

AN EVALUATION OF THE REGIONAL TECHNICAL FORUM

– *Final Report* –

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EXECUTIVE SUMMARY

This report summarizes the results of an evaluation of the Regional Technical Forum (RTF), undertaken by Energy Market Innovations (EMI), Inc., and Navigant Consulting. This evaluation was identified by *Work Group 1: Measuring What Matters*, of the Northwest Energy Efficiency Taskforce (NEET), which recommended "... an independent evaluation of the RTF to determine how it can best meet the region's needs in data collection, analysis, evaluation, and dissemination of findings." The overarching goal for this evaluation, then, is to provide information to the Northwest Energy Efficiency Taskforce (NEET) that will support the development of specific recommendations regarding the future role and organizational structure of the RTF.

The research for this evaluation was conducted in four stages: (1) a comprehensive review of available documentation to characterize the RTF structure, history, and operating procedures; (2) in-depth interviews conducted with three of the original *founders* of the RTF; (3) in-depth interviews with 13 current *members* and *staff* of the RTF to frame key issues and challenges; and (4) an online survey of regional *members* and *stakeholders* (including members and other participants in the RTF) that was completed by 28 respondents and served to gauge stakeholder perceptions and satisfaction regarding the RTF as well as future roles and responsibilities for the organization.

The findings of this evaluation study, and particularly from the stakeholder survey results found in Section 3 of this report, highlight four distinct areas that warrant attention:

- Stakeholder Definition and Governance Structure
- Role of the RTF
- Alignment of Activities with Stakeholder Priorities
- Scalability of Operations

A summary of each of these is provided below, followed by a set of recommended near-term action items and specific questions for NEET to consider as it moves forward.

Stakeholder Definition and Governance Structure

During the course of this evaluation, stakeholders identified issues and concerns related to (1) the objectivity of members, (2) representativeness and regional interests in decision-making, and (3) overall composition of membership. There are multiple layers to each of these issues and, while each may be considered and addressed individually, the evaluation team believes that the underlying and common question that belies each of these issues is more fundamental: *who is a stakeholder? This issue of confusion regarding the definition of a stakeholder in relation to the work of the RTF is the most fundamental issue highlighted in this study*

While the primary stakeholders were initially BPA and the public utilities, this has since expanded to a point where there are far more potential stakeholders, including investor-owned utilities, state regulatory agencies, state energy offices, and public benefits organizations such as

Energy Trust of Oregon. Each of these stakeholders brings a unique set of perspectives, but also a potentially competing set of priorities and interests in the work of the RTF.

This question of stakeholder definition quickly leads to related questions of governance and funding. For example, once the core stakeholders are defined, issues related to funding expectations will quickly come to the fore. Reaching clarity and agreement among the various entities in the region on both the stakeholder definition and governance structure is the first priority and a process should be put in place to address this before subsequent issues related to role, priorities, and operations can be resolved.

Role of the RTF

The research conducted during this study has shown that the RTF has been instrumental in developing an active regional energy efficiency market in the Northwest and that most stakeholders value highly the role that the RTF fills. At the same time, the needs for the types of services provided by the RTF are evolving quickly across the region as ambitious energy efficiency goals are adopted by states and utilities. The RTF has taken on an increasingly expanded role within the region and the findings from the in-depth interviews and the online surveys highlight the fact that there are varied opinions as to which of these roles are appropriate for the RTF moving forward.

There is strong agreement among stakeholders around the core responsibilities of the RTF, which includes the development of deemed savings values that are technically sound and well documented. Around other potential roles for the RTF, there is less agreement. Once issues related to stakeholder definition (above) are resolved, the clarification of these roles – including what is within the scope of the RTF and what is *outside* the scope of the RTF – will likely be the next logical step. In order to fully understand the current state of pressure placed upon the scope of responsibilities for the RTF, and the need to address alignment issues related to the future scope of responsibilities, it is helpful to bear in mind several important factors and trends.

