



DRAFT

2010 Business Operating Plan and Funding

September 29, 2009

Introduction: In September of 2009, the Regional Technical Forum (RTF) set forth a draft business plan designed to carry out the functions assigned it by Congress, the Comprehensive Review of the Northwest Power System and the Council on a sustained basis.¹ Based on the comments received on that proposal and discussions with parties in the region, the RTF approved a work plan and budget for its ongoing activities for calendar years 2010-2014. This document sets forth the RTF general scope of work for calendar 2010.

The RTF seeks comments on the proposed scope of work for 2010, the accompanying budget, the five-year work plan and budget and the funding allocation. The RTF will review comments and recommendations at its October 13 meeting.

Work Scope: The RTF will continue to pursue the four tasks adopted by the Council and its original charge from Congress and the Comprehensive Review. These are:

1. Develop and maintain standardized protocols for verification and evaluation of energy savings and the performance of renewable resources.
2. Track regional progress toward the achievement of the region's conservation and renewable resource goals.
3. Provide feedback and suggestions for improving the effectiveness of the conservation and renewable resource development programs and activities in the region.
4. Conduct periodic reviews of the region's progress toward meeting its conservation and renewable resource goals at least every 5 years, acknowledging changes in the market for energy services and the potential availability of cost-effective conservation opportunities.

Consistent with these tasks, the RTF will continue to provide recommendations to Bonneville, the region's utilities and system benefit charge administrators to facilitate the operation of their conservation resource acquisition programs. These include but are not limited to:

- Develop, review and revise as needed of the cost, savings and regional cost-effectiveness associated with new or existing energy efficiency measures, technologies and practices,

¹ *Proposed Work Plan and Budget for the Regional Technical Forum*. September 15, 2009. Northwest Power and Conservation Council.

- Maintain a process through which Bonneville, the region’s utilities and system benefit charge administrators can demonstrate that different cost, savings and cost-effectiveness findings should apply to their specific programs or service territories,
- Develop and maintain protocols by which the savings and the regional cost-effectiveness for energy efficiency measures, technologies, or practices not specifically evaluated by the RTF can be estimated,
- Review measurement and evaluation (M&V) plans and/or M&V results to assess their consistency with generally accepted M&V practices,
- Develop, review and revise as needed program technical specifications; and,
- Identify high priority evaluations and research and demonstration activities that are needed improve regional energy savings estimates and/or facilitate adoption of new and existing energy efficiency technologies, measures or practices

2010 Activities and Budget:

The RTF’s specific work plan is largely dictated by the requests it receives from parties within the region, primarily utilities, Bonneville, Energy Trust of Oregon (ETO), the Northwest Energy Efficiency Alliance (NEEA) and state energy agencies (SEO). Historically these requests have come to the RTF through informal request by staff from these entities or through the more formal “petition” process on the RTF Planning, Tracking and Reporting web site. These two mechanisms allow the RTF to respond in a timely manner to emerging technical issues and questions. In addition, the RTF will issue an annual written request to Bonneville, the region’s utilities, the ETO, Alliance and SEOs asking these entities to identify specific technical research and evaluation issues that they believe should be addressed during the coming year.

Tables 1 and 2 show the major task or work elements that the RTF expects to engage in calendar year 2010. The attached PDF of the proposed work plan and budget describes each activity in greater detail and sets forth a five-year budget estimate for each.

Table 1 shows that about half the proposed 2010 budget is for new projects. These items have been identified as high priority activities by Bonneville, the utilities, ETO and NEEA. About one-third of the 2010 budget is for ongoing activities such as technology reviews and continuing existing projects. The remaining 15 percent is for support activities including member support, contract management and meeting costs. Member support includes compensating RTF members when they are asked to devote significant additional time to RTF work tasks and/or when they would not otherwise be compensated by their employer for participation in RTF work. The RTF also will require expanded technical support contract services as the region gears up to increase conservation acquisition. A small portion of the RTF’s budget is set aside to cover meeting and miscellaneous expenses.

TABLE 1 - SUMMARY OF PROPOSED ONGOING AND NEW		
Category	Estimated Budget	Share of Total
Ongoing Projects	\$412,500	30%
Support Activities	\$195,000	14%
New Projects	\$750,000	55%
Total	\$1,357,500	100%

Table 2 divides the proposed RTF budget into activity types. As can be seen from Table 2, nearly half of the proposed budget will be for tasks directed at improving the accuracy of savings estimates. About half of that is for developing simplified measurement and verification protocols and/or calculators for measures where savings can not be deemed, including behavioral measures. The other half is for developing new savings estimates and updating existing ones.

About 30 percent of the budget will be for comparative reviews of savings estimates across the region, updates to measure life data, and continuing progress on the development of modern end-use data which are predominantly new activities for 2010.

About six percent of the RTF's expenses are allocated to cover the cost maintaining web-based data sites. A significant refinement of the RTF website is planned to provide better access to RTF decisions, RFPs, ongoing study information, measure specification information, up-to-date meeting information and to accommodate the growing library of completed RTF data and studies. In addition, the web-based projects include the modification, maintenance and technical support for the RTF Internet-based Planning, Tracking and Reporting system (PTR). This is the regional conservation-tracking project which includes all utility, system benefit charge administrator, Northwest Energy Efficiency Alliance and Bonneville activities and expenditures.

