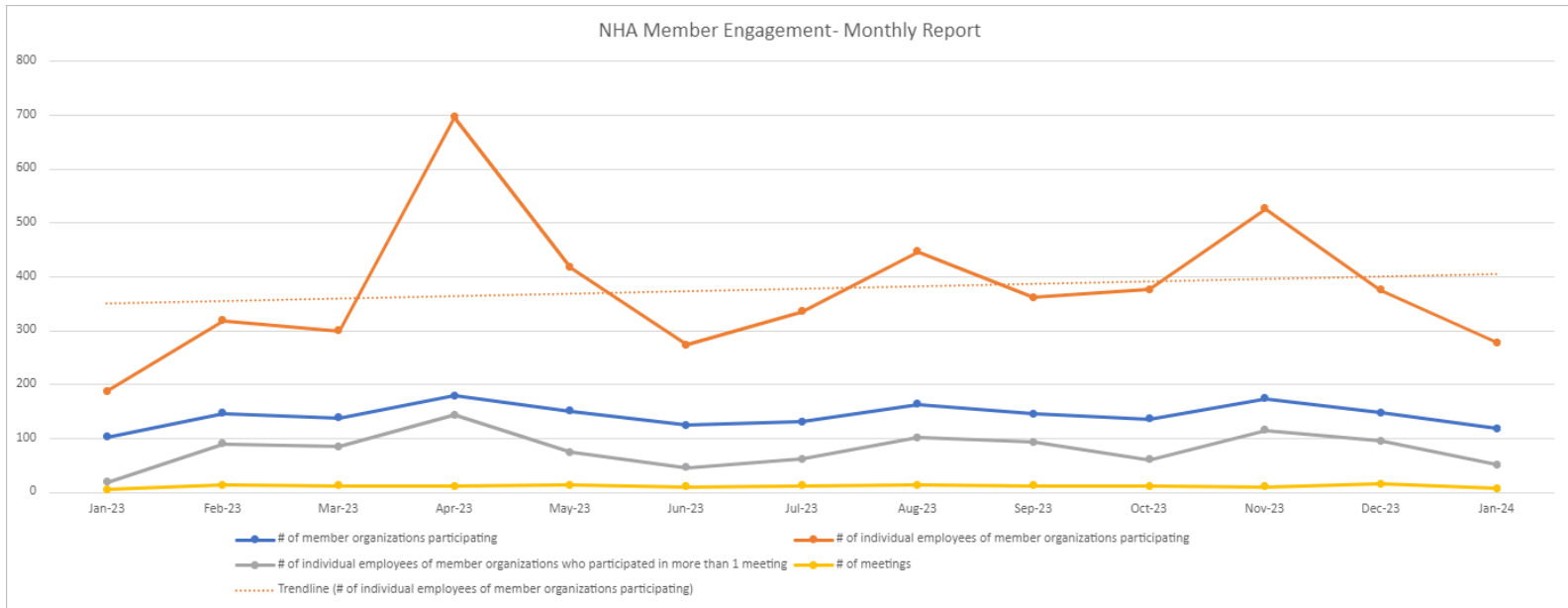
Member Organizations Dropping for 2024

| |
|---------------------------------------|
| Basler Electric |
| Cordova Electric Cooperative |
| George Propane |
| Hydro-Quebec/ HQ Energy Services U.S. |
| Idaho Power |
| Kanner & Associates, LLC |
| Puget Sound Energy |
| Sunshine Hydro |
| The Conservation Fund |

NHA Member Engagement Report

Tracking of Engagement by Employees of NHA Member Organizations in Member-Only Meetings and Webinars

Overall – January 2023 to January 2024



| NHA Member Engagement - Monthly Report | November 2023/(2022) | December 2023/(2022) | January 2024/(2023) |
|---|----------------------|----------------------|---------------------|
| # of member organizations participating | 177 / (120) | 148 / (122) | 118 / (102) |
| # of member organizations who participated in more than 1 meeting | 116 / (65) | 92 / (74) | 62 / (48) |
| # of individual employees of member organizations participating | 536 / (222) | 375 / (219) | 278 / (188) |
| # of individual employees of member organizations who participated in more than 1 meeting | 126 / (52) | 95 / (58) | 51 / (18) |
| # of participants that were added to AMS (captured from committee/council calls) - this represents "new" participants | 18 / (4) | 15 / (2) | 22 / (11) |
| # of meetings | 12 / (7) | 15 / (7) | 7 / (7) |

