**RTF PAC Meeting Minutes**August 27, 2015
9:00 am – 12:30 pm

**Attendees**

* Jim West, RTF PAC Co-Chair, Snohomish PUD
* Pat Smith, RTF PAC Co-Chair, NWPCC
* Richard Genece, BPA
* Larry Blaufus, Clark County PUD
* Travis Reeder, EWEB
* Pete Pengilly, Idaho Power
* Robin Arnold, Montana PSC
* Susan Stratton, NEEA
* Ralph Cavanaugh, NRDC
* Wendy Gerlitz, NW Energy Coalition
* Bob Stolarski, PSE
* Craig Smith, Seattle City Light
* Jessica Mitchell, Snohomish PUD
* Steve Bicker, Tacoma Power
* Charlie Grist, NWPPC
* Jennifer Anziano, RTF Manager
* Josh Rushton, RTF Contract Analyst

**Outcomes**

The following outlines the key takeaways from the RTF PAC meeting. More detail is included in the discussion section below.

* The RTF PAC unanimously recommended the 2016 Work Plan and Business Plan to the Council for their consideration in October.
* The RTF PAC recommended staff develop a flow chart and clear case studies to lay out all the different ways in which the RTF uses research.
* The RTF PAC discussed the process for selecting a new slate of voting members and supported the recommendation of Anziano as RTF Chair.
* The RTF PAC continued to discuss the question around the RTF’s role with market transformation lag in an effort to develop a policy statement. Based on the discussion, the RTF PAC recommended staff take additional time thinking through the different questions, discuss it with the RTF, and circle back with the RTF PAC at the next meeting.

**Discussion**

West opened the meeting with members introduction, approval of the meeting agenda and approval of the May meeting minutes.

*Update on RTF Approach to Research*

Following up on the May RTF PAC meeting discussion, Anziano walked through some updates to the RTF’s research process, including the creation of a Research Sponsors Group and how the RTF plans to manage research work without a dedicated contract analyst.

Regarding the Research Sponsors Group, Genece asked about the engagement of funders? Anziano said that the vast majority funders have come to the table for the first meeting. The goal will be able to keep engagement by ensuring value add for each meeting.

Bicker recommended that Anziano develop a bigger flow chart of how all the pieces of RTF work relate to regional research, including evaluations for Proven measures as well as the research on non-proven measures. This could include case studies of a few UES measures to show how they flow through the process. Others agreed. Grist noted that the draft Action Plan for the Seventh Power Plan recognizes a need to have someone (NEEA or the Council) try and coordinate all the research for the region. The RTF is one piece of that.

Bicker asked what the essential difference is between the Northwest Research Group (NWRG) and the RTF’s Research Sponsors Group. Anziano noted that the NWRG is more of a sharing group that shares evaluation plans and results. It is evaluations broadly and not specifically focused on the needs of the RTF. The Research Sponsors group is specifically focused on research needs and having strategic discussions around potential collaboration on these questions. Bicker cautioned that it could be an opportunity for duplicate work and to be mindful of that.

*2016 Work Plan and Business Plan*

Anziano walked through the proposed 2016 RTF Work Plan, Budget, and Business Plan.

Genece asked where work on capacity benefits sits in the work plan and how much effort is given to this work. He noted that that incorporating capacity work into the Bonneville machine will take some time. Anziano noted that for now this works sits in two areas. The first is an update to the RTF Guidelines to capture more stringent requirements for the capacity benefit. This piece will happen in 2016, but the work of addressing the measures will be ongoing and take some time. The second piece relates to supporting end use load research, perhaps through helping to inform the prioritization of research.

**Motion:** RTF Policy Advisory Committee recommends the 2016 Work Plan for the approval by the Council. Craig Smith moved, Susan Stratton seconded. Approval unanimous.

West noted that when the RTF PAC recommended that the Council approve the work plan for 2015 and the five years of funding, it recognized that there could be the possibility of asking for more funding at some point. West asked staff to keep the PAC updated on future funding needs.

*Members Solicitation and RTF Chair*

Grist noted that the RTF member solicitation period closes on August 31. Staff will review the applicants based on their technical capabilities. Ultimate the Council, in consultation with the Power Division Director and the Chair of the Power Committee, will make the final decision. Anziano noted that skill sets they are seeking to add are statistical and research and design. She also noted that they are interested in adding women and independent members.

The RTF PAC did not have any further recommendations.

