

**Minutes of the
Energy Northwest
Special Compensation Subcommittee Meeting
Teleconference
Davenport Hotel – Lincoln Room
10 S. Post St.
Spokane, Wash.
May 27, 2015**

Subcommittee Chair Dave Remington called the special teleconference meeting of the Executive Board Compensation Subcommittee of Energy Northwest to order at 10:02 a.m. on May 27, 2015 in the Lincoln Room of the Davenport Hotel in Spokane, Wash. There was a quorum present. An environmental analysis of the May 27, 2015 meeting agenda had been prepared which reflected that all items on the agenda were exempt from further procedural compliance with the State Environmental Policy Act.

Roll Call

Compensation Subcommittee Members

Dave Remington, Subcommittee Chair	Present
Sid Morrison, EB Chair	Present (via teleconference)
Skip Orser	Present (via teleconference)
Will Purser	Present
Tim Sheldon	Present (via teleconference)

Staff Present: Mark Reddemann; Brent Ridge; Bob Dutton; Jim Gaston; Steve Lorence; and Angela Smith.

Special Compensation Subcommittee Meeting

Mr. Brent Ridge, Vice President, Corporate Services and Chief Financial and Risk Officer, reviewed the following:

- Fiscal Year 2016 At-Risk Compensation Plans
 - Columbia Generating Station Plan
 - Energy Services & Development Plan
- FY16 Long Term Incentive Plan

Discussion ensued by subcommittee members and staff regarding why incenting Energy Northwest employees is important.

The subcommittee then discussed the language to use for the measurements. The decision was made to use Stretch, Target and Threshold.

Further discussion ensued on the measurements for Columbia and ESD plans.

The meeting recessed at 12:22 p.m. until 6 p.m.

Special Compensation Subcommittee – Reconvened

Roll Call

Compensation Subcommittee Members

Dave Remington, Subcommittee Chair	Present (via teleconference)
Sid Morrison, EB Chair	Absent
Skip Orser	Present (via teleconference)
Will Purser	Present(via teleconference)
Tim Sheldon	Absent

Staff Present – via teleconference: Mark Reddemann; Brent Ridge; Bob Dutton; Jim Gaston; Steve Lorence; and Angela Smith.

The Compensation Subcommittee meeting reconvened at 6:01 p.m.

The subcommittee reviewed and discussed the updated presentation.

After further discussion of the plans, the Compensation Subcommittee endorsed the plans with the condition of the overrun of capital budget which staff will adjust and send out to the subcommittee for review prior to the EB meeting.

Commitment Review/Provide Majority-based Direction

The following new commitments were added:

- Review the potential amount paid out to ensure initiative success points amount paid is not greater than the amount earned by those contracts – Jim Gaston
- Adjust the overrun of capital budget; send out to the subcommittee for review prior to the EB meeting – Steve Lorence

Other Business

Hearing no further business, Subcommittee Chair Remington adjourned the meeting at 7:04 p.m.

Respectfully submitted by,

Angela Smith
Board Relations