RTF PAC Meeting Minutes
March 13, 2020
9:30am – 12:00pm Pacific

Attendees

Patrick Oshie, RTF PAC Co-Chair, Council
Cory Scott, RTF PAC Co-Chair, PacifiCorp
Thomas Lienhard, Avista Utilities
Danielle Walker, Bonneville
Kary Burin, Cascade Natural Gas
Jim White, Chelan PUD
Debbie DePetris, Clark PUD
Fred Gordon, Energy Trust of Oregon
Robin Arnold, Montana PSC
Jeff Harris, NEEA
Danie Williams, NorthWestern Energy

Rick Hodges, NW Natural
Garrett Harris, Portland General Electric
Bob Stolarski, Puget Sound Energy
Ray Johnson, Tacoma Power
Steve Johnson, Washington UTC
Leann Bleakney, Oregon Council Staff
Andrea Goodwin, Council Staff
Charlie Grist, Council Staff
Jennifer Light, RTF Manager/Chair
Annika Roberts, RTF Assistant

Key Outcomes:

The primary topic of discussion was the best path forward to returning or reallocating funds collected in the early years (pre-2008) of the RTF that were never spent or credited back to funders. The RTF PAC discussed two options: (1) Crediting back electric funders using some agreed to funding share and (2) Reallocating the funds to some other use as agreed to by the PAC. The majority voted for option two, reallocation of the fund (there was one no vote and two abstentions).

The PAC also discussed ongoing tracking of RTF funding, path forward for residential lighting, and proposed approach to natural gas in ProCost.

Discussion

RTF PAC Co-Chairs Council Member Patrick Oshie and Cory Scott opened the meeting at 9:30 am. Oshie greeted the group and thanked everyone for their participation given the professional
and personal uncertainties in the world right now. Scott then called for introductions from the rest of the PAC and approved the meeting minutes from the September 11th meeting.

Light reminded the group that all Council meetings are moving to remote webinar and acknowledged the uncertainty around how that will affect the RTF’s work while thanking everyone for their flexibility and diligence at this time.

**Unspent RTF Funds memo**

Light walked through the memo, providing some background and context, and opened the floor for discussion.

Walker brought up Bonneville’s ongoing cost constraints and mentioned that she’s been trying to find budget dollars to fund the NEEA multifamily stock assessment. From BPA’s perspective, she thinks getting this money back could help them commit to funding this regional work. In light of that, Bonneville’s preference is Option 1, but she acknowledged that there’s a lot of interest in Option 2.

S. Johnson cautioned about looking at this as found money and treat it as a slush fund. CETA is requiring utilities to find all cost-effective conservation prior to buying new resources. His view is to look at all activities in light of that requirement to actively pursue what is required. Essentially, if there is a good use for the money towards that end then the RTF should do that, and if not it should be refunded.

Gordon offered Energy Trust’s perspective, explaining that having been around the RTF during the early years, he knows that the funding shares at that point were fairly random. He expressed that trying to do a refund from that time would be difficult and he would be averse to that. He then voiced that the discussion of the options should be separate from the larger discussion of what to spend this money on given the decision.

Stolarski agreed with Gordon and said he preferred Option 2. He suggested the money be used to accelerate RTF work and that he would be uncomfortable with giving it to a different organization like NEEA, to do something else.

Lienhard added that from his standpoint it would be too hard to figure out who it belongs to and he preferred Option 2. He added that he would want the money to be used to focus on electric measures, as the funding was certainly from electric funders.

DePetris agreed with Tom Lienhard and everything else said previously.

Williams stated that she doesn’t have a perspective and that she’d have to do some digging considering she isn’t sure what NorthWestern funded in the earlier years. She added that right now she’s leaning towards Option 2 for an electric type project.

Scott stated that PacifiCorp supports Option 2.

R. Johnson expressed that Tacoma’s share of it is small enough that it just makes more sense to go with Option 2. He asked whether there was value in keeping this money as a reserve.
Light said that was not a concern. The RTF plans and manages to its budget, so there is no need for additional funds.

Light asked Andrea Goodwin if they need a majority or a consensus on the decision between Option 1 and Option 2. Goodwin responded that a consensus would be great. If that can’t happen the group should go to a vote, which is in line with the Council by-laws for advisory committees.

Light summarized that everyone other than BPA is leaning towards Option 2, then asked Walker if she could get behind that option given the conversation. Walker responded that the estimate of $60,000 for Bonneville in Option 1 is likely reasonable given how much Bonneville has funded the RTF historically. She added that, given the tightened budget, the $60,000 is a lot of money that to let go, especially if it means giving up another regional priority.

S. Johnson brought up that he’s hearing that the multifamily building stock assessment is an important project and asked if some of those who were thinking of Option 2 could discuss what they think the stock assessment is and what other ways that it could be funded. Light added perspective from her conversation with Pete Pengilly of Idaho Power, saying he identified other potential uses, and would encourage the group to not focus only on the Multifamily Stock Assessment right. She invited folks to speak to its importance of this study or to offer up other valuable thoughts that might need funding.

