

NEET Executive Committee Meeting Minutes

Oct. 3, 2008

Attending Executive Committee Members:

Joe Barra (PGE, sitting in for Bill Nicholson)
Ralph Cavanagh (NRDC)
Lisa Coltart (B.C. Hydro)
Randal Douthit (Fred Meyer)
Bill Drummond (Western Montana Generation and Transmission Cooperative)
Steve Eldrige (Umatilla Electric)
Paul Elias (McMinnville Power and Light)
Claire Fulenwider (NEEA)
Bill Gaines (Tacoma Public Utilities)
Margie Harris (Energy Trust of Oregon)
Erin Holland (Edelman)
Tom Karier (NWPCC)
Warren Kline (Idaho Power)
Sara Patton (NW Energy Coalition)
Pat Reiten (Pacific Power)
Robert Rowe (Northwestern Energy)
John Savage (Oregon Public Utilities Commission)
Cal Shirley (Puget Sound Energy)
Brian Skeehan (Cowlitz County PUD)
Matt Steuerwalt (WA State Governor's Office)
Phil Welker (Portland Energy Conservation, Inc.)
Brady Wiseman (Montana House of Representatives)
Roger Woodworth (Avista Utilities)
Steve Wright (BPA)

Absent Executive Committee Members:

Jim Abrahamson (Community Action Partnership of Oregon)
Richard Beam (Providence Health and Services)
Melinda Eden (NWPCC)
Fred Kiga (Boeing)
Paul Kjellander (Idaho Energy Office)
Bill Nicholson (PGE)
George Smith (NORPAC)

NEET Administrators:

Ken Canon, Facilitator
Darby Collins, Coordinator (BPA)
Joshua Binus, Assistant Coordinator (BPA)

Workgroup co-chairs and sub-chairs presenting to Executive Committee:

Bob Balzar (Seattle City Light)
Charlie Burr (Edelman)

Kim Crossman (PECI)
Teri Duncan (BPA)
Michael Early (Industrial Customers of NW Utilities)
Pat Egan (Pacific Power)
Susan Hermenet (NEEA)
Phil Jones (WA Utilities and Transportation Commission)
Massoud Jourabchi (NWPCC)
Stan Price (NW Energy Efficiency Council)
Mary Smith (Snohomish PUD)
Dave Ward (Tacoma Public Utilities)

Other Attendees:

Leann Bleakney (NWPCC)
Sonja Bruce (Resource Writers NW)
Bo Downen (PPC)
Guy Nelson (Utility Geothermal Work Group)
Terry Morlan (NWPCC)
Mark Ohrenscholl (News Data)
Howard Schwartz (NWPCC/WA-CTED)
Mike Weedall (BPA)
Steve Weiss (NW Energy Coalition)

Workgroup Preliminary Handout:

<http://www.nwcouncil.org/energy/neet/NEET%20Preliminary%20Reports-final.pdf>

Canon: Welcomes everyone and introduces the agenda for meeting.

Price increases across the region are making the emphasis on energy efficiency increasingly more important. There are a lot of efforts going on around the region, and there has been a lot of support for the Northwest Energy Efficiency Taskforce (NEET) from all the workgroups.

Between now and Dec. 15, the workgroups will refine work, establish priorities and provide rationale for those priorities. Will keep the Executive Committee up to date on progress.

From Dec. 15 (when final recommendations come in) till the Jan. 9 Executive Committee meeting, a draft report will be prepared for the Executive Committee to evaluate and provide comments.

Today we will be hearing from the workgroups. Please wait till their presentations are through till you ask questions. This is your best chance to communicate directly with the workgroup chairs. Thanks to Portland General Electric (PGE) and PacifiCorp for

financial sponsorship of the lunch. Thanks to the workgroup chairs for all of their hard work and determination on NEET.

Asks whether or not the Executive Committee is getting enough information. Requests feedback. [Initial response by Executive Committee members indicates that they are getting plenty of information regarding workgroup efforts.]

Wright: Wonderful thing about NEET has been the level of participation. The participation in the workgroups has exceeded expectations by about a level of ten. Gives particular thanks to workgroup chairs. Very difficult to manage groups of thirty to forty people. They are doing an amazing job. Also wants to give thanks to Ken and Darby for their tireless work.

