

RTF PAC Meeting Minutes

September 25, 2020

9:30am – 11:00am Pacific

Attendees:

Patrick Oshie, RTF PAC Co-Chair, Council
Cory Scott, RTF PAC Co-Chair, PacifiCorp
Tom Lienhard, Avista
David Moody, Bonneville Power
Kary Burin, Cascade Natural Gas
Debbie DePetris, Clark PUD
Fred Gordon, Energy Trust of Oregon
Juan Serpa Munoz, EWEB
Kathy Yi, Idaho Power
Robin Arnold, Montana PSC

Jeff Harris, NEEA
Ralph Cavanagh, NRDC
Garret Harris, Portland General Electric
Bob Stolarski, Puget Sound Energy
Steve Johnson, Washington UTC
Andrea Goodwin, Council Staff
Leann Bleakney, OR Council Staff
Jennifer Light, RTF Manager/Chair
Annika Roberts, RTF Assistant

Key Outcomes

The bulk of the meeting's discussion was focused on the RTF's 2021 Work Plan. After first outlining the progress on 2020 activities to date, staff outlined the proposed budget for 2021. The RTF PAC voted to recommend the work plan to the Council for final approval.

The meeting closed with a discussion of the 2021 Power Plan. The purpose was to tee up thinking about potential action items that may be a good fit for RTF resources in support of plan findings. To that end, staff outlined the questions being addressed through scenario analysis. The RTF PAC asked clarifying questions and provided some initial thinking on work for the RTF. This conversation will continue at the next meeting.

Discussion

RTF PAC Co-Chair Council Member Patrick Oshie opened the meeting at 9:30 am. After greeting the committee, he called for a round of introductions from the rest of the PAC

2020 Status Report

Light presented a status report on the work to date in 2020. The RTF PAC did not raise any questions.

2021 Work Plan Recommendation

Slide 6

Light discussed the rollover funds from 2020, stating she anticipates around \$88,000 unspent in 2020 and proposes applying \$55,000 to the 2021 work plan. Burin asked for clarification on the \$33,000 difference between the rollover funding from 2020 and the proposed 2021 amount, noting that it doesn't add up.

Light answered that the money isn't going away it just isn't being applied to the 2021 budget and that she'll be keeping track to apply in the out years. Light explained that she has done it this way because there is still a bit of uncertainty about the number and she didn't want to rely on it and over commit, and also she wanted to be thoughtful about the RTF's bandwidth and what can realistically get done in a year. She underlined that funds will be used in this 5-year cycle, just not all next year.

Cavanagh clarified that it should be viewed as a reserve.

Slide 8

Light outlined comments received from Bonneville, one of which was to increase the allocation to resource coordination to support more engagement in the RBSA work. Gordon asked for clarity on the RTF's role in the RBSA work. He wondered if it would be more quality control of analysis or providing additional analysis that would be more useful to measure development.

Light explained that currently the RTF work is more focused on what are the critical data and considerations when thinking about designing the RBSA. Clarifying that in 2021 she hopes to inform and guide the RBSA toward what's important for RTF measure development down the road.

Moody thanked Jennifer for her characterization of BPA's comments saying she represented what they were trying to get at well.

Slide 9

Light provided an overview of funding proposed for measure development. One category was applying \$15,000 in rollover funds to support work around variable speed drives. Johnson asked about the application of the variable speed drive.

Light answered that there are multiple applications for VSD, primarily in pumps systems fans systems. She explained that the RTF has a pumps measure and a fans measure, and they've pulled out this component because it has a lot of different assumptions.

Cavanaugh asked about air conditioning.

Light responded that air conditioners are not the current scope of the VSD measure but added that the RTF did develop an AC measure this year and are certainly open to

looking at variable speed HVAC systems. She clarified that this is not referring to embedded drives so that work would be separate.

Cavanagh made the point that variable speed drives coupled with ACs can be an enormous help when the grid is stressed and added that he thinks this belongs on the RTF's agenda.

Johnson asked if variable speed drives were more commercial or home applications

Light answered that they are mostly commercial/industrial.