1. ***Primary historical role of the RTF*** – An important role of the RTF has historically been to facilitate standardization in the ways that the region estimates, tracks, and reports energy savings achievements. The reason for this has been to increase the overall accuracy of regional load forecasting in order to ensure resource adequacy and system reliability.
2. ***Historical role in enabling new programs*** – Another historical role of the RTF has been to support the development of new programs and the definition of new measures to capture energy efficiency opportunities. This, in turn, aids the region in meeting its energy efficiency goals. There is some debate about the extent to which the RTF is involved in program design. However, the RTF does serve a central role in developing savings estimates, which provide data that can be used by individual utilities and BPA to design programs appropriate for their customers.
3. ***Increased demand for RTF deemed savings estimates*** – There is substantially increased interest in the RTF as the provider of savings estimates the region can count on in

resource planning efforts. This interest is driven by elevated energy efficiency goals that are targeted in the *Sixth Power Plan*, continued interest in energy efficiency as a cost-effective resource needed to meet energy demands, and increased focus on climate change mitigation.

4. ***Increased complexity of measures*** – The energy efficiency measures in need of the RTF’s attention in the future will likely be much more complicated than those measures already addressed by the RTF through its deemed savings review process. Future measures may involve hard-to-quantify aspects, such as behavior change.
5. ***Increased demand for work products in addition to deemed savings estimates*** – While deemed savings estimates are important for tracking accomplishments and enabling conservation programs to move forward, numerous other inputs are also becoming increasingly important and thus are in need of the RTF’s focus. These inputs, highlighted in interviews and surveys, include integration of evaluation data as they become available, refined and updated consumption data and load shapes for energy efficiency measures and sectors, and measure cost data (the other half of the benefit/cost equation).

While this study does not seek to define what the role for the RTF should be in the future, the results indicate that the region presently lacks a shared sense of understanding of this role. As the region moves forward with efforts to meet its energy efficiency goals, a central challenge is to define the role of the RTF more precisely.

Alignment of Activities with Stakeholder Priorities

As the RTF is under pressure to increase the volume of its work, both members and staff identified the need to *prioritize* these activities. Developing deemed savings estimates has been a priority in the past and there remains much work to be done in this area. Based upon a list of potential future roles presented to stakeholders for feedback, a few stand out as being more important than the others but none can be conclusively ruled out at this point. These results, as well as verbatim comments offered, highlight that the RTF is clearly faced with stakeholder needs that are competing for scarce time and resources on the part of both paid staff and member volunteers. The need to establish agreement among stakeholders about the scope of these activities for the RTF moving forward *and* building a clear consensus about the *relative priority* of these activities is becoming increasingly imperative.

Determining how to allocate the resources of the RTF to achieve the established priorities will be a key to future success. Moving forward, it will be helpful to draw a clear distinction between the consideration and prioritization of activities related to (1) the development of deemed savings estimates, and (2) all other research activities. This distinction reflects the region’s continuing view that the primary function of the RTF is to develop deemed savings estimates and review methods to estimate savings from custom measures while, at the same time, providing stakeholders with a venue for integrating other activities that align with the established priorities.

This study did not endeavor to recommend priority research areas; however, developing a transparent, well-defined process for establishing an annual research agenda is an important step for aligning stakeholder expectations and the activities of the RTF.

Scalability of Operations

Organizational scalability refers to the ability of an organization to increase the scope and/or level of effort undertaken in achieving its mission, without taxing the effectiveness of systems, infrastructure, and resources necessary to support these activities. Issues related to the adequacy of funding and staffing, information management systems, and transparency of procedures were all identified in this research as concerns among staff, members and stakeholders. Stakeholders expressed concerns related to sufficiency of staff resources, budgets, and overall transparency of business processes. The existing systems developed by the RTF are showing evidence of strain as increased demands are placed upon the organization and this is a concern because this poses potential constraints on the overall scalability of the RTF operations.

While radical changes could be envisioned in each of these areas, input from stakeholders suggests a more incremental approach is appropriate.

1. **Clarity of Policies and Procedures** – The current informal nature of the organization as well as even the overall structure of the organization appear to be contributing to some dissatisfaction among members and stakeholders.
2. **Project Management and Use of Contractors** – Procedures for management of RTF projects, including reporting back to the broader membership and guidelines for use of contractors, will help increase the transparency that stakeholders desire.
3. **Budgeting** – The RTF has already moved forward with implementing a two-year budget. In conjunction with this two-year operating budget, it may be worth also developing a longer-term five-year prospective budget that, again, reflects the longer-term priorities of the region as well as the multi-year nature of many RTF initiatives.
4. **Stable funding process** – A multi-year funding process that clearly links to the overall agenda and priorities for RTF will help to ensure an effective allocation of scarce resource and reduce the distraction to RTF leadership of the need to spend valuable time “passing the hat” to secure funding.
5. **Succession Planning** – During the next couple of years, the RTF will need to consider planning for new leadership. The current leadership, which has been very effective in establishing the solid reputation for high quality products, will not be available to continue in this role forever. Attention will need to be given to succession planning among the membership and developing the next generation of leadership in the region.