Karier: Echoes SW's comments. Energy efficiency is definitely polling well, as all the political candidates are incorporating it into their rhetoric this election season. Excited to read the workgroups' preliminary recommendations. Encourages groups to fine-tune recommendations. What are the advantages? How will these recommendations help the Pacific Northwest (PNW)? Who will do it? How will it be marketed? How can we sell it to legislatures?

Reiten: Commends efforts happening at the workgroup level. Concerned with timing and speed at which things are moving. Obvious that there will be substantial efforts going on in the legislatures. We need to have legislative recommendations immediately. Also, the NEET recommendations will provide opportunities to help PacifiCorp in their current round of integrated resource planning.

Workgroup 1 (Measuring What Matters)
Co-chairs: Mary Smith & Massoud Jourabchi

Work Group #1 PowerPoint:

http://www.nwcouncil.org/energy/neet/meetings/2008/10/2008_1003_Measuring%20What%20Matters%20Looking%20ahead%20%20what.ppt

Smith: Has had good participation by roughly forty attendees. Valuable contributions from experts in the region helped expedite the work.

Energy efficiency is an amazing resource, but without a meter there is not an easy way to measure it. What is the data that we need to help us build and use this resource in the region?

[Review Workgroup 1 Powerpoint; see handout, "Work Group Recommendations," pp. 1 – 4, for more detail]

Fulenwider: Two questions: 1) Did you discuss the role of consumer behavior data and the importance of including it in regard to early adopters? 2) In regard to load shape, did you look at the need for in-hour load shape data?

Smith: On the first: yes. We noticed that there is a need for behavioral programs and services in the region. On the second: Yes, there is some concern about how energy efficiency as a resource contributes to meeting peak demand as well as overall energy needs. There hasn't been much research on load shapes since the 1980s.

Holland: There should be some coordination between Workgroup 4 and Workgroup 1 to help with behavioral research.

Coltart: When you are looking at behavior, are you looking at ways for consumers to make incremental changes or modify behavior (ex: turning the heat down or turning it off)?

Karier: Need more explanation of the problem statement. How important is this? Comments that there will be some preference that an existing organization take care of research needs, not a new one. As far as function, curious about just exactly what they would be asked to do.

Wiseman: Interested in technical details. When you actually do an energy efficiency project, how do you know how much energy you are not using?

Smith: We measure what would have been used and then determine what the savings were based off the engineering estimates of capability and operational performance.

Welker: In regard to behavior, encourages discretion: Looking at recycling is a good example. In the PNW, there is an emotional response to recycling, that is more long-term and powerful. The other side is management-oriented: There is a certain need to professionalize facilities operations. We need to make clear distinctions between the two.

In regards to data: We need to make distinctions about what is out there now and what will be out next.

In regards to the Regional Technical Forum (RTF): It could possibly be chartered into the Council with necessary funding, similar to California Energy Commission structure.

Savage: How will this entity work? Is all the data acquisition going through this group? Also, are the recommendations for the regional-level research envisioned to be significantly granular at the state and local level?

Jourabchi: On first: no. On second: yes. It will cost money, but the cost of ignorance is much higher.

Smith: There is value in gathering data that isn't necessarily granular. If there is a uniform mechanism for asking questions, there is much higher potential for the gathering of robust data.

Jourabchi: We want to work with organizations across the region to standardize the questions being asked across the region in order to rationalize the data collection. If we use this entity for regional purposes, it will also help improve coordination with the U.S. Department of Energy (DOE) on the national level.

Smith: Local utilities may still have needs beyond what is being gathered to serve the region, but it will still be useful.

Woodworth: The new regional entity doesn't seem practical and may actually diminish the potential for innovation. The opportunity seems to be in the collaboration. I suggest moving forward by looking at a prioritized list of actions and then looking at a list of who is in the best position to accomplish those tasks.

Would also like to reinforce that those things identified as barriers are potentially the biggest opportunities for the region.

All data is not created equal. Depending on the question you ask, there are different sources that you want to go for the answer.

Smith: The entity would help facilitate the gathering of data.

Jourabchi: We didn't want to just add more tasks to the plate of the Northwest Energy Efficiency Alliance (NEEA) or the RTF, since they are already maxed out.

Harris: Reinforces relationship with marketing group. Very interested in behavior change. What motivates people? As we find more energy efficiency, it will become more difficult to sell it to those who have yet to jump on board.

