

**Minutes of the Energy Northwest
Executive Board Compensation Subcommittee Meeting
Holiday Inn Express – Lemberger Room
4525 Convention Place
Pasco, Wash.
March 24, 2016**

The meeting of the Compensation Subcommittee of the Energy Northwest Executive Board was called to order on March 24, 2016 at 12:24 p.m. by the Compensation Chair Dave Remington.

Subcommittee Members Present:

Dave Remington, Chair
Skip Orser
Tim Sheldon
Will Purser
Sid Morrison (ex-officio)

Staff Present: Mark Reddemann; Brad Sawatzke; Brent Ridge; Grover Hettel; Bob Dutton; Jim Gaston; John Irvan; Steve Lorence; Cindy Way; and Carla Martinez.

Approval of Minutes

The following meeting minutes were presented for approval:

- January 27, 2016 Special Executive Board Compensation Subcommittee Meeting

Mr. Will Purser moved to approve. Mr. Sid Morrison seconded. MOTION CARRIED.

Proxy Report

Mr. Steve Lorence, Human Resources manager, reported that HR negotiated a 20 percent discount for the proxy report.

At-Risk Compensation

Mr. Lorence provided an update on the Human Performance Event Rate. Discussion ensued.

Mr. Lorence reminded the committee that the FY17 plans need to be approved by the end of June.

The FY17 proposed short term incentive criteria was presented. No major changes to Columbia's criteria with the exception adding outage duration. Energy Services and Development criteria includes Tieton as a new component. Discussion ensued.

The committee discussed evolution of the incentive plan for long term success.

Commitments:

- Send committee outage duration data – Sawatzke
- Revisit proposed allocations for Columbia – Sawatzke
- Link ES&D criteria to strategic plan – Gaston
- Come up with a proxy for equipment reliability – Sawatzke
- Agenda item for next meeting: revenue calculation – Ridge

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Hearing no further discussion, the Compensation Subcommittee meeting adjourned at 2:28 p.m.

Respectfully submitted,

Carla Martinez
Board Relations