

Short Introduction to the New RTF Guidelines



RTF POLICY ADVISORY COMMITTEE
JULY 28, 2011

Topics



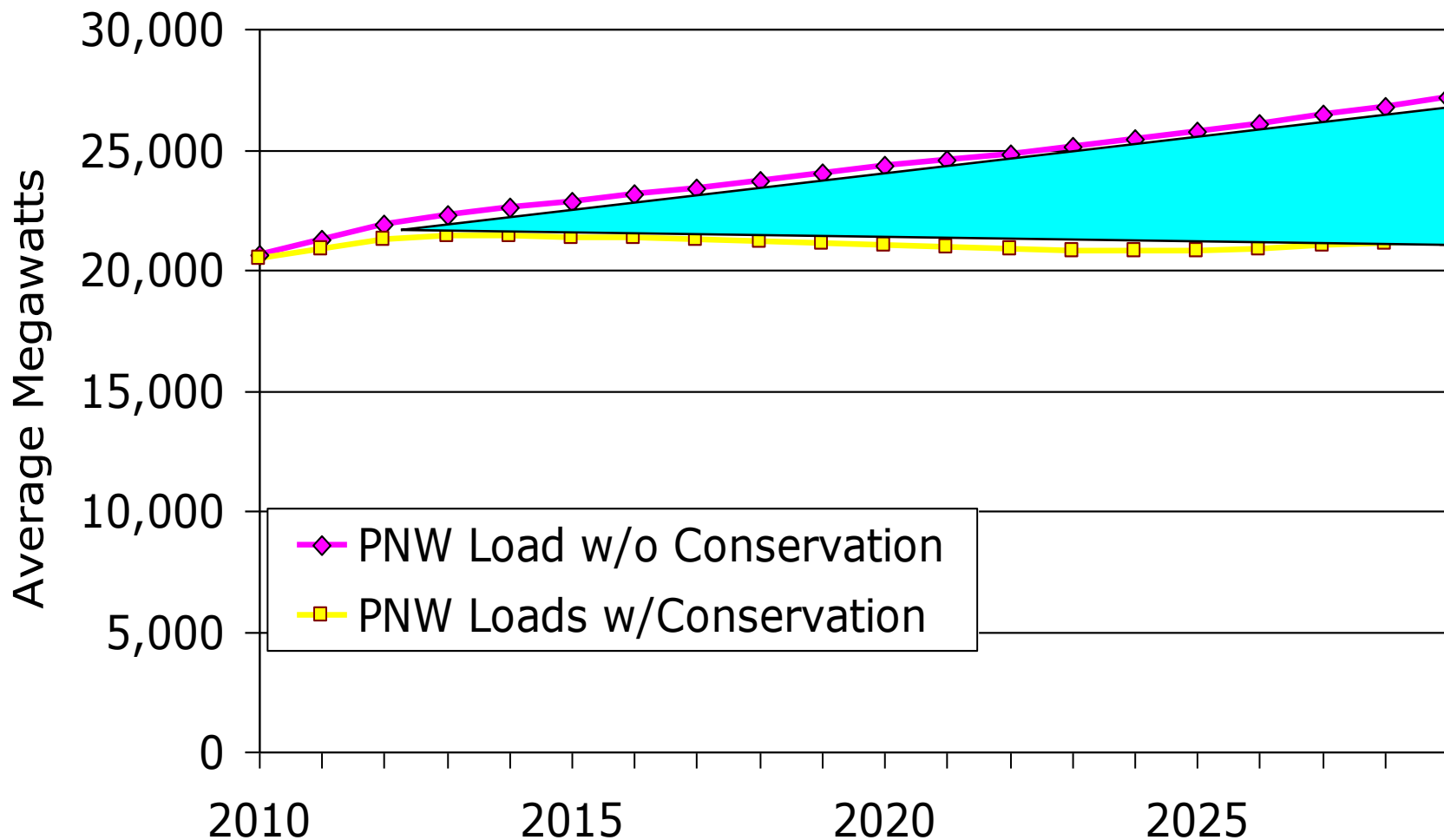
- Why does the RTF need Guidelines?
- How were they developed
- Scope and intent of the Guidelines
- Four savings estimation methods
- RTF responsibilities under the Guidelines
- Feedback Loops
- Policy Issues in Guidelines