Also, we need to separate the research that has a regional benefit and those that should remain at the local level.

Cavanagh: Comments made already have fleshed out how the data can serve local and regional needs. The needs for M&V have long been seen as an integral part of regional resource investments. The RTF budget is essentially about \$300,000/year—an ad hoc budget. I'm hoping that we can come away from NEET with a commitment to increase that budget.

Incidentally, twenty-five years ago, there were meter devices installed in homes throughout the Northwest built in the early 80s. We should return to look at the outcome of those houses.

Canon: Comments that time for Workgroup 1 is coming to close. Only time for a few more questions or comments. We will send out minutes and you will have an opportunity to provide input before they are finalized.

Coltart: Group should look at areas where the coordinated approach will provide more value.

Eldrige: Question: Is this data set going to be built and then be presented to see who will participate? Or, are we going to go to the local level to get the data?

Jourabchi: It will be similar to the early effort in the 1980s, where we have both data collected region-wide and at the local level.

Eldrige: What happens now is that most of the data fails to incorporate local knowledge or identify how it fits into your locality. What often happens is that the places with the largest populations end up being the sample for local data.

As far as human behavior: It needs to be easy and people have to understand what's in it for them?

As far as the dataset: make it so that anyone who wants the data can use it for their own needs. There needs to be a feedback loop to local utilities or consumers so that they can test the results. Warns that if folks think that the data collected will end up fueling a new mandate, there will be fewer people participating.

Patton: All the workgroups have data-collection needs. Of course we will use data to talk about changes in rules. Glad everyone is working on it.

Drummond: Not willing to bless the RTF as the central data-collection point. It should remain a very open question.

Canon: We all recognize that there are a couple more months to go. These are only preliminary recommendations.

Eldrige: How will we define success? What is the performance measure?

Wright: Applying to all workgroups: At the end of the day, how is this going to work? It will only be successful if folks pick things up and understand how it helps their organization. Challenge to all workgroups: What is the value added? What is the most critical data not being collected today? How will doing something different make us better off? Also, make sure to elaborate on how a regional approach helps add value. Additionally, please comment on the positions of various workgroup members in regard to various recommendations, especially as to the level of support for these proposals within the workgroup.

Workgroup 2 (Emerging Solutions and Technologies)

Co-chairs: Bob Balzar and Susan Hermenet

Work Group #2 PowerPoint:

<http://www.nwcouncil.org/energy/neet/meetings/2008/10/NEET%20Workgroup2.ppt>

Hermet: Workgroup has about sixty folks, with about twenty providing hands-on assistance.

[Reviews Workgroup 2 Powerpoint; see handout, “Work Group Recommendations,” pp. 5 – 7, for more detail]

Harris: Didn’t see or hear mention to the national labs. How does this relate? What about smart grid?

Hermet: We do have participation by the national labs on the workgroup. It was felt that the labs, along with the universities have a role as potential contractors with groups around the region.

Balzar: We have an inventory of what the labs are doing that can potentially percolate up as feeder stock for the region.

Hermet: As far as the place for smart grid: The workgroup felt that the focus needed to be on energy efficiency for the end-use customer, so we intentionally put smart grid issues aside.

Karier: Is this work lying somewhere between the labs and NEEA. Could you explain that some more? This is a good exercise of looking at where the risks lie with energy efficiency. When the Council did its *Fifth Power Plan*, energy efficiency trails off significantly after twenty years or so. This effort to keep the pipeline full is going to be very helpful.

Savage: One of the glaring needs for the region is the lack of demonstrations. These were done to great effect in the 1980s. Where do they fit?

Balzar: There is space for demonstration, but we need to be sure to keep the focus on end-use customers.

Eldrige: We should keep an eye on international progress. Also, some definition about the screeners would also help.

Balzar: If we’re going to do a demonstration in Seattle, I want to be there as the local entity. We’re seeing regional planning, with local implementation. What we wanted to do was widen the scope of vision for the technical innovation, so we’re not always looking at presentist needs.

Shirley: Wants to revisit smart grid. Can we revisit and segment it, especially since you’re addressing distributed generation? If you’re going to include renewables, we have to talk about how that fits into the smart grid piece. Similarly, with the advent of smart grid appliances, we should be addressing it in your workgroup.