TABLE 2 - SUMMARY OF PROPOSED 2010 RTF BUDGET BY ACTIVITY		
Category	Estimated Budget	Share of Total
Technology Reviews, Streamlined Protocols & Scoping Studies	\$622,500	46%
Comparative Reviews, Data Updates	\$415,000	31%
RTF & PTR Websites	\$125,000	9%
Support Activities	\$195,000	14%
Total	\$1,357,500	100%

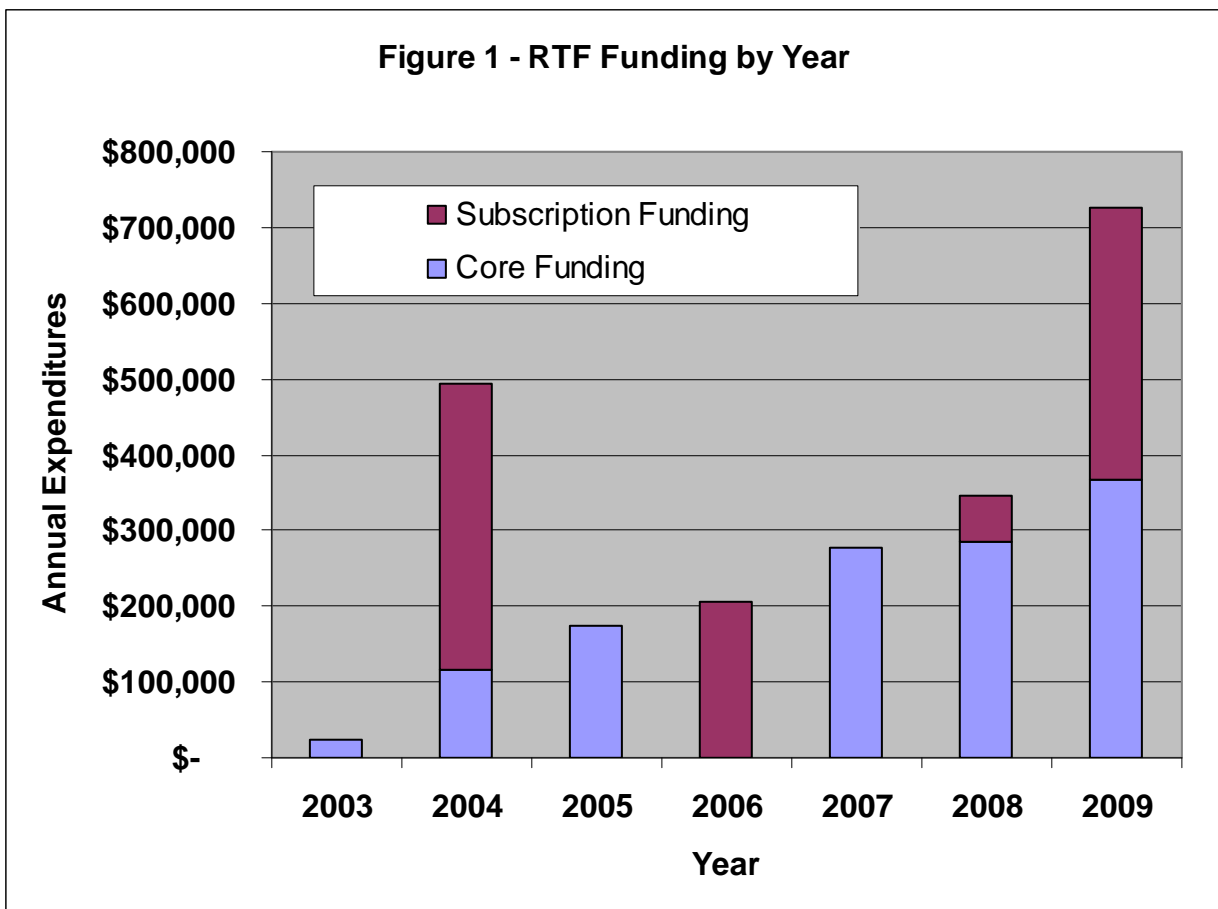
As in prior years, a significant portion of the RTF proposed budget is allocated to procuring consultant services to carry out most of these major work elements. Technical support from consultants is needed for four reasons. First, for those RTF members who are volunteers with other full-time duties it is unreasonable to expect their employers to offer their services for significant time commitments. Second, for those RTF members who receive honoraria for their participation, many could be expected to be compensated at a higher level were they conducting similar work for a private client. It is unreasonable to expect that these individuals would be able to donate additional time on a *pro bono* basis. Third, amount of time Council and Bonneville staff can devote to supporting the work of the RTF is limited. The proposed budget shown in Tables 1 and 2 assumes that Council is able to allocate approximately 0.75 FTE to supporting the work of the RTF.² It also assumes that Bonneville will continue to provide approximately 0.5 FTE to support RTF work. These costs are not included in the proposed budget.

