

## **RTF PAC Meeting Notes**

February 14<sup>th</sup>, 2014

9:30am to 12:00pm

### **Meeting Attendees**

**On-site:** Jim West, Steve Smith, Wendy Gerlitz, Charlie Black, Josh Warner, Eugene Rosolie, Larry Blaufus, Tom Eckman, Fred Gordon, Bruce Folsom, Susan Stratton, Charlie Grist, Nick O'Neil

**Via webinar:** Brian DeKiep, Bill Thomas, Jess Kincaid, Norma Elizondo, Kathy Yi, Steve Johnson, Jim Maunder, Stacy Donahue, Steve Bicker, Bo Downen.

### **Review Agenda and Meeting Notes from [November 22, 2013](#)**

RTF PAC chair Jim West called the meeting to order at 9:30am, introduced the attendees and reviewed the agenda with the group. No changes were made. He then asked if anyone had a chance to review the meeting notes from the last time we met. Fred Gordon moved and Larry Blaufus seconded as written.

### **Overview of RTF Operations and Procedures Manual**

Nick O'Neil, RTF manager, reviewed the draft RTF operations and procedures manual. The intent is to provide a central location for information related to how the RTF operates internally, and is supposed to fit seamlessly under the RTF Charter and Bylaws. Charlie Black asked about adding a description of the Council staff and their role. O'Neil noted that the charter describes a lot about the chair and vice chair, but we could better tie it back to the Charter so we're not duplicating content. Susan Stratton suggested also adding an organizational chart and a link to where the charter and bylaws were located. Jim asked whether the full RTF has seen it, and O'Neil noted that only the Operations Subcommittee has seen it so far. After PAC approval of high level content, it would be brought before the RTF for their feedback. Jim suggested a process to collect comments and suggestions from the group with a due date. O'Neil suggested taking individual comments from PAC members and then bringing back the revised document for approval at a later date. Fred Gordon asked to send an invite for a due date and to also add how the RTF prioritizes work for legitimate issues.

### **Discussion of Work Scope & Budget development for 2015-2019**

O'Neil made a presentation from a slide deck intended to spur discussion of RTF scope of work and budget to 2015-2019. He reviewed what has been done so far and what the RTF may look like if it stayed the course in terms of UES updates and marginal shifts in standardization and focused research efforts. Standard protocols will require a lot more lift in the future, and we haven't developed many of these thus far due to the backlog of UES updates that were occurring, he said. There is also a need to increase coordinated research and design for measures that are currently in compliance with the guidelines if we want to keep them in the database. Grist commented that a challenge going forward is to develop

measures that are more difficult and identifying the market and what it is doing, which is a slightly shifted thrust of work for the RTF.

O'Neil also Bruce Folsom asked about tailoring UES to specific utilities. O'Neil replied that in general the RTF does regional average estimates and does not tailor savings estimates to single utilities, unless it's a minor variation on a central theme. Folsom also asked about the role of the RTF in research coordination. O'Neil commented that it is to help inform existing or new measures that are before the RTF to help inform savings estimates and alleviates the burden of research from independent utilities. Gordon commented that he would not ask the RTF to review ETO work specifically. But it might be appropriate to have RTF review evaluation plans which wouldn't slow things down and appears more in line with a regional entity. Susan asked about "help identify research gaps" and the group discussed the value of cooperative research and research design. Grist replied that the research committee has started on this, but they are still learning and it will take some time to get them operating effectively to identify the gaps in regional research. Steve Johnson commented that there are potentially millions of dollars of value in cooperative research design and execution; it's a big money saver. Eugene Rosolie raised a concern that one thing that may be missing is communication. Utilities need a clear idea of what may change, what risk they run from new studies that you change incumbent UES results. So communicating to planners will be important too. Tom Eckman identified that codes and standards do give a 2-3 year lead time heads-up on some things. Rosolie identified Bonneville's PTCS results as an example of how research results may influence program decisions.

O'Neil continued with the presentation identifying a range of RTF funding to accommodate additional funding. We will likely need to bring in another researcher to balance workload and focus. It results in an upwards trend of around a \$300,000 increase by 2019 without substantially changing the function or role of the RTF. Gordon commented that it looks OK but don't call it "business as usual". Increased emphasis in coordinated research is in an area where work is light right now. Steve Johnson said he did not see these as large increases and the value proposition is there and this is a high value for the region. Yes it might be an expansion of current role. Josh Warner said Bonneville was comfortable with the glide path. He also agreed about the ability of the RTF to absorb additional work and thought it was an important point. Bill Thomas said the budget level seems reasonable so far. Kathy Yi agreed. Gordon Gordon noted that the direction towards regional validation is OK, but it may need to morph more towards methodologies and away from UES measures. ETO is doing more to look at program level impact rather than individual UES evaluations, and it has been cheaper to do it that way. Rosolie asked about when the staff would come on. Nick said this would be in 2015.

