RTF PAC Meeting Minutes
May 31, 2024
9:30-2:00 Pacific

Meeting Participants:

Debbie DePetris, Clark PUD (Co-Chair)
Ginny Burdick, Oregon Council (Co-Chair)
Dan Adams, Avista
Leann Bleakney, NWPCC
Kary Burin, Cascade Natural Gas Corp
Jennifer Finnigan, Seattle City Light
Suzanne Frew, Snohomish PUD
Jeff Harris, NEEA
Jett Hawk, Idaho OER
Jamae Hilliard Creecy, BPA
Mark Jerome, RTF Vice Chair, CLEAResult
Mark Lenssen, PSE
Jennifer Light, RTF Chair
Chad Madron, NWPCC
Amy Milshtein, notetaker
Spencer Moersfelder, Energy Trust of Oregon
Mary Moerlins, Northwest Natural
Quentin Nesbitt, Idaho Power
Craig Patterson, independent
Josh Rushton, RTF Contract Analyst
Cory Scott, PacifiCorp
Juan Serpa Muñoz, Eugene Water & Electric Board
Kevin Smit, NWPCC
Jennifer Snyder, WA UTC
Laura Thomas, RTF Manager
Taylor Thomas, Idaho PUC
Danie Williams, NorthWestern
Jake Wise, PGE
Alan Zelenka, Oregon Dept of Energy

Key Outcomes:

At the Q2 RTF Policy Advisory Committee Meeting, members discussed the following:

- Approved proposed general assumptions and the electric portion of the RTF funding levels for the 2025-2029 funding cycle. Due to recent Washington State legislation, the RTF Manager will work with the gas funders to finalize the gas budget and follow up with the RTF PAC on the final decision.
- The PAC approved expanding the RTF scope to include research for RTF Planning measures and the proposed budget for 2025-2029. The PAC recommended seeking feedback from the region on potential research projects and suggested proposing research on food service or commercial connected thermostats for the 2025 work plan.

Discussion
RTF PAC Co-Chair Debbie DePetris called the meeting to order at 9:30 and recognized Co-Chair Ginny Burdick. She then turned the meeting over to Laura Thomas, RTF Manager, for roll call.

The minutes from the March 2024 RFT PAC meeting were acknowledged and accepted.

2025-2029 Funding Agreements

Slide 10

DePetris noted the $50,000 primary research budget asking how many projects that would fund. Thomas said it adds up to about $260,000 in five years and Energy Trust of Oregon said project typically cost about $80,000. She said staff have identified projects that would reduce uncertainty in that price range.

Slide 14

Kary Burin, Cascade Natural Gas Corp, confirmed that the 3.5% inflation bump was for labor, calling it conservative for valuable knowledge workers. Jennifer Light, RTF Chair, agreed that competition for labor is hard, but countered that the Contract Analyst Team is unique in that members give 100% of their hours to the RTF. She says this gives less risk to the team so is desirable.

Alan Zelenka, Oregon Dept of Energy, asked if this inflation rate is applied just to contract labor or other things too. Thomas said it applies to the total budget, which is 99% salaries and contract labor. Zelenka said this makes sense to him.

Jamae Hilliard Creecy, BPA, thought the bump conservative but reasonable. Cory Scott, PacifiCorp, also agreed.

There was general agreement around implementing the 3.5% inflation bump.

Slide 18

Burin confirmed that energy efficiency is demand management while demand response is more immediate. She said gas cannot afford a timely response for peak management, asking if this is a subset of energy efficiency that represents a utility model that gas utilities cannot emulate. Thomas said the RTF DR technologies ask how much load can be shaved for that unit and do not currently apply for gas equipment. She said this is why she chose the presented approach to the budget.

Slide 17

Quentin Nesbitt, Idaho Power, thought there was DR potential with gas, but said electric DR is more popular. Mark Jerome, RTF Co-Chair, agreed there is some DR applicability with gas and is especially valuable where there are some system constraints. He liked this approach calling it clean.

Creecy supported the approach as it had less overhead and simplicity. There was no dissention.