Another project listed was applying \$15,000 in rollover funds to support a residential behavior project. Oshie asked for some examples of what the RTF will be looking at for this work.

Light answered that the RTF is primarily thinking about home energy use reports, explaining that the RTF used to have a measure around this, but it didn't fit well within the guidelines. She added that there is interest in providing consistency around costs and lifetimes assumptions and the RTF is scoping how they can provide value.

Burin asked if there would be savings associated with this, explaining that she was thinking about Opower and those kinds of activities and wondered if that was in line with what Jennifer was thinking.

Light responded that Opower is in line. She said that it is yet to be determined if the work would attempt to quantify a specific savings for this type of program through a deemed approach, or whether it is other guidance.

Burin confirmed that that would be helpful.

Gordon added via chat that he looks at this similar to how SEM savings are estimated. SEM inherently measures savings at the site as part of the practice, and we should rely on that for the savings. Meaning, we can standardize the estimation methods, but the behavior nature and site variation mean that a deemed estimate would not be that reliable.

Discussion

After reviewing the full proposal, Burin asked for a breakout for gas only and dual fuel for new measures and wondered what new measures were being considered aside from commercial boilers.

Light returned to slide 13 and explained that the top section is driven by the original strategic plan and aims to align with the funding split. The additional funds at the bottom are a mix. The \$100,000 for savings shape development is all electric carry over funds from the early years; the new residential behavior analysis measure and the CBSA analysis are both dual fuel; and variable speed drives is an electric only. She then went back to slide 9 where the table in the top corner has a breakout of gas versus electric versus dual measure which is consistent with the work plan. Light added that next year the RTF is thinking about water heaters, furnaces, maybe some others and offered to send Kary more specifics.

Burin explained that she wanted to make sure that it was correlating and expressed her confidence that there will be more conversations about what those measures will be. Light brought up that there was a great call with the gas subcommittee to prioritize measures and better understand what measures were important to the gas utilities. Light plans to continue to use that subcommittee to help prioritize natural gas work.

Harris asked about the flexibility the manager has to move things in and out of the categories describe on the slide, giving the example of moving funds from new measures to existing measure support.

Light responded that there's a lot of flexibility, explaining that this breakdown is a starting place that she built from the ground up assuming an average cost per measure. She elaborated that some of the existing measures should be fairly streamlined, which might free some funds up to shift to new measures or other things.

Harris then asked if Jennifer saw the impending 2021 Plan impacting the RTF's workload and specifically asked if she anticipated having the flexibility to adjust as the 2021 Plan is adopted.

Light confirmed that there is some budget to allow for doing somethings given the 2021 Plan finding. However, she explained that she anticipates more of that in 2022/23 as the 2021 Plan will likely not be complete with a lot of time to do a much with its findings.

Oshie called for a motion recommending the work plan to the Council

Cavanagh made the motion and Harris seconded it.

Motion passes

2021 Power Plan

Light provided a high-level overview of the plan timeline. She noted that the current environment, including clean goals, has resulted in a very different system than what we considered in our last plan. This has resulted in some delays, as the work to develop believable market prices is taking some time. Oshie encouraged any members interested in hearing more about the second run of the models to attend the October 1 meeting. He explained that at the last Council meeting they were shown results that were perhaps not reflecting the policy limitations on fossil fuels in the region, and so Council members asked staff to take another look. There's been pretty robust discussion of modeling efforts and the progress that's been made which has been a lot of work by staff to put it all together for those that would like to learn like more, the October 1 power committee meeting may be very interesting for those following the modeling.

Burin asked if there is any hydrogen or renewable gas incorporated in the Plan.

Light offered to put her in contact with Steve Simmons for more information on those fuels. She said staff is exploring renewable natural gas in the Paths to Decarbonization scenario at a minimum.

Cavanagh asked if the potential implications of the electrification of transportation are being considered, especially the potential contribution of the RTF to the future of electrified transportation in the region.