Balzar: We're looking at small-scale renewables and technologies, not utility-level. Smart grid is a platform for delivery, so I agree it should be looked at too.

Fulenwider: Agrees with Shirley's call for integration of smart grid in the workgroup's efforts. Also glad to see that non-tech solutions are valuable.

Welker: California has a viable model to look at in regard to emerging technology.

Balzar: The big difference in California is that they have advocates and funding. We did look at what is going on there.

Woodworth: The three screens are spot on. Invites Workgroup 2 to think differently regarding the idea that we should pick the top three to six winners out of the leading technologies. Would like to see us support lots of small efforts, rather than put all our hopes into three to six big efforts.

Canon: Regarding how we look at the region: How are things different across the region? Do we fit into the larger geography (country)? Should we do this alone?

Balzar: On second point: Yes, we see ourselves as a region, but our end-users may not. On the first point: there are certainly solutions or technologies that work well in one place and not so well in others, but we must be careful not to get trapped by this micro-focus.

Cavanagh: Insight that there is value in looking across the world is important. The whole country's energy industry is absolutely under-investing in RD&D. If we are going to run a successful RD&D program, you must expect (and even welcome) some failures.

Woodworth: Reaffirms the need to have a robust list of emerging technologies.

Workgroup 3 (High Impact Energy Efficiency Initiatives)

John Savage and Stan Price

Work Group #3 PowerPoint:

<http://www.nwcouncil.org/energy/neet/meetings/2008/10/NEET%20WG3Oct%20%203%20Presentation.ppt>

[Reviews Workgroup 3 Powerpoint; see handout, "Work Group Recommendations," pp. 8 – 9, for more detail]

Shirley: Regarding technical vs. achievable savings: Are there different definitions of those?

Price: We have yet to explore it, but the initial look makes it seem as though there are differences.

Skeehan: Can you extrapolate on what kind of financing you are talking about from utilities?

Price: Capital is a problem, particularly in the industrial sector. The idea that we can make it available, in order to reduce hurdles, would be substantial in helping industrial consumers move forward with energy efficiency projects.

Cavanagh: This is one of the most important efforts we're undertaking. Not sure that zero-net-energy for every building makes sense. It's certainly in vogue, but wants the workgroup to consider that it is not a given.

Savage: Referring to a recent conversation with green building expert: believes that is a viable stretch-goal with significant branding potential.

Cavanagh: A stretch-goal for a system is different than a stretch goal for every building. There is a lively discussion of whether or not we should be looking at the building or community level. Also, Congress has just extended tax incentives for a variety of programs (typically ranging from one to eight years). The PNW could backstop the incentives and thus provide some security for emerging industry. It would help us avoid the predictably corrosive effects of Congressional planning.

Wiseman: Customers in his region don't need convinced that energy efficiency is important and timely. They need help in carrying it out. Encourages new legislative movement like what happened recently in Boulder, Colorado.

Savage: Oregon is also exploring that type of legislation.

Barra: A big challenge is to get capital into the system so that reliance isn't on customers needing a two-year payback.

Welker: New initiatives are good, but we need to seriously consider what is happening now. We could learn some lessons in regard to others' efforts to scale up (see California). Innovation can be squeezed out during a rush to scale up (see California). How we scale up will create secondary effects. We should untangle the developmental aspect and perhaps run it separately. We must also be also be wary of short-term cost effectiveness models because we can lose the consideration of very viable long-term strategies/partnerships, being involved to extend the life of measures in order to keep partnerships healthy and productive. At the same time, we will potentially see more opportunities arise. This kind of long-term approach will, in turn, likely lead to more legislative change to support the work already underway.

Harris: We must get beyond early adaptors to capture the mainstream. A lot of businesses will make this effort over the long term. Will require hand-holding and customer service. This will not be solved by a single technology or strategy.

Sees a role for zero-net-energy. Would like to recognize that it's not just about fuels; it's also about renewables.

Coltart: Encourages Workgroup 3 to continue looking at financing options/improvements. Have you looked at different sectors—looking at communities differently (net-zero on a community basis)?

Price: Community-based approaches have been part of our discussions.

Karier: There is a new initiative called Sustainable Works that is trying to retrofit neighborhoods block by block. Will put those folks in touch with your workgroup. Very innovative.

Savage: The Energy Trust of Oregon is doing something similar.