Numerous steps were identified during evaluation to increase the *transparency* of RTF operations and a clear set of action items should be relatively easy for staff and members to develop out of this study.

Next Steps

Although this evaluation stops short of making specific recommendations, the consideration of issues related to stakeholder definition, governance structure, role of the RTF, alignment of activities and stakeholder needs, as well as refinement of operating policies and processes pose a tall order for the region. Addressing foundational issues will provide the best basis for moving forward with operating issues. Strong leadership will likely be required to achieve the necessary alignment – especially around issues of stakeholder definition and governance. With such alignment, however, subsequent alignment issues around near and longer-term priorities for the region, as well as issues related to budgets, funding, staffing, and operational processes, will be addressed much more easily.

Recommended action items offered for consideration include the following:

1. Initiate a process to reach agreement on stakeholder definition and address issues related to governance and structure of the RTF.
2. Building upon the work initiated in this study, continue to inventory the full range of stakeholder needs, establish a transparent process to *prioritize* these needs, and establish a multi-year work plan for the region with which all stakeholders are fully aligned.
3. Implement operational changes that will increase the transparency of the operations of the RTF in the following areas:
 - a. Budgeting process
 - b. Voting requirements
 - c. Operating procedures
 - d. Potential conflicts of interest

Fundamental questions that surfaced during this evaluation and may help to guide the region as it moves forward include the following:

1. Which organizations are priority stakeholders in the RTF?
2. What type of governing body is needed to ensure alignment between the needs of priority stakeholders and the activities of the RTF?
3. How will the RTF be held accountable to the priority stakeholders?
4. How might the RTF be re-structured to meet the needs that it is intended to serve?
5. How might the funding process be adjusted?
6. What levels of funding are expected from the stakeholders of the RTF?
7. How will the next generation of leaders in the region be integrated into the re-invigoration of the RTF?

Strong leadership and considerable effort will likely be required to achieve the necessary alignment around stakeholder and governance issues – as well as broad agreement around near and longer-term priorities for the region. However, with such alignment, issues related to budgets, funding, staffing, and operational processes will be addressed more easily and thereby

allow the organization to move forward with a clear agenda in supporting the development of the region's energy efficiency resource.

1. INTRODUCTION

This report summarizes the results of an evaluation of the Regional Technical Forum (RTF), undertaken by Energy Market Innovations (EMI), Inc., and Navigant Consulting. This project is an outgrowth of the recommendations developed by *Work Group 1: Measuring What Matters*, of the Northwest Energy Efficiency Taskforce (NEET) and is incorporated into the preliminary list of Action Plan Items identified in the *Sixth Power Plan*.¹ The findings from this work group emphasize the need for a coordinated approach to the collection of energy-related data and information to leverage resources and better meet ramped-up energy efficiency goals. Action item No. 1 from the *Sixth Power Plan* is to “prepare an independent evaluation of the RTF to determine how it can best meet the region’s needs in data collection, analysis, evaluation, and dissemination of findings.”

The remainder of this section provides an overview of the study background and objectives, methods, and report organization.

1.1 Study Background and Objectives

A Congressional Directive in 1996 required the Bonneville Power Administration and the Northwest Power and Conservation Council (hereafter referred to as “the Council”) to convene a Regional Technical Forum (RTF). The RTF was formed in 1999 and is currently responsible for establishing the standards and protocols for tracking and ensuring that the energy efficiency resources procured in the Pacific Northwest are *reliable* and *verifiable*. Senior staff from the Council leads the RTF. Membership requires technical expertise to support the work of the RTF and at present includes 25 voting members and 40 corresponding members. As the region increases its reliance on energy efficiency to provide documented resource savings, the work of the RTF is becoming increasingly important.