Slide 22

Creecy asked for a reminder about what percentage of the budget is rolled over. Thomas answered that it varies but was particularly large this year. Light added that this funding cycle was the first five-year cycle and COVID and HEMS research changed some things. She stressed that the intent is to spend the budget and not roll it over.

Feedback

Burin said primary research sounds more glorious than intended, asking if not the RTF then who. She said staff looked at gaps that create uncertainty that the RTF can step in and fill. She called this a great direction.

Jennifer Finnigan, Seattle City Light, supported this move and staff's thoughtful approach. She said as a former RTF member it was disheartening to see Planning measures pushed along. Finnigan also approved of the PAC having final say about projects as that would prevent scope creep. She gave this measured approach a hearty thumbs up.

Jerome called this great as he's seen the challenges of getting to Proven. He said moving some measures to Proven will result in cost savings for the region. Nesbitt also supported expanding the scope to include primary research. Creecy approved but said calling it primary research threw her. She asked for a re-brand. Thomas suggested Planning Measure research.

Zelenka also supported the move, calling for more research into the co-benefits of energy efficiency that are not traditionally included in the cost benefit analysis. Jeff Harris, NEEA, was also supportive, pointing to opportunities for NEEA to collaborate on the research. Thomas agreed saying she is involved with the NW Research Group.

The RTF PAC also approved of the draft primary research budget.

Slide 31

Burin asked if any of the four proposed measure updates could be minimized to reduce risk. Light clarified that there would be four total updates across three measures. Thomas further explained that there will be only two updates for gas furnaces and gas water heaters this year and another for gas fireplaces in January depending on where the budget lands.

Frew asked if the assumption is that thermostats and weatherization are fuel neutral measures. Light answered that these are more flexible and will be covered by electric funds. She said the real dual fuel measures at risk are the suite of commercial cooking measures.

Mary Moerlins, NW Natural, asked when Thomas expects clear guidance on Washington State's gas funding issue and how the RTF PAC could be helpful. Thomas said she needs a

decision on the final budget by the end of June. She will then put the work plan in front of the RTF in July. Thomas expects to convene a call with the gas funders quickly.

Light added that the bigger timeline crunch is getting signed funding agreements in place before presenting the workplan to the Council in October. Light then praised Thomas for her hard work and graceful management of Washington's last-minute changes. The PAC heartily agreed.

BREAK

2025 Work Plan and Proposed Research

Slide 5

Burdick noted that some data centers come with their own energy production abilities. She wondered how that would factor into RTF analysis. Kevin Smit, NWPCC, said Council staff are diving deep into the load forecast and data centers always come up, especially when talking about resource adequacy. He added that data centers dwarf other load growth topics, including electrification.

Smit agreed that it would be another conversation if data centers bring their own generation. But he countered that there are many classes of data center, including third party centers and a market characterization would help the RTF focus on efficiency opportunities.

Thomas added that the work will also include some preliminary questions around demand response.

Nesbitt pointed to data centers and similar loads coming to Idaho Power's service territory, saying they look like large custom projects. He thought the RTF might find value focusing on the smaller things within a data center and not what the customer is already proposing with a typical C&I program. Nesbitt confirmed that data centers do bring a lot of their own generation.

Thomas explained that the study intends to look at the entire market, from small, embedded data centers to large, enterprise ones. She said the study will help identify opportunities for the RTF and not get into custom projects. Thomas emphasized that the work would look similar to the recent EV characterization study.

Zelenka asked about the timeline for the market assessment and following energy efficiency pieces. Thomas reported that there is an RFP out right now that states the study would be concluded by the end of December with a presentation slated for early 2025. She didn't envision any measures coming out before late 2025.

Slide 21

Thomas asked for feedback around the proposed 2025 work plan. There were head nods of approval in the room and no comments or questions on the phones.

Slide 24

Burin asked what delivery verification involves. Using heat pump water heaters as example, Thomas explained that the region needs to know if the equipment is delivered into new construction or existing buildings. Jerome added that getting a measure from planning to proven saves a lot of money for the region. He said this small research budget to move things from planning to proven has been on his wish list for a long time.