Light responded that there are a couple different places where electrification of transportation is in in the Plan, explaining that it plays out in the energy efficiency and demand response supply curves and that the RTF has been exploring energy efficient EV charging stations.

Cavanagh followed up, asking about the end use efficiency of the vehicles themselves.

Light answered that unless it's built into the load forecast, that isn't in the Plan, however, she expanded that it's certainly something staff could look at down the road

Cavanagh expressed that it's likely not in the planning now and that no bodies are doing it but predicted that it will make an enormous difference and anticipates that there will be ways to nudge it forward. He offered to send the latest he's seen on the topic.

Light thanked him and committed to sharing that work with Council staff. She noted that Steve Simmons worked on the transportation demand forecast and would have the most insight into this.

Slide 4

White asked how battery energy storage fits in to this clarifying if it was distributed or large scale.

Light noted that Gillian Charles is the generating resources expert and would have more detail. She added that in the generating resource reference plants staff builds out battery storage is a resource option that it is anticipated will get picked. She qualified that she doesn't know about distributed battery storage but will circle back.

White explained that he's curious about how the price decline curves fit and Gordon expresses interest well. Light confirms she'll follow up with the whole group when she gets an answer.

Yi asked for clarification on the robustness of EE scenario, wondering about the focus on total resource cost. She explained that Idaho Power has been told to focus on the utility cost test so she wasn't sure how varying cost-effectiveness tests across the region would be factored into the Plan.

Light answered that it isn't, elaborating that per the Act the Council looks at total resource costs. She suggested Tina Jayaweera might have other thoughts on how the utility cost test might be explored.

Johnson stated that a lot of utilities think that other utilities' marginal costs are not their marginal costs, he expressed his understanding of how the Council's work looks regionally, but explained it seems incongruous when a utility is considering its own IRP. He wants to make sure the group keeps in mind the opportunity to interact with the market bilaterally or some other form.

Johnson then wondered if, given CETA's requirements to meet load with renewables, the RTFs work and Council's conservation work has focused on the peak capacity contribution of EE or if there has been any work looking at nonpeak hours that are expensive because they're difficult to meet with renewables. He asserted that that should be the next step in examining the capacity contributions of conservation.

Light explained that that is one of the things the RTF could pull out of this Plan and could translate nicely to action items directed towards the RTF. She expanded that the CETA requirements, as well as things like Idaho Power's clean requirements and other requirements being seen in the region, are all built into the baseline assumption of this Plan. Light further explained that it is those requirements that are showing up in the price forecasts as huge renewable builds to try and meet adequacy. She made the point that those price forecasts don't have energy efficiency in them yet and she thinks that will start to reveal the value of EE and show that there's a lot that can be done.

Harris added on that the RTF could really help differentiate flexible EE loads.

Light agreed and expanded that that is part of her reasoning for teeing all this up and is exactly the type of think she wanted to get the group all thinking about.

Cavanagh added via chat that he strongly agrees with Jeff on the importance of addressing flexibility value in EE. He added that controllable variable speed AC should be on this list, as noted earlier.

Gordon added to Jeff's comment saying he thinks of that value as where efficiency measures intersect with dispatchable technology. He added that on top of that, intrinsic demand savings from the measures, dispatchable demand savings and things other than the pure peak that are very expensive are all worth paying attention to as the the peak is uncertain and dynamic in its timing over the next ten years. He explained that those layers have to be worked through to get what Jeff's saying, and he thinks there's a lot of a lot of value there.

Light said that the Council has been doing a lot of work to understand how each resource, including efficiency, can help with the hydro system and the timing of that water being stored. This is factored into the plan analysis.

Cavanagh commented via chat that the Plan should also focus on the value of EE and DR as a "seasonal storage" contributor in the winter.

Johnson asked for clarification on whether Jennifer wanted feedback about what the RTF could be doing before next meeting or if it would be a discussion at the next meeting.

Light explained that she'll facilitate an organized discussion at the next RTF PAC meeting.

PAC Co-Chairs Cory Scott and Patrick Oshie thank the group for their participation and engagement and adjourned the meeting at 11:00 am.