The overarching goal for this evaluation is to provide information to the Northwest Energy Efficiency Taskforce (NEET) that will support the development of specific recommendations regarding the future role and organizational structure of the RTF. With consideration being given to potentially bolstering the role of the RTF to align with regional energy efficiency goals and initiatives, a comprehensive and objective review of the current state of this organization is desired. In particular, the evaluation team documented, reviewed, and assessed governance, staffing, funding, charter activities, and current activities of the RTF. Additionally, the evaluation team also sought feedback from a variety of stakeholders regarding perceptions of current and potential future roles of the RTF. To develop these recommendations, the evaluation provides documentation of the history, accomplishments, and current state of the RTF. Additionally, and perhaps most important, this evaluation provides a synthesis of information from a wide array of stakeholders regarding perceived roles, responsibilities, structure, governance, and financing for the RTF moving forward.

¹ *Draft Sixth Northwest Power Plan*. Northwest Power and Conservation Council. September 2009. Available at <http://www.nwcouncil.org/energy/powerplan/6/default.htm>

The specific goals that have guided the design, development, and implementation of this project include the following:

- Describe RTF governance, staffing, and funding;
- Describe and assess RTF Charter activities;
- Describe and assess current RTF activities;
- Gather regional feedback, including perceptions of the RTF's current and future role, functioning, value, etc.;
- Assess the implications of expanding the mission of the RTF; and
- Provide insights and ideas for consideration.

1.2 Method

The evaluation team developed a structured and systematic method to address the above project goals, which consisted of the following five key steps:

- ***Background and Document Review*** – In this step, the evaluation team reviewed key documents related to the initial founding and formation of the RTF as well as meeting minutes and presentations.
- ***Founder Interviews*** – In-depth interviews were conducted with the three original founders of the organization to understand the initial motivations for the formation of the RTF and to characterize the evolution of the organization, significant accomplishments, and key challenges that have persisted.
- ***Member Interviews*** – In-depth interviews were conducted with 13 voting members of the RTF. These interviews built upon the findings from the founder interviews and were used to frame issues for the broader online stakeholder survey.
- ***Member and Stakeholder Online Survey*** – An online survey was prepared and fielded with a sample of stakeholders identified by the NEET project team. In total, 28 people completed the online survey. Topics covered in the online survey included satisfaction with the RTF in several areas as well as future roles and responsibilities for the organization.
- ***Analysis and Synthesis*** – Following the data collection steps, the evaluation team completed an analysis of the online survey results and developed summaries of key topic areas that incorporated both the perspectives and context provided during the in-depth interviews and the broader quantitative data provided through the online survey.