Gordon answered that he talked to his research people who said multifamily research was high on their list not their top priority. He added that he’d be interested in using the money for improving assessment tools or increasing the sample for the RBSA, noting that there’s not enough money here to fund the entire Multifamily Stock Assessment. He underlined that while it could go to that, his interest is in it going to an overall sample improvement specifically looking at more recent homes.

Light brought up that Pete Pengilly mentioned using it to help end use load research and said it seems like there’s an idea of using this money to expand samples for regional studies. However, adding that it would be premature to decide what do to with that money in this meeting.

With no further discussion, the co-chairs agree to call a yay/nay vote.

Those in favor of Option 2:
- Yes: Majority
- No: Bonneville
- Abstentions: 2 (Cascade Natural Gas and NEEA)

Light will work with the RTF PAC members to identify options for spending and bring that to a future meeting for discussion.

**Lighting Going Forward at the RTF**

Given all of the changes at the federal level with the residential lighting standards, and activities in WA state, Light walked through the Council’s plan for how to incorporate lighting in the 2021 Plan and what this means for residential lighting at the RTF in the near-term.
Gordon asked if the gray bar is the baseline which would be the current market mix of LEDs, halogens and CFLs. Light said that the whole bar (gray and blue) it is the savings over the current market mix which includes some halogens. The blue bar only represents the savings over a 45 lumen per watt standard. In the Seventh Plan, the portion of savings in blue are above the plan baseline and the portion of savings in gray are in the load forecast, and therefore not claimable against the target. This shows that while there are a lot of LEDs in the market, the consumption of halogens and incandescents have a big impact on the current practice baseline. Gordon pointed out the difference in perspective between savings that produce value for utility systems in the short term over the baseline and what’s needed to meet the 20 year goal.

Lienhard cautioned that the only danger in here is that there is no such thing as a lamp that can put our 45 lumens per watt that’s incandescent and warns against thinking that there is something that is at 45 lumens per watt. He pointed out that it’s the market baseline that’s really important here for the one-year savings. Light agreed and said that it would be important to communicate the different components for utilities use as needed.

Gordon pointed out that beyond those that are relevant to the power plan goals, there are other things that utilities could or should consider. Positing that maybe the RTF could be useful for quantifying that also, while knowing it’s a different thing.

Harris asked if a third alternative could be the RTF putting out a measure based on savings that are a weighted average above the current practice baseline. Light explained that both savings assume a current practice baseline. The only difference is whether there is a standard in place.

Light said that she is hearing comfort with the proposed approach to communicate the information in this way, and the utilities can use the information how they see appropriate.

Gordon added that the merit of retail and other consumer lamp programs is probably about shot, but that it is not certain and so continuing to keep this measure in the work to track the market is valuable.

**ProCost Updates**
The RTF uses ProCost to calculate lifetime savings and costs and regional cost-effectiveness. To support the natural gas work, the RTF will be updating ProCost to account for regional cost-effectiveness for gas, borrowing from NEEA’s Natural Gas Cost-Effectiveness Advisory Committee efforts and utility IRPs. Light noted that the RTF does not approve the cost-effectiveness, and utilities are likely to develop their own, but it is a useful piece of information to include.

Burin asked how the RTF will fold in the guidance from House Bill 12-57 in terms of what the commission has been directed to evaluate in terms of gas costs and the value of reduced emissions. Light responded saying that she doesn’t know exactly right now, as she isn’t deeply involved in that part of the Council’s work, but offered to put Burin in touch with Steve Simmons on Council staff who is working to develop natural gas forecast assumptions for the 2021 Power
Plan. She added that the Council work has gone through a lot of vetting, and felt it made more sense to use what they developed, rather than recreate the work here.

Burin brought up renewable natural gas and her hope that that will be a factor going forward. She asks if the Council or RTF will be trying to model the presence of some sort of renewable gas or if it is just implicit with some of these factors. Light explains that what’s being modeled at the RTF is the savings of a specific technology and in terms of capacity benefits the RTF is looking at how a utility values that capacity.

Stolarski added that Puget Sound’s interest in the RTF is all around what a measure saves. As far as valuing capacity, they’re less interested in what the RTF says on that piece with respect to cost-effectiveness. Clarifying that he doesn’t want the RTF to spend their time working on the value there. He appreciates that the RTF weighs the capacity value by utility, but he is a little concerned about all the regional work, mirroring the electric side in that way. Light clarified that the vast majority of RTF time will be spent on calculating savings. She added that the RTF needed a starting place here, and she was trying to pull from others work to streamline this. Stolarksi clarified that he is not uncomfortable with the direction, but he wanted to emphasis what he found valuable about the RTF.

Gordon seconded the idea of not trying to perfect this thing and explained that all gas utilities have avoided costs from the regulators. He added that sometimes the less time you spend on something, the less of a problem you create and that he supported making it a rough cut based on what’s out there to save time.

Light said that based on those comments she would amend the proposal on slide 11 for frequency of updates to every 5 years to align with needed updates as part of the electric side. She added that she understood the direction of not being precise here, but to put something in place that is sufficient and enables the utilities to use their own methodology.

PAC Co-Chairs Pat Oshie and Cory Scott thanked the group for their participation and hard work and adjourned the meeting at 11:30am.