



Regional Technical Forum

RTF PAC Meeting Minutes

March 26, 2024

1:00-3:00 Pacific

Meeting Participants:

Debbie DePetris, Clark PUD (Co-Chair)

Ginny Burdick, Oregon Councilmember
(Co-Chair)

Dan Adams, Avista

Alexa Bouvier, Idaho OER

Kary Burin, Cascade Natural Gas

Rachel Clark, Tacoma Power

Jennifer Finnigan, Seattle City Light

Suzanne Frew, Snohomish PUD

Fred Gordon, Energy Trust of Oregon

Jeff Harris, NEEA

Mark Jerome, RTF Vice Chair, CLEAResult

Jennifer Langdon, Cowlitz PUD

Jennifer Light, RTF Chair

Amy Milshtein, notetaker

Quentin Nesbitt, Idaho Power

Elizabeth Osborne, WA Dept of
Commerce

Craig Patterson, independent

Mary Rudolph, NW Natural

Cory Scott, PacifiCorp

Juan Serpa Muñoz, EWEB

Kevin Smit, NWPCC

Laura Thomas, RTF Manager

Taylor Thomas, Idaho PUC

Danie Williams, NorthWestern

Alan Zelenka, Oregon Dept of Energy

Chad Madron, NWPCC

Key Outcomes:

At the Q1 RTF Policy Advisory Committee Meeting, members discussed the following:

- The main topic for this meeting was scoping the funding agreements for 2025-2029. RTF PAC members provided feedback on the proposed draft 2025-2029 funding levels presented by RTF staff, including on gas and electric funding splits, assumptions for wage and inflation, and balancing RTF new measure and existing measure work.

Discussion:

RTF PAC Co-Chair Ginny Burdick, called the meeting to order at 1:00pm. She recognized Co-Chair Debbie DePetris and then called for introductions. Burdick welcomed the soon-to-be-retired Fred Gordon, Energy Trust of Oregon, who was filling in for new RTF PAC member Spencer Moersfelder who was on vacation.

The minutes from the last RTF PAC meeting were acknowledged and accepted with edits from Burdick.

Management Updates

Laura Thomas, RTF Manager, walked through the 2023 Dashboard and introduced the 2024 Dashboard.

There were no questions or comments.

Scoping Funding Levels for 2025-2029

Slide 3

Jennifer Light, RTF Chair, noted that the presented timeline is very consistent with past work. She listed the benefits as wrapping the process up comfortably in May, as well as getting the funding agreements signed and approved ahead of presenting the proposed work plan to the Council in October.

Slide 4

Gordon asked if non-RTF PAC members are allowed to attend the Primary Research work group meeting. Thomas thought that would be okay as the meeting's main purpose is scoping and the RTF PAC has all final decisions.

Jeff Harris, NEEA, asked if the same held true for the DR work group. Thomas said yes, adding that she will be following up in the next few months to make sure the body is moving in the right direction.

Slide 10

Jennifer Finnigan, Seattle City Light, asked for more discussion around the 75 percent electric 25 percent gas funding split for dual fuel work. Light explained that the last funding round started with a 50/50 percent split that was later refined to 75/25 after looking at analysis from Avista and Energy Trust of Oregon. Light said the weighting also better reflects the RTF portfolio of work.

Taylor Thomas, Idaho PUC, asked how this split works for dual fuel utilities like Avista. L Thomas said a gas-only measure uses the gas funds and the same is true for electric-only work. L Thomas added that she closely tracks dual fuel work and funds from the dual fuel bucket. She then explained how having a five-year budget helps facilitate the work.

Light added that Avista's funding arrangement has agreed to amounts for gas and electric and they are tracked in the invoicing.

Slide 11

Light asked Harris if the NEEA funding allocation method will be updated. Harris replied that the work is already complete and suggested reaching out to Stephanie Rider, NEEA, for the workbooks.

Slide 12

Dan Adams, Avista, voiced support for continuing this method.