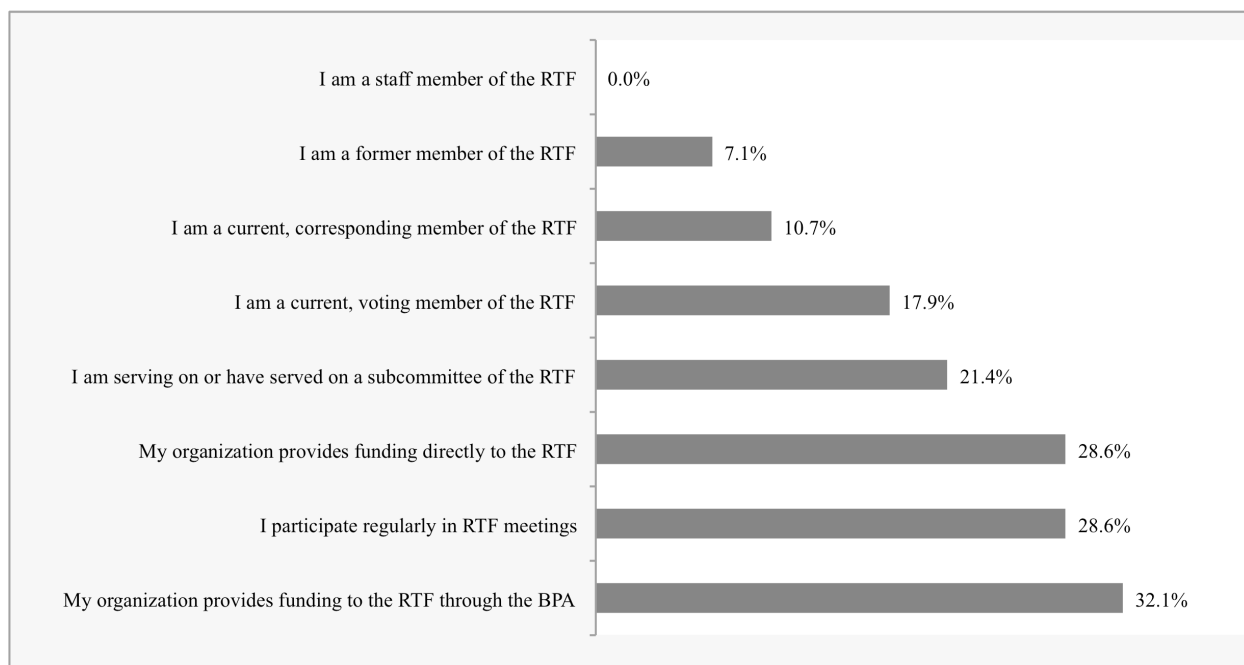
Survey Respondents

The NEET project team prepared the sample for each of these tasks. In the case of the member interviews and the online survey, the individuals included in the sample were determined to represent a range of perspectives and interests. Importantly, this was not intended to be a statistically valid sample; however, since the objective of the evaluation effort is to capture and

characterize the range of perspectives, both the sample and the responses obtained are believed to be practically significant and thus, representative of the range of perspectives across the region.

The survey respondents can be described according to their level of involvement with the RTF as illustrated in Figure 1. Respondents were allowed to choose multiple responses for this question. Many survey respondents are members of the RTF and/or did not provide funding to the RTF.²

Figure 1 Descriptions of Survey Respondents



Data Analysis

Within the online survey, stakeholders were prompted to provide additional information or detail on items for which they reported having low satisfaction levels or if they wished to offer additional thoughts or explanations behind their responses. Where appropriate, many of these verbatim responses are included within the findings of this report. Readers should bear in mind that these verbatim responses are not necessarily representative of majority opinions, but rather indicative of the perceptions and framing of issues as viewed by the stakeholders themselves.

In analyzing the quantitative data, the evaluation team conducted cross tabulations to examine responses according to the following:

- Type of organizational affiliation (e.g., public utility, consultant, policy maker);
- Responsibility of respondent (e.g., management, analysis);
- Geographic distribution (East or West of the Cascades); and
- Type of member (voting or corresponding).

² The RTF's entire membership composition and the funding of the group are detailed in Section 2.

Among these four attributes, only organizational affiliation was found to yield consistent differences in perspectives and, as such, this is the primary focus of the data presented. When relevant, other cross-tabulations are provided as well.

1.3 Report Organization

The remainder of this report is structured into three main sections:

- ***Background and History of the RTF*** – This section provides a brief but comprehensive overview of the RTF, including the origins and evolution of the organization as well as the organizational structure and governance, membership composition, funding and budgets, and major accomplishments. This discussion is necessarily high level in nature but is intended to provide context for discussions regarding the future of the organization.
- ***Member and Stakeholder Feedback*** – This section provides a summary of the major issues and perspectives regarding the current state of the RTF, as well as the potential future structure and responsibilities for the organization. This discussion is intended to capture a range of perspectives, without passing judgment, to support the RTF and its membership in developing a shared understanding of the range and magnitude of these perspectives.
- ***Summary of Major Themes*** – This final section summarizes the major recurring themes evident throughout the evaluation and sets the stage for subsequent discussions regarding the future structure and role of the RTF. This section also highlights issues that may be considered core or threshold issues, as opposed to others that may be of second order importance.

Importantly, this report stops short of making specific recommendations for the future organization and responsibilities of the RTF. This final step was specifically identified as *not* being an objective of this evaluation. The development of specific recommendations is one that will flow out of this report, but also represents an important step for the organization and its stakeholders to achieve internal alignment with the long-term mission, vision, and goals of the organization.

2. BACKGROUND AND HISTORY OF THE RTF

The RTF has been a cornerstone in the Pacific Northwest energy policy arena for over a decade. It is important that any person reviewing this evaluation of the RTF first have a solid grounding and appreciation for the organization – including the history, structure and governance, membership composition and participation, funding and budgets, and major accomplishments and activities. This section provides a brief overview of each of these areas to establish a shared understanding of both the culture and structure of the RTF.

2.1 History

The idea of forming the RTF grew out of discussions that took place in 1995 between Ralph Cavanaugh, then the co-director of the Natural Resource Defense Council (NRDC)'s Energy Program, Tom Eckman (senior staff member at the Council since 1982), Ken Keating (employed with the Bonneville Power Administration in 1995, now independent), and Jeff Harris (then with the Council, now with Northwest Energy Efficiency Alliance). The California "Bluebook"³ was issued in 1994 and, following this lead as well as experiences with the privatization of electricity markets in the United Kingdom, many states embarked down the path to deregulate their utility industries. With the prospect of many different entities vying to deliver energy efficiency services in an unbundled service environment, energy efficiency advocates became concerned that it would be difficult to track conservation impacts without a common set of metrics and methods.