² The Council's professional and administrative staff support is not included in Table 1. It is underwritten through the agency's Power Division budget. In non-Plan years, approximately 0.75 FTE is allocated to supporting the RTF.

Historic Funding:

Initial support for the RTF was first provided by the Council in the form of staff resources. A few individual utilities started funding the RTF beginning in 2003 as its work scope grew. Over the years, the RTF expanded its funding sources through periodic solicitations. The Council noted in its 5th Plan that it believed developing a stable and sustainable source of funding for the RTF's activities would be in the region's interest.³ In 2007 Bonneville, the region's major utilities and the Energy Trust of Oregon agreed to sponsor the work of the RTF for a period of three years. In 2008, the RTF undertook a system of managing and funding larger projects that are beyond the scope and budget of its "core services" which develops work scopes for program evaluations, research and demonstration projects and other activities that are of interest to its sponsors. Occasionally, a particular work scope may result in a project that is too costly for the RTF and/or a few utilities to sponsor. In these cases, if enough entities are interested in providing additional funding for such a project, the RTF collects funds for the project on a "subscription" basis and provides contract management and project technical oversight services. The End-Use Load Data project is an example of a study funded and operated in this manner. It should be noted that funding from outside the region has been collected for two subscription projects.

Figure 1 shows historic funding of the RTF for both core and subscription activities. Table 3 shows 2003-2009 cumulative funding by utilities, Bonneville, Energy Trust and entities outside the region for both core and subscription projects undertaken by the RTF.



³ See The Fifth Northwest Electric Power and Conservation Plan, Executive Summary. Action Item CNSV-3, p38.

Table 3: COMBINED CORE & SUBSCRIPTION FUNDING 2003-2010		
Combined Core & Subscription Funding	Cumulative 2003-2009	Historic Share of RTF Funding
Avista	\$ 87,020	4%
Bonneville	\$ 784,278	35%
Idaho Power	\$ 153,000	7%
Energy Trust of Oregon	\$ 262,020	12%
Puget Sound Energy	\$ 383,507	17%
Seattle City Light	\$ 66,020	3%
Snohomish PUD	\$ 59,020	3%
EWEB	\$ 23,000	1%
PacifiCorp (WA ID)	\$ 56,000	2%
Tacoma	\$ 6,020	0.3%
Clark PUD	\$ 5,000	0.2%
Northeast Utilities (NEEP)	\$ 94,955	4%
Ten NE Utilities for RTUG Project	\$ 24,100	1%
Northwest Gas Association (NWGA)	\$ 46,487	2%
NW Power and Conservation Council	\$ 67,500	3%
Oregon Dept of Energy	\$ 35,000	2%
NEEA	\$ 100,000	4%
Total Core & Subscription Funding	\$2,252,927	100%

Future Funding:

The RTF needs to secure funding commitments for 2010 because current commitments expire December 31, 2009. At this point, neither the RTF, nor NEET, have made a formal recommendation with regard to future funding allocation. The larger scope of RTF activities, as the region ramps up its conservation efforts, would benefit from a larger regional involvement in RTF funding.

As a starting point, and to help potential funders understand the magnitude of the decision, we propose to use the funding shares developed by NEEA in its most recent round of fund solicitation. Other allocations could be developed. The NEEA shares are based largely on regional sales for the largest utilities in the region and Bonneville plus a factor based on customer count. Such an allocation would add six new funders to the RTF funding pool: Northwestern Energy, Clark PUD, PUD #2 of Grant County, Tacoma Power, Chelan County PUD, and Cowlitz PUD. Table 4 allocates the proposed budget for 2010 using NEEA funding shares. Sponsorship amounts are rounded.

Table 4: 2010 RTF FUNDING BASED ON NEEA FUNDING SHARES	
Organization	Sponsorship
Bonneville	\$ 471,000
Energy Trust (PGE & PacifiCorp OR)	\$ 273,000
Puget Sound Energy	\$ 182,000
Idaho Power	\$ 114,000
Avista Corporation	\$ 73,000
PacifiCorp (WA & ID)	\$ 60,000
Northwestern Energy	\$ 51,000
Seattle City Light	\$ 49,000
Clark PUD	\$ 18,000
PUD #2 Grant County	\$ 17,000
Tacoma Power	\$ 15,000
Chelan County PUD	\$ 12,000
Snohomish PUD	\$ 10,000
EWEB	\$ 7,000
Cowlitz PUD	\$ 4,000
Total	\$ 1,356,000

Request for Comment

The RTF seeks comments on the proposed scope of work for 2010, the accompanying budget, the five-year budget and the funding allocation. The RTF will review comments and recommendations at its October 13 meeting. Written comments should go to Gillian Charles via e-mail (gcharles@nwcouncil.org) by October 9, 2009.

Should you have further questions or wish to discuss the RTF's request for sponsorship please contact Tom Eckman or Charlie Grist by phone (503-222-5161) or e-mail (teckman@nwcouncil.org) (cgrist@nwcouncil.org)

Attachments:

Proposed RTF work plan and budget for 2010-2014
 Draft RTF 2010 Business Operating Plan and Funding