Slide 28

Nesbitt thought that, in general, commercial industrial fans are a common measure with common payouts and streamlined processes that calculate savings. Because of this, he did not see a lot of value in the RTF taking this research project on and thought the focus should be on small, residential-type projects.

Thomas answered you will not see many residential measures because there are a fewer of them that are not already proven. She moved back to [Slide 27] to talk about possible residential measures, but said the greatest uncertainty falls within the commercial measures.

Slide 30

Jerome pointed to possible demand response interplay with commercial connected thermostats.

Slide 31

Nesbitt said he liked the food service and connected thermostat proposals more than the others.

Burin confirmed that staff are looking at both gas and electric applications. Thomas answered yes. Burin then agreed with Nesbitt that this looks strong.

Finnigan called the examples really helpful, asking for feedback from funders on why this research has not already been taken up and why it's a good fit for the RTF. She thought the RTF PAC is less familiar with the measures and asked for feedback from utility research staff on which ones they recommend.

Thomas said if today results in a short list she will embed it into the work plan comment period for robust regional feedback. She said she asks the region very specific questions in that comment period. Thomas agreed that it is important that the PAC has final approval but wanted to balance that with bringing the right information forward to make that well-informed decision.

Burin asked if fans are used in data centers. Smit answered that fans are everywhere, and market characterization will hopefully tell us more. Thomas agreed that they are universal across the region.

Creecy asked if these recommendation have been vetted or coming to the PAC first. Thomas said the PAC is seeing these first because of timing and would go to the RTG next.

Creecy said, along with savings potential, it would be valuable to know what would best support customers. Thomas agreed.

Josh Rushton, RTF CAT, clarified that the RTF has already done a fair amount of vetting through the research evaluation subcommittee and the full RTF. He also noted that the fan potential is huge with big application groups. Rushton said market characterization would help reveal things that wouldn't meet the bar for custom evaluation but could have a large footprint in programs otherwise.

Thomas readdressed the vetting piece, saying all have been vetted by the RTF but not for which the RTF should take on researching.

Smit noted that NEEA has done a lot of work with fans and suggested reaching out to see where there could be some collaboration. Thomas agreed, saying there will be a lot of leg work to make sure she is asking the right questions to the right people.

Jerome said commercial industrial fans is the big measure to look at and while it would be great to get to proven custom might be the right way to go. Thomas said making this proven would spare utilities from needing comprehensive impact evaluations.

Smit addressed engine block heater controls, calling it a big, uncertain number. He said he would love to see some work on this as the per unit savings look pretty big.

Thomas summed up by saying she's hearing the most support for food service and connected commercial thermostats.

LUNCH

Update on Progress Toward Refining the RTF Heat Pump Measure Suite

Slide 18

Burin asked if spikes can also be characterized by smoothed out demand, asking what setting it back 10° over eight hours looks like versus keeping the thermostat set. Christian Douglass, NWPCC, clarified that Burin was asking what happens if there is no set back or if there is a more gradual set back. Burin said yes, wondering how they would compare.

Douglass called the situation a Catch 22, where a deep setback might save some energy but trades those savings for an enormous demand penalty. He called this the question for the region: what's more important, a small kWh savings or a huge hourly impact?

Burin assumed the same would be true for summer cooling. Douglass said the data is not as clear for the summer, theorizing that people might be opening their windows.

Slide 40

Jerome addressed the perception of comfort, saying that furnaces have a lot of BTU capacity while heat pumps have much less. He said customer education is very important

and as a former contractor he was concerned about energy efficiency but more concerned about customer satisfaction.

Burin compared the perception to EVs, where there is a perception of power, calling a shift away from the expected.

Slide 44

DePetris praised this presentation, suggesting Thomas present it at the Efficiency Exchange. Thomas said she did something similar there this year.

Finnigan also praised the work, asking to share it so she can show it to her team.

DePetris ended the meeting at 2:30