Price: There is also discussion about integration of general education.

Eldrige: This isn't valued by most people—good or bad. In the case of net-zero, there hasn't been a case made for it yet. There has also not been a solid definition. As a region, we need to think forward to the consequences prior to making the choice.

Canon: With net-zero, there is a need to have system operations be integrated into the thinking and planning.

Welker: Idea of systematically sharing best practices doesn't require a new invention. It just requires taking the best of what is already working and making it bigger and faster.

Shirley: Going back to achievable vs. technical savings: There are people who will be counting on energy efficiency as a resource. We really do need to identify the difference you are exploring.

We talk about energy efficiency as if it's all equal, but in reality it is not. What are we really going to count for resource purposes?

Eldrige: Interesting observation. What if we rely on conservation in a big way and it doesn't come through?

Cavanagh: If we are mindful about coordinating program designs with steadily upgraded performance standards, energy efficiency will provide a predictable resource.

Canon: One of the advantages of energy efficiency is that it relies on a tremendous amount of diversity.

Harris: There is a trade-off of equity versus volume.

Eldrige: It is an integrated system, and we want to keep it that way. Sometimes I worry that folks believe energy efficiency will solve all our problems. I don't believe it will.

Reiten: If we're going to move forward as a region, we're going to need the data.

[Break for lunch]

Announcement: NEEA is having an energy efficiency round table: Meetings are scheduled for Oct. 28 (SeaTac) and Nov. 12 (Spokane). NEEA is inviting participation by all utilities and organizations.

Announcement: Next NEET Executive Committee meeting will be held on Friday, Jan. 9, at the Portland Airport Sheraton.

Workgroup 4 (Marketing and Public Awareness)

Teri Duncan, Erin Holland, Charlie Burr

Work Group #4 PowerPoint:

<http://www.nwcouncil.org/energy/neet/workgroups/4/Default.htm>

[Reviews Workgroup 4 PowerPoint; see handout, "Work Group Recommendations," pp. 10 – 12, for more detail]

Elias: Encourages continuation of effort. Glad to see that small utilities are included.

Coltart: Was there discussion about how to measure success of a marketing effort?

Holland: To some extent, but nothing firm yet. Over the next couple months we will be working on it more. Some of the larger utilities have already spent money on their own branding campaigns. We don't want to negatively impact local efforts; we are looking to compliment them.

Coltart: But how do you measure the success of a marketing campaign? As we spend more money on them, it becomes more important to measure.

Holland: We will ask our research team to look at all the avenues to make sure we have those benchmarks in place.

Patton: Nothing sells itself, and energy efficiency is practically invisible. As a result, it is critical to market energy efficiency. Perhaps we can learn from other industries. In the workgroup's report itself, there seems to be some tiptoeing around a regional campaign.

Holland: True. There is a majority of folks who support the idea, but a minority of opposition that we are working with.

Reiten: Agrees that there is potential overlap with marketing efforts.

Barra: Issues are the same across the industry. Quantifiable results can be tracked over the long term.

Harris: Old adage: I know that 50 percent of my budget is doing the job; I just don't know which half. Curious if the workgroup can establish some commonalities across the region. Renewables are crosscutting issues for end-users. How can that be integrated into a regional marketing model? What about testimonials?

Burr: Yes, we are looking at that. Ireland's *Power of One* campaign is an example we've looked at that has had much success in promoting testimonials. We've taken a close look at their model.

Holland: There must be an umbrella of marketing strategies that span the region.

Wiseman: We are in the business of creating a new social norm about energy efficiency—much like we now have with recycling. Encourages effort to find a way to include eastern Montana co-ops in the effort.

Eldrige: I'm not sure who the target audience is.

Duncan: There are several segmentation studies that have been done or are in progress in the region. Once we can segment, we can target.

Eldrige: I was thinking about municipal boards and utility boards. They should be one of your audiences. We should also look for new ground to plow. Isn't it part of our job to make this more tangible? We should also strive to keep it real. Lots of things have changed, but we're still doing the same things we've been doing for years.

Start with governing boards when you move forward.

Fulenwider: Include some numbers that can show how buying time or media coverage in mass can lower the cost of a marketing effort.

Welker: Are we trying to create more free riders/drivers, recruit more participants or create a new behavioral norm? They are three different strategies.