Finnigan thought that more utilities will have to set natural gas conservation goals and wondered if that will generate more natural gas activity for the RTF. Gordon noted that there are only so many applications for natural gas, namely water heaters and furnaces, but a multiplicity of electric end uses. Thomas added that a gas subcommittee identified major measures that were developed early in the funding cycle. She said there is a list of measures to be added and there may be one more this year. Thomas also stated the scope of gas is discussed within that working group.

Light posed that finding more natural gas applications would call for exploring a different funding ratio. She said this is worth flagging if more natural gas measures come up.

Slide 16

Harris noted that NEEA is not a funder but stated that the actual inflation rate may exceed 2.5 percent. He was concerned that sticking to this rate would decrease buying power at the end of a five-year funding cycle.

Kary Burin, Cascade Natural Gas Corporation, agreed with Harris wondering if that rate could still deliver high quality work by year two or three, like 5 percent. She thought it would be okay to start with 2.5 and reconsider the number every year. Thomas asked if she would recommend 5 percent. Burin replied yes.

Cory Scott, PacifiCorp, recalled this conversation from the last cycle when inflation adjustments were first proposed. He noted substantial inflation fluctuation both up and down over the last five years, asking if any limitations were observed. Light agreed that the 2.5 percent worked well for most of the five-year cycle but there have been some challenges during the last couple of years. Light said the Contract Analyst Team is seeing higher inflation and a few members have asked for increases. She added that these increases could be delivered without impacting other work.

Light did not like the idea of revisiting the number every year, as it would add to the workload. She offered to explore the issue further offline. Gordon pointed to a Federal inflation target of 2 percent but acknowledged that inflation tends to exceed the national target for professional labor. Because of this Gordon approved of a 3.5 percent bump but called 5 percent pessimistic.

Rachel Clark, Tacoma Power and DePetris agreed with Gordon. Suzanne Frew, Snohomish PUD, wrote last year was 3.2 percent and the estimated five-year rate is 2.9 percent in the chat.

Thomas said she will take feedback offline and bring back the conversation at the May meeting.

Slide 20

Harris asked if dual fuel measures, like a residential dual fuel heat pump, falls into the discussed category. Thomas said that technology is not presently being worked on because of limited data availability but staff are keeping an eye on the devices. She then explained the many ways measures come to the RTF and how she manages her queue. Light suggested adding a table that includes a breakdown of fuel assumptions.

Alan Zelenka, Oregon Dept of Energy, asked about the pattern of existing and new measure work. Thomas explained the flow and balance of RTF work, adding that new measures tend to take more time because they are bigger and more complex.

Burin asked about the breakdown between commercial and residential work. Thomas said she had that for existing measures but said she didn't have a sense of that for new work. She will follow up that will include what's in queue. Burin expressed interest in that ratio considering how the natural gas world is presently skewing.

Slide 21

Gordon noted that in the past the RTF typically got through 23 measures but expectations for 2024 are 37. Thomas said there is a balance. She noted that some of those measures are small and air source heat pumps started with nine measures, reduced to five, and are still being refined. She was confident that quick update work could get done, adding that some Planning measures still don't have research.

Thomas said that she will take a second look at the queue and make adjustments/shift budgets to make sure it's feasible. Gordon called moderate ambitions okay.

Finnigan suggested considering the RTF membership cycle as it takes time to bring new members up to speed. Thomas appreciated the suggestion. Light agreed that this is a good point.

Harris pointed to more complex Commercial and Industrial measures coming up wondering if it was worth thinking about a separate measure category for "big lumps" the RTF could and should spend resource on. He feared a work plan that optimizes the small things while ignoring the big, hard things. Thomas moved back to [Slide 20] to say there is probably not 12 new measures in 2025 and they do have budget and flexibility to account for things in the right way.

Harris was reassured but called for operating principles or guidelines about flexibility, saying it would help set expectations over a five-year plan.

Quentin Nesbitt, Idaho Power, agreed with Harris about the importance of savings delivered by big, complicated measures but said he found the most value in RTF focus on small measures that can be found everywhere throughout the region. He explained the value of RTF savings calculations to his utility and did not want that lost in the details.