The RTF developed, in part, out of a need, created by the diversification and decentralization of DSM programs resulting from deregulation. Additionally, as utilities scaled back their DSM programs, and as the Bonneville Power Administration (BPA) developed the Conservation and Renewables Discount (C&RD) program as a way to incentivize utilities to continue to pursue conservation, an organization was needed to create consistent calculation methods, or deemed savings, which could be used by the C&RD program to calculate the rate credit. The original vision was to build an organization in the Pacific Northwest similar to California DSM Measurement Advisory Committee (CADMAC) – now recognized as the California Measurement Advisory Council (CALMAC). Such an organization could synthesize evaluation work to aid program implementation, develop evaluation protocols, and facilitate agreement on deemed savings.

Congressional Authorization

In 1996, the U.S. Congress charged the Council and BPA with the formation of a regional technical forum. The forum was intended to assist in planning for conservation and to improve the quality of conservation programs and lower associated costs. Specifically, Congress directed

³ The California "Blue Book" is the common name for the California Public Utilities Commission's "Order Instituting Rulemaking on the Commission's Proposed Policies Governing Restructuring California's Electric Service Industry and Reforming Regulation." More information can be found here: <http://www.ucei.berkeley.edu/PDF/pwp021.pdf>

the Council and BPA to “develop consistent standards and protocols for verification and evaluation of energy savings, in consultation with all interested parties.”⁴

The Council⁵ was identified as a neutral host body for the RTF, though the Congressional language did not mandate this. The Council had a rational interest in tracking the progress of the goals identified in the region’s *Power Plan*, and staffing the RTF provided a way for the Council to stay engaged in this activity. As an alternative, stakeholders had considered locating this group at BPA, but interested parties identified potential conflicts of interest with this arrangement.

Charter

RTF’s charter combines the directive from Congress with the recommendations from the Comprehensive Review of the Northwest Energy System (the Comprehensive Review⁶). Its development was led by the Council and included a stakeholder process to provide a framework for RTF’s purpose, structure, and funding.

The charter establishes four main goals for the RTF:

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

As part of these goals, the RTF was expected to make recommendations to BPA regarding the efficient operation and administration of the C&RD. Given these goals, the RTF’s charter established a substantial list of responsibilities for the RTF in its advisory role. The list of activities expected in support of the C&RD program is more detailed and extensive than those listed in support of the four goals identified by Congress and the Comprehensive Review. The Charter significantly expands the intent of both the Congressional language and the Comprehensive Review’s report.

⁴ 104th Congress, Session 1. *Energy and Water Appropriation Bill, 1996. Senate Report 104-120*. Available: http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=104_cong_reports&docid=f.sr120.104.pdf

⁵ “The Council” was formerly known as the Pacific Northwest Electric Power and Conservation Planning Council and is now referred to as the Northwest Power and Conservation Council.

⁶ The governors of Idaho, Montana, Oregon, and Washington initiated the Comprehensive Review process in January 1996 to explore Bonneville’s current and future roles in the region. Its recommendations spanned issues related to generation, distribution, and conservation.

In addition to these responsibilities, the charter outlines several organizational, operational, and financial issues, as outlined in Table 1. Additional discussion of these issues is included in subsequent sections of this report, as appropriate.

Table 1 Additional Issues Addressed by the Charter

Organizational Issues	Operational Issues	Financial Issues
Official to Whom the RTF Reports	Estimated Frequency of Meetings	Estimated Annual Operating Costs (\$ and Staff Time)
Authority of RTF	Rules	Reimbursement of Expenses
Appointment of RTF Members and Staff	Duration	
Chairperson		
Vice Chairperson		

Formation

The group held its first meeting on July 13, 1999 at the Council’s headquarters.^{7,8} The charter identified Tom Eckman as the Chairperson of the RTF and he led the selection of the initial members. The initial meeting provided an opportunity for the members to introduce themselves and discuss the practical ways in which the RTF would implement the charge provided in the charter. The minutes from the first meeting⁹ indicate that the collaborative style of the RTF was present even in its earliest conception.