Holland: We're going to come back with some recommendations about what research is needed in order to identify what behaviors need changed.

Welker: I'm looking for some very clever ideas that will help us move out in front of the green parade.

Karier: This is probably one of the more exciting endeavors of the whole group. Oregon may be a great testing ground. At some point there is a need for a tangible proposal that includes economy of scale, what we get, and what we sell. There is institutional support

to solve the other problems—particularly how to get folks to buy in to it. NEEA can help us attract a diversity of funders.

Woodworth: Most interested in what the overarching umbrella is. It must enhance, not pollute local efforts. Raises example of the crying Indian as an image for littering campaigns across the nation. We need something that will add value to help all sectors contribute.

Holland: Real changes in social behavior are possible by focusing on social cause. It is incredibly effective. In general, social causes are at the heart of everything.

Woodworth: First, we must determine what is most important? Then, we must evaluate how it is performing?

Workgroup 5 (Building the Energy Efficiency Workforce)

Cal Shirley, Phil Jones, Pat Egan

Work Group #5 PowerPoint:

<http://www.nwcouncil.org/energy/neet/meetings/2008/10/NEET%20WG5%20oct3.ppt>

Shirley: Points out that their report is an abridged version. The full version is available upon request. Reminds committee that the recommendations are all preliminary.

[Reviews Workgroup 3 PowerPoint. See handout, “Work Group Recommendations,” pp. 13 – 20, for more detail]

Welker: All correct. Wants to stress the needs for electrical/mechanical engineering. It’s down 25 percent from what it used to be. Has been finding, with informal surveys, that HVAC training is not included in many mechanical engineering degrees. Universities aren’t focusing on it—their faculty don’t have the expertise. Observes that there is a massive bottleneck. We need a short-term strategy to deal with this. Ex: PECI is looking to craft a curriculum and then will try to teach the teachers. Points out that there is already money being spent on this issue—perhaps there is a way to leverage that funding for the region.

Shirley: This is what we are calling the “deadly” outliers. Some sectors have stats that don’t bode well, considering the unavailability of skilled labor. Thinks there must be a full-court press on these issues.

Eldrige: Stock market might solve the retirement rate, but the problem involved with mechanical engineers exists across the board.

Egan: Lane Community College is prepping students for more than just engineering.

Welker: True, but engineering needs are unique.

Cavanagh: In the spirit of helping universities get in the game, what can this workgroup do to help facilitate things?

Karier: If we let the market carry things, the salaries will go through the roof for these workers and then people will show up in the university saying they want to major in this. We need a solid study for the PNW to look at the simple supply and demand for the workforce. Retirement, expansion of industry, potential workforce, and viable jobs all need documented.

Holland: Does sit on the board for a couple universities. It is hard to get this across. At the heart of everything is still social cause. They want to make an impact.

Egan: Recoverable costs are important. Investments in scholarship programs are important, but they are not recoverable.

Workgroup 6 (Governance and Energy Efficiency Policies)

Sara Patton, Kim Crossman, Dave Ward

Patton: Introduces sub-chairs and subgroup topics.

In some cases we're still struggling over to whom the recommendations should be delivered. In regard to policy, the workgroup is taking them on as directly as they can. There are strong and divergent opinions in regard to cost-effectiveness tests and in regard to whether the total resource cost test can be a barrier to more aggressive conservation.

Early: [Overview of Decoupling and Efficiency-Related Earning Opportunities; [see handout, "Work Group Recommendations," pp. 27 – 29, for more detail]

Crossman: [Overview of Direct Application Renewables; see handout, "Work Group Recommendations," pp. 21 – 22, for more detail]

Ward: [Overview of Load Management/Smart Grid; see handout, "Work Group Recommendations," pp. 23 – 24, for more detail]

Patton: [Overview of Cost Effectiveness; see handout, "Work Group Recommendations," pp. 25 – 26, for more detail]

Welker: In terms of cost effectiveness, encourages the PNW to not repeat the California error of making the tests exclusive to single products. There are often extremely effective measures that do well in packages.

Patton: We're calling that "point of application of cost-effectiveness tests."

Cavanagh: Commends Early's assessment. Suggests we move into a world where no utilities make money from selling energy anymore. For public power, their financial

health shouldn't be had from pass through agreements anymore. If we could agree on the objective, I'd be happy.

