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August 27, 2015

**MEMORANDUM**

**TO: RTF Policy Advisory Committee**

**FROM: Charlie Grist and Jennifer Anziano**

**SUBJECT: Transitioning to the Seventh Plan World**

Currently, the Draft Seventh Power Plan is set to be released for comment in October, with a goal of adopting the Final Plan in February. The Council staff has wrapped up the scenario analysis and is in the throes of completing draft chapters, including the Research Strategy and Action Plan. As these take shape, we wanted to brief the PAC on expected incorporation of Seventh Plan findings into the RTF processes and tools.

Once the Seventh Plan is final, the RTF revises its measure analysis to incorporate Regional Plan findings. This action can change the cost-effectiveness of measures relative to what they are now, potentially causing some impacts on specific programs. It also sets up the need for revising all of the RTF measure workbooks to incorporate the changes.

Even though the Seventh Plan is not complete, a few notable changes from the emerging draft plan are worthy of PAC attention. Staff will brief the PAC on some of the potential changes which include:

* Lower gas prices and short-term electric power market prices
* The capacity value of energy efficiency is significant and should be directly incorporated into cost-effectiveness analysis
* The need for better data on the time pattern of energy savings to reflect capacity impacts
* A new version of ProCost, the cost-effectiveness tool used by the Council and RTF