Thomas appreciated the flag adding that Harris wanted to make sure there were enough resources for both. She promised to cover this in follow up.

Slide 25

Nesbitt stated that DR results are very measurable and did not require a lot of RTF support. He did agree that there needs to be work on heat pump water heaters, but hoped he would always be able to quantify most DR work.

Thomas admitted that she had not yet dug deeply into the proposed DR work but said she saw lots of value in RTF contributions to things like electric resistance backup in air-source heat pumps that spikes usage. She said this is an opportunity for the region to create targeted responses.

Light added that historically, RTF work addresses planning and not evaluation. She said interaction and flexibility also come into play. She encouraged the DR workgroup to include people like Nesbitt to make sure the scope and value align with regional needs.

Harris agreed that the value in the RTF's DR work is in the planning arena, for example figuring out technical potentials and performance factors which he called helpful for a utility planning their IRP.

Finnigan added that she thought the assumptions were low, perhaps because of the focus on flexibility. She said planning assumptions relied on Council assumptions which resulted in more uncertainty. Finnigan said she was used to the RTF producing robust efficiency analysis and hoped the DR work would focus on the planning side.

Slide 28

Gordon asked about RTF work around generic estimates of carbon reduction. Thomas was not familiar with that work. Light pointed to marginal emissions impacts that comes up in annual market studies done by John Ollis, NWPCC. She was not sure about any work beyond that.

Gordon said Energy Trust uses Council load shapes to translate energy efficiency savings by time of day, week, and year and carbon emission reduction by kWh. He did not know if there was a common regional need for a more efficient process. Light offered to reach out to Ollis about his market forecast work which includes marginal emissions. Gordon said utilities may have their own resources and may not need a regional number. Light agreed that Energy Trust is the biggest user of the Council's marginal emission work but thought other people would find value in it as well.

She noted that NEEA also uses Council regional assumptions. Harris agreed, saying they use the CO2 numbers as well.

Harris asked about tool development for industrial or agricultural uses. Thomas said there is nothing specific to those sectors but there are measures and other work around them. She reiterated that the tools were for modeling and there were other resources for industrial and ag.

Harris asked about the effort to produce motors categorization and end use database that reflected the region. Light said most of the motors, pumps, and drives work has changed with NEEA's work. Kevin Smit, NWPCC, started that the work changed with the 2021 Plan, pointing to four categories and deep potential assessment based on NEEA's efforts. He said the tool Harris originally referenced is no longer used.

Light lightly joked that if NEEA did an industrial stock assessment it could lead to a tool. Harris chuckled, saying not today but maybe at some time down the road.

Burin asked if a strategic energy management measure for commercial/industrial is being considered. Thomas said it is on the radar, pointing to evaluation guidance for industrial strategic energy management that is slated to be updated in 2024. Thomas said this work lives in the measure bucket of the work plan while tools support all of the RTF work.

Burin noted that there are more national standards around emissions that could be used for reference which would be easier to use than developing regional data.

Gordon said they developed an irrigation modernization program that created renewable generation. He pointed to tens or hundreds of millions of state and of federal dollars going into this project. Gordon said they can't track this but said it's happening and becoming significant. Light said she and Smit will follow up to talk about capturing this.

She added that the Council is already starting work on the next Plan but may get shifted over to the RTF later. Gordon noted that the project defies categorization saying it's not an efficiency measure but a renewable, fish, or water conservation measure. Light thought it might end up in the demand curves.

Nesbitt said both BPA and Idaho Power have done this as part of their custom programs. He agreed that these pipelines allow for the removal or reduction of pumps. Gordon said these sound like the same thing. Nesbitt wrote, I think the only difference is that the RR may be one utility and the EE may be another, in the chat.

Slide 36

Light added that another meeting may be added after May if needed. Finnigan noted that the May meeting is scheduled for eight hours, wondering if all that time was necessary. Thomas said it depends on how the working group discussions go. She said it will be an in-person meeting and probably longer than three hours.

Burdick thanked the room for their contributions, adding that she is looking forward to meeting in person in May. She adjourned at 3:00.