Digging into the Details – Specific Meetings and Attendance

2023/24 vs. 2022/23 Comparison

| NHA Member Engagement - Monthly Report | November 2023 / 2022 | December 2023 / 2022 | January 2024 / 2023 |
|---|---|---|---|
| <p><i>Committees/councils who met and attendance numbers</i></p> <p>In 2023 / 2024</p> | <p>DOE Hydropower Market Report Takeaways - 11/16 - 257</p> <p>WIC Lunch and Learn - 11/29 - 118</p> <p>HTC Lunch and Learn - 11/15 - 81</p> <p>Legislative Affairs - 11/7 - 74</p> <p>Small Hydro - 11/16 - 39</p> <p>Deep Dive Policy - 11/8 - 37</p> <p>Marine Energy - 11/7 - 24</p> <p>Extended Leadership - 11/3 - 23</p> <p>FLOW - 11/16 - 23</p> <p>Markets - 11/6 - 23</p> <p>Marine Energy Council Featured Presentation 11/14 - 21</p> | <p>HTC Lunch and Learn - 12/20 - 119</p> <p>Legislative Affairs - 12/05 - 64</p> <p>Regulatory Affairs - 12/19 - 57</p> <p>Pumped Storage Development Council - 12/08 - 46</p> <p>Small Hydro - 12/14 - 32</p> <p>Extended Leadership - 12/01 - 32</p> <p>CDSE Roundtable - 12/08 - 28</p> <p>Markets - 12/04 - 27</p> <p>Marine Energy Council - 12/05 - 24</p> <p>Asset Owners O&M Roundtable - 12/05 - 22</p> <p>Public Affairs - 12/07 - 22</p> <p>Board of Directors - 12/11 - in person at California Regional - 17</p> <p>FLOW - 12/21 - 15</p> <p>Asset Owner - 12/12 - in person at California Regional - 9</p> <p>Deep Dive Policy Team - 12/12 - 6</p> | <p>WIC Lunch and Learn - 1/31 - 106</p> <p>HTC Lunch and Learn - 1/17 - 104</p> <p>MEC Featured Presentation - 1/16 - 32</p> <p>FLOW - 1/18 - 30</p> <p>Marine Energy Council - 1/09 - 28</p> <p>New Board Member and Committee/Council Leadership Orientation - 1/29 - 23</p> <p>Deep Dive Policy Team - 1/10 - 15</p> |
| <p><i>Committees/councils who met and attendance numbers</i></p> <p>In 2022 / 2023</p> | <p>Special Member-Only Webinar - Post Election Insights (11/17) - 96</p> <p>Regulatory Affairs (11/15) - 67</p> <p>Legislative Affairs (11/14) - 66</p> <p>FLOW (11/7) - 26</p> <p>Marine Energy Council (11/1) - 24</p> <p>Extended Leadership (11/4) - 21</p> <p>Regulatory -- Ad Hoc IRA Implementation Working Group (11/3) - 20</p> | <p>Regulatory Affairs (12/15) – 55</p> <p>Pumped Storage Development Council (12/13) - 53</p> <p>Waterpower Innovation Council (12/12) - 38</p> <p>Public Affairs (12/6) - 37</p> <p>Marine Energy Council (12/6) - 26</p> <p>Extended Leadership (12/2) - 26</p> <p>Board of Directors (12/8-9) - 21</p> | <p>Asset Owner Only - 1/31/23 - 63</p> <p>FLOW - 1/19/23 - 45</p> <p>Markets - 1/9/23 - 33</p> <p>Regulatory -- Working Group interested in License Amendments for non-capacity related investments/O&M investments - 1/13/23 - 32</p> <p>Marine Energy Council Featured Presentation - 1/17/23 - 32</p> |



Non-dues Revenue Report 2024 Budget to Actuals As of 3/3/24

| Waterpower Week | Budget | Actuals to date | % of Actuals to Budget |
|-----------------------|----------------------|---------------------|------------------------|
| Reg Revenue | \$410,000.00 | \$270,185.00 | 66% |
| Reg # | 575 | 433 | 75% |
| Sponsorship | \$79,000.00 | \$84,700.00 | 107% |
| Total Revenue | \$489,575.00 | \$354,885.00 | 72% |
| Total Expenses | \$ 309,302.00 | | |
| Total Net | \$188,302.00 | | |

| Clean Currents 2024 | Budget | Actuals to date | % of Actuals to Budget |
|-----------------------|-----------------------|-----------------------|------------------------|
| Reg Revenue | \$600,000.00 | \$0.00 | 0% |
| Reg # | 2000 | 0 | 0% |
| Sponsorship | \$375,000.00 | \$8,000.00 | 2% |
| Exhibits | \$1,454,000.00 | \$1,260,200.00 | 87% |
| Total Revenue | \$2,429,000.00 | \$1,268,200.00 | 52% |
| Total Expenses | \$1,456,517.00 | | |
| Total Net | \$972,483.00 | | |

| Regional Meetings | Budget | Actuals to date | % of Actuals to Budget |
|-----------------------|---------------------|---------------------|------------------------|
| Reg Revenue | \$ 90,000.00 | \$51,697.50 | 57% |
| Reg # | 600 | 337 | 56% |
| Sponsorship | \$150,000.00 | \$142,000.00 | 95% |
| Total Revenue | \$240,000.00 | \$193,697.50 | 81% |
| Total Expenses | \$77,925.00 | | |
| Total Net | \$162,075.00 | | |

| POWERHOUSE | Budget | Actuals to date | % of Actuals to Budget |
|-----------------------|--------------------|------------------------|-------------------------------|
| Sponsorship | \$75,000.00 | \$69,500.00 | 93% |
| Total Revenue | \$75,000.00 | \$69,500.00 | 93% |
| Total Expenses | \$27,100.00 | | |
| Total Net | \$47,900.00 | | |

| Career Center Job Board | Budget | Actuals to date | % of Actuals to Budget |
|--------------------------------|-------------------|------------------------|-------------------------------|
| Revenue | \$9,000.00 | | 0% |
| TOTAL | \$9,000.00 | \$0.00 | 0% |
| Total Expenses | \$0.00 | | |
| Total Net | \$9,000.00 | | |

| Deep Dive Policy Team | Budget | Actuals to date | % of Actuals to Budget |
|------------------------------|---------------------|------------------------|-------------------------------|
| Participation | \$131,000.00 | \$104,000.00 | 79% |
| TOTAL | \$131,000.00 | \$104,000.00 | 79% |
| Total Expenses | \$0.00 | | |
| Total Net | \$131,000.00 | | |

| | | | |
|------------------------------|-----------------------|-----------------------|------------|
| Grand Total - Revenue | \$3,373,575.00 | \$1,990,283.00 | 59% |
|------------------------------|-----------------------|-----------------------|------------|