Fulenwider: Are you looking to include behavior changes and business changes in the cost effectiveness tests? In particular: energy conservation measures, integration of performance objectives, etc.

Rowe: Topics raised today have been very compelling. We have got to move aggressively past cost recovery and look at other rate policies that benefit customers and shareholders as well. If we can make the case to the people that pay for our efforts, we can do all of this. What is driving everything though is rising natural gas prices. In Montana, our consumer and environmental groups have figured out there are enormous intersections of interest with utilities.

Holland: The regional marketing effort can target customers via mailed billing. Something very simple could be a comparison with neighbors' use.

Coltart: Are there competing standards for smart grid? Can we make a recommendation about that?

Ward: Yes, we've looked at that, and we'll be making a recommendation.

Welker: As we look at distributed systems on the small scale—taking into account the problems with siting transmissions systems today—smart grid systems are going to become more important. When we think about these issues, we need to think about the regulatory reforms that will help utilities keep ahead of foreseeable changes.

Eldrige: Comments that distributed generation is the wave of the future. It would be irresponsible to abandon the system we've built, even though there is a bright future ahead with distributed generation.

Harris: There is a link between smart grid and Workgroup 2; the two involve both sides of the meter.

Crossman: We will send minutes out for comment. Please add any written comments you see fit. These will then be distributed to workgroups.

Dec. 15 is the deadline to receive materials from workgroups. We will then work to create a draft for comment by the Jan. 9 meeting. We will also present some legislative proposals by Jan. 9.

Wiseman: Jan. 9 is coming in too late. The legislatures are drafting bills now.

Crossman: We understand that.

Co-Chairs Summary

Reiten: Three thoughts: 1) There is obviously a need for additional data; 2) Welcomes Robert Rowe to Executive Committee; and 3) Thanks workgroup members for all of the hard work.

Karier: Has been a great day. Workgroups have presented great info and dialogue has been good. Report seems like it will be rich in new ideas. It must be compelling. It has to be sold to an independently owned utility and their customers, publicly owned utilities, BPA, and any other funders like state legislatures. Is this going to convince them to write a check? Besides that, there is still the issue of the handoff. All of the workgroups will need to clearly identify who will take action. Suggests staying together as a group until that is done to make sure the ball isn't dropped.

Wright: There have been some terrific ideas coming forward.

The challenge: A number of the proposals raised today raise the issue of more funding. As we move forward, we must realize that those current funders may have less control over how the funds will be spent.

We want to be bold but not too bold (where someone would run screaming from the room).

Asked the workgroups to address three over riding questions:

- 1) What is the value added to the region? What's not here now that we could be doing? Heard several ideas mentioned by the workgroups today such as the five-year studies on technologies and areas to focus on for the future. Also, in the discussion with the Marketing group about a regional campaign and seeking that powerful idea or image like the Indian's tear in the national campaign on littering that could compliment efforts throughout the region.
- 2) Is there a way to do things more efficiently than what we're doing today (or maybe where operating on the regional level could add greater efficiency without spending any more money or even by spending less)? Like the idea from the Data group on coming up with a common set of survey questions that could be used on multiple surveys around the region.
- 3) For those folks who are participating in workgroups, I want to challenge you to gather support from the individuals in your workgroups for your ultimate recommendations. Will their organizations seriously consider changing their behavior or operations to support the actionable items being identified by the workgroups? Will they be willing to expend additional funds on it? We need to know which ideas are really going to fly.

Canon: Asks for public comment.

Steve Weiss: Didn't hear any mention about the ability to help the region integrate a lot of wind. Also believes that we need to think more about integrating gas and electric. There are many applications where gas is better to use and vice versa. We should look at things from a consumer's point of view and not continue the inefficient, competitive dynamic. Heat pumps are a good example of a technology that creates opportunities for more collaboration.

Canon: Fuel-neutrality issue has come up in several workgroups.

Guy Nelson: Five points: 1) Thanks to NEET chairs and workgroup members; 2) Thanks to PGE and Pacific Power; 3) Would like the task force to consider resistance heating for savings across region; 4) Energy Efficiency is akin to adding load; and 5) Seeing the direction that the Western Climate Initiative is going with cap and trade, asks if there is a way that utilities could get some credit for energy efficiency?

Meeting adjourned at 3:45.