O'Neil moved to the slide on Potential RTF Scope Add-Ons. Gordon said he was not in favor of moving NEEA research over to the RTF. Let's keep one regional body doing it instead of just shifting it to another. He also said one thing that was mentioned earlier was RTF for gas, and there should remain openness to that idea. He also added that there is value in coordinating research on end use load shape using the AMI data that exist now. Bruce made two points about natural gas. First, the gas utilities recognize that if they were asked to join the RTF then they would help pay for it. Second, the words are in the WUTC order to link the RTF to gas, but also that the list of gas measures is much shorter than the electric list. Steve Johnson said there are many ways to organize the work needed on gas, but expanding

the RTF to handle this is clearly one of the rational options. Rosolie stated that he does not agree with the idea of having the RTF expand into utility-specific savings verification or impact evaluation review. We would not want the UTC to come to the RTF to review a Cowlitz impact evaluation, he said. Steve Bicker agreed, as did Jim Maunder. Eckman agreed that stepping into the regulatory area is likely to be problematic for the RTF to getting work done.

Gordon asked about Clean Air Act Compliance. Tom Eckman explained the EPA rulemaking that allows efficiency savings to be claimed for offsetting the reduction of carbon from stationary sources, and it would require someone to measure what those savings were. Grist clarified that this type of role is not included in the funding projection to 2019. We would need to expand the scope and funding of the RTF to handle these potential adds. Rosolie asked how this differs from what the RTF is currently doing, and Eckman replied that the RTF could potentially become the regional entity that might verify savings according to EPA requirements.

Susan: Two things to add 1) In terms of potentially dropped research from NEEA, the RBSA, CBSA, IFSA are in the current draft. But they are considering skipping 5 years and need to know if stock assessments could go to 10 years for example or if that was an issue. 2) In negotiations with the gas LDCs to pilot some gas MT. As that effort progresses we may need RTF UES work on gas.

Bill Thomas, reminded the group to not over do it. Major scope expansions can be dangerous to your core mission.

Gordon: Some ideas from a staff poll. Studying non-energy benefits is one area where ETO staff identified more research needs to be done and might get you a better answer. Bruce: We get encouraged to include more NEBs, but all those are reviewed by the regulator so take some caution here.

Steve Johnson: Section 111d is probably not going to go away. Want to minimize the cost of verification. It's too early to guess how to do that, so we'll cross this bridge when we come to it.

Jim West summarized two issues that might need further refinement. 1) The frequency of the stock assessments. 2) The Clean Air Act. 3) He also said he shared the perspective that there is no support for bullet two to do utility-specific items. O'Neil asked what would be valuable for the RTF staff to bring back to the PAC. Gordon asked to think about what the RTF is good at and break down the work. Josh: I wouldn't spend too much more staff work now on the long-term list. Jim West agreed, and suggested a mid-cycle webinar to discuss whether staff thinks these potential adds are a large increase to the current RTF work load. More understanding of the potential 111d impacts and a refined draft of the NEEA business plan might help frame the range of RTF funding needed. Charlie Grist agreed that a subsequent session on the stock assessments and the need for more frequent data in some areas would be a good idea.

Jim turned the discussion to Funding Structure. O'Neil sketched out some options to adjust funding levels from staff and opened up for discussion.

Larry: The numbers we had before assume inflation in them? O'Neil: Yes, we assumed a base 2% inflation in the numbers shown.

Gordon: Multi-year agreements with flex are very confusing. Better to do deviations by permission and negotiate these deviations as one-offs. Josh: Agree. Having a longer cycle is ok but we need certainty in annual spending. Grist asked about 5 years as a cycle. Is a shorter term better? Or perhaps a jump every 2 years when major items may hit, such as RTF for gas or 111d. It doesn't have to be 5 years. Gordon: There is a big transaction cost for a major re-up and prefer stable scope with option for adders as a new scope. Most of the group agreed. Steve Johnson said the budgeting process should be for known items. So for example, we can't put section 111d in the budget. But we should identify things that may need a change in scope and be included in a future budget of any length. Need some understanding of room for potential expansion.

O'Neil asked how to escalate budget over the course of the five years? The group was OK with a multi-year expansion if it accounted for inflation with the cost elements identified. The need for year to year budget shifts within that construct must be taken to the PAC because funders' budgets are not that flexible. Steve Johnson noted that we should be sure to identify the drivers for when escalations are included. Jim West agreed. If major changes need to happen to budget over the course of the 5-year funding cycle, it needs to be negotiated at the PAC and some flexibility in timing would be needed.

O'Neil presented the proposed funding timeline and that he was looking for a funding commitment in May in order to bring the recommendation to the Council. West noted that we will need more than one conversation before the quarterly May meeting. Gordon mentioned that agreed-to proposals from the PAC will take time to explain to their stakeholders and the timeline should be reflective of that.

Rosolie: Are we talking about funding for five years or one year. West: We are talking about funding for the full five year cycle.

West went on to talk about the schedule for a recommendation of the Council in June. Need PAC OK in May. Committee members agreed to try to meet that schedule. March 18, and Mid April webinars and a face to face meeting in May about the 14<sup>th</sup>. We will send out a doodle poll for the meeting dates.

### **General Updates**

Grist updated the PAC on the wood smoke study progress. O'Neil summarized the financials to date and noted that the RTF was likely to allocate 97% of its budget. Eckman announced that O'Neil was invited down to California to advise on the development of a California RTF. He mentioned that there was good support from California utilities and expect to have a meeting in the summer of 2014.

West asked for any further items or announcements. He summarized the request for comments on the procedures manual. He reminded the group to expect doodle polls for follow-up meeting to get the budget and work scope resolved by June