The RTF PAC asked about the ideal number of voting members and the timing for approval. Anziano noted that the Charter requires between 20 and 30 voting members. Grist said that aiming for 30 will be good to ensure there are a sufficient number of members at each meeting and to account for attrition. Anziano said that the recommendation will go to the Council for decision at their October meeting and selected members will hear at the end of October.

Grist explained that after the Seventh Power Plan, Tom Eckman is retiring from the Council. Staff will be looking for a new RTF Chair and proposes Anziano take the position. He expressed that it is the best fit for running the business of the RTF and bringing decisions to the RTF PAC and the Council. West asked how the approval works for the RTF Chair. Grist said that it is the Council, in consultation with the Chair of the Power Committee and the Director of the Power Division, that decides. Stratton asked whether this would require additional support for the RTF Manager role. Grist said no. The RTF PAC expressed support.

West requested the new list of voting members be circulated to the PAC members once it is finalized.

*Transition to the Seventh Power Plan*

Grist updated the RTF PAC on the transition to the Seventh Power Plan in relation to the RTF. The RTF measure workbooks will be updated to include the Seventh Plan analytical findings. This will affect how the RTF does measure cost effectiveness with lower gas and electric market prices, capacity value of energy efficiency measures, and new version of ProCost. All the RTF measures will be run through the new avoided cost and capacity credits and will change the cost effectiveness for some measures. He noted that the baseline for Seventh Plan is more efficient with new Federal standards and state building codes in place

*Market Transformation Lag*

Anziano showed the draft policy statement language she developed on market transformation lag after the last RTF PAC discussion. The RTF PAC had a robust discussion around the issue and the language in the draft statement.

The RTF PAC discussed that while this topic came up originally around small/rural utilities, aspects of this market transformation lag are broader than small and rural.

The RTF PAC recognized that a piece of this is code compliance, which might not just be a rural issue. Bicker noted he would like to see flexibility when talking with the state auditor and regulators about when it is appropriate to stop claiming savings for a measure based on code compliance. Grist noted that the RTF PAC decided at the last meeting that it is not the RTF’s job to decide when compliance has occurred, but that it is the role for utilities or Bonneville to recognize compliance issues when developing programs. The RTF PAC noted the challenges of different codes and baselines across the region. Smith suggested starting with a few key measures to understand code compliance and, if we found relatively low compliance or enforcement in some regions, this would be informative to allow utilities to invest in training and enforcement and claim some savings. Bicker suggested strengthening the draft language with the addition of “use of data affected by this dynamic may warrant less confidence by implementers that report savings” could help implementers when the RTF data is used primarily.

The RTF PAC also discussed what if the RTF did have data about different baselines, whether it would develop different savings estimates. Grist suggested yes, similar to how the RTF develops different measure identifiers for climate zone. Several agreed that the challenge is getting the data, and that ultimately that is a resource issue. Bicker noted that if the RTF had data, it seems complex to look at an anomaly in the market. He suggested that a general disclaimer that baselines could be different would be helpful to implementers.

Grist noted that a question came up from the Small/Rural Subcommittee about whether to use their resources to collect data to support small/rural specific savings. Grist suggested that if data are needed for some subsectors of the region, those should be prioritized along with the other research needs rather than using the small/rural budget. West agreed. Bicker noted that he does not think there is a role for the RTF to resolve this in a granular way. He says that it is an issue between the IOUs and the small rural utilities. There needs to be some room for utilities to take the data collected by large utilities and adjust for lag effects in the market.

West suggested taking more time to refine the language and separating out the different questions that are being asked. Genece supported this and suggested discussion with the full RTF on this topic. West concluded the discussion for this meeting and the RTF PAC can revisit it at the November meeting.

*PAC Dashboard*

Anziano walked through the dashboard updates since the last meeting. The RTF PAC spent some time discussing the budget allocation to date. Genece asked about the 26 percent allocated for Website, Database Support, and Conservation Tracking. Anziano said that this is tied to the RCP survey. The contract with Cadmus has been established, but they have not sent any invoices yet.

Anziano walked through some plans for allocating additional budget for SEEM support through a sole source contract with Ecotope. She noted that Ecotope is the developer of SEEM, which is used for several measures. Previously, Ecotope staff used to bill for SEEM support through David Baylon’s contract, but this has since been cleaned up. West expressed caution with pursuing sole source contracts.

**Adjourned**

West adjourned the meeting with a reminder the next PAC meeting is on November 13, 2015.