RTF Develops Savings Estimates and Methods that Utilities & Regulators Can Rely On



- Increasing Need for Reliable Estimates of Savings
- Provides Centralized & Unbiased Technical Review
 - Energy Savings Data & Assumptions
 - Cost-Effectiveness Methodology & Assumptions
 - Standard Protocols & Guidelines for Savings Estimation
- Builds on Empirical Data & Historic Experience
- Provides Peer Review in an Open Public Forum
 - Vetting Claims, Identifying Uncertainties
 - Keeping Up with Changes
 - Establish Standards of Proof

RTF Plays a Pivotal Role in the Council's 6th Power Plan by Measuring the Savings



Development of the RTF *Guidelines*?



- RTF operated for 10 years transparently but its “rule book” evolved with experience
- *Guidelines* development began in the fall of 2010 to codify 10 years of experience
- Scope of *Guidelines* grew to encompass all the RTF methods for estimating savings
- Developed over 8 months of intensive engagement by the full RTF (utilities, regulators, staff and consultants)
- Now forwarding *Guidelines* to be examined by the Power Council and the RTF Policy Advisory Committee

Guidelines Scope and Intent



- “..describe how the RTF ... selects, develops and maintains approved methods for estimating savings from the delivery of energy efficiency measures.”
- “Four savings estimation methods ... unit energy savings (UES), standard protocol, custom protocol and program impact evaluation.”
- “..intention that each method will produce savings estimates of comparable reliability ..” at the lowest reasonable cost

Four Savings Estimation Methods



- **Unit Energy Savings (UES)**
 - Average savings per unit delivered
 - Stable mean & variance of savings (CFL delivered by retail sales)
- **Standard Protocol**
 - Prescriptive methods to calculate variable savings
 - Development of “Simplest Reliable Estimation Method”
- **Custom Protocol**
 - Site-specific data collection and analysis
- **Program Impact Evaluation**
 - Used for everything else
 - Typically utility contracted third-party evaluation of program

Two RTF's Responsibilities Under the *Guidelines*



1. RTF Approval

- Unit Energy Savings (savings/unit, specs & sunset date)
- Standard Protocols (site-specific calculators, specs & sunset)

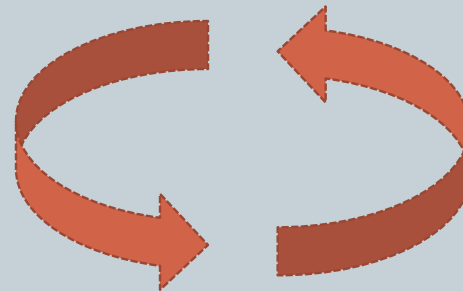
2. RTF Advice

- Custom Protocols: Guidelines provide guidance on good practices and documentation standards
- Program Impact Evaluation: Guidelines provide guidance on good practices and peer review of research designs

Feedback Loops



- **Utility program impact evaluation**
 - Provide data for developing & improving UES & Standard Protocols
- **RTF-Approved UES & Standard Protocols**
 - Reduce need/cost of utility program impact evaluations
- **Combined efforts improve estimates of future conservation potential**



Why Council Input in Guidelines?



- Guidelines set forth the process, data quality, and reliability standards used by the RTF
- Standards rely on research & evaluation conducted outside the RTF
 - Utilities, Bonneville, the Energy Trust of Oregon, NEEA, and others
- Implementation of the Guidelines will likely require increased regional investments in research and program impact evaluation
 - Significant financial and resource implications for utilities, Bonneville, the Energy Trust of Oregon, NEEA, and regulators, as well as the RTF itself
- Seek advice from its RTF Policy Advisory Committee on the Guidelines, their application, and implications
 - Four policy issues identified during formulation of Guidelines

RTF-Identified Issues



1. **Regional Savings Reporting Standards**
 - Whether there should be regional reporting standards
 - If so, should the RTF be charged with their development
2. **RTF Role in Research Funding**
 - Who will fund & conduct the primary research required by the RTF to support the quality standards?
 - What role should the RTF play in identifying, developing, coordinating, and managing regional research?
3. **RTF Review of Impact Evaluation**
 - Should the RTF be called on to review others' impact evaluations?
4. **Process for Addressing Measures found out of Compliance with the Guidelines**
 - Is the process and timeline for bringing measures into compliance appropriate?