2.2 Evolution of the RTF

The history of the RTF can be broadly characterized in three distinct periods that are closely tied with the updates to the *Northwest Power Plan* as shown in Table 2.

Table 2 RTF Historical Periods

Period	Power Plan(s) in Effect	Years
Dormant	3 rd and 4 th Power Plans	1995 - 2000
Post-deregulation	4 th Power Plan	2000 - 2005
Current	5 th Power Plan	2005 – present

The following discussion provides an overview of each of these periods, followed by a summary of the current status of the RTF.

⁷ An archive of RTF meetings can be found at <http://www.nwcouncil.org/rtf/archive.htm>

⁸ *Charter of the Regional Technical Forum of the Pacific Northwest Electric Power and Conservation Planning Council*. Available at <http://www.nwcouncil.org/rtf/about.htm>

⁹ Regional Technical Forum. July 13, 1999. “Meeting Notes: Meeting One.” Available: http://www.nwcouncil.org/rtf/meetings/Archivemtg/1999/1999_0713/notes.htm

Dormant Period (1995 – 2000)

During this initial period, the RTF was largely non-existent. Utility DSM programs were scaled back throughout the region and thus little program evaluation was conducted. At the same time, the promise of deregulation never arrived and the need to track conservation results from private sector impacts did not materialize. As such, the RTF was not formally constituted until 2000 when the policy objectives relating to DSM began to shift.

Post-Deregulation Period (2000 – 2005)

In 2000, a series of events prompted the official activation of the RTF and increased attention received by the organization. The *Fourth Power Plan*, first drafted in 1996, was less aggressive than its predecessor in its energy efficiency objectives. As a result of this plan, however, BPA implemented the Conservation and Renewables Discount (C&RD) program, which began in 2002. To support this program, the RTF was charged with developing the infrastructure necessary to support utility implementation of energy efficiency programs, including appropriate measures. In addition, BPA was required to track and report savings from all of the utilities participating in the program to document savings achieved throughout the region. The RTF developed the original version of the Planning, Tracking, and Reporting (PTR) system, which continues to serve the region and is presently under review by BPA for upgrade.

In 2000 and 2001, the West Coast power crisis drove up spot prices for electricity in the Pacific Northwest. Following this crisis, utilities took increased interest in conservation as a means of reducing customer bill impacts and began spending money on conservation so that they could retain the BPA rate discount. Under C&RD, utilities' monthly invoices were automatically reduced, assuming that they would achieve their goals; if a utility failed to achieve its goal in a given year, it was required to pay back the difference to BPA. Heat pumps were popular with utilities during this period, with substantial rebates provided using BPA monies. Additionally, installation criteria and specifications were required to validate deemed savings estimates.

Current Period (2005 – 2009)

The approval of the *Fifth Power Plan* marked a return to conservation as a serious resource for the region. As a result of this plan, BPA developed and implemented its Conservation Rate Credit (CRC) and Conservation Acquisition Agreements (CAA), which departed markedly from the earlier C&RD program. One major change was for BPA's utility customers: instead of receiving a monthly discount, the utilities *paid into* the CRC each month and were reimbursed (credited) for the energy savings that they achieved. Another change was in BPA's willingness to pay for conservation under this program: conservation would be procured at *less than* the avoided cost of generation in order to ensure that conservation was more cost effective than generation.

With this renewed emphasis on conservation, the RTF has been playing a different, and perhaps, an increasingly important role in scrutinizing savings estimated in the region. As a reflection of the increased importance of the RTF, the organization was reconstituted in 2007. Specific criteria for membership were established and applications were requested from the then-current members as well as other interested parties. Steps were also taken to "professionalize" the RTF at this juncture, to pay a stipend to members who possessed specific technical expertise but who were not employees of the regions utilities (i.e., private sector consultants). Over 200 resumes

were received from individuals interested in being members of the RTF; the Chair and Vice Chair selected 35 members from this pool of applicants.

As the RTF grew in importance, the measures that the organization addressed became more complex. In particular, the organization became even more involved with non-engineering issues relating to baseline conditions and incremental costs. These specifications have drawn the RTF into issues related to program design and implementation.

2.3 Organization and Governance

While the RTF's charter outlined the overarching organization and governance of the RTF, the RTF itself has evolved processes and functions to supplement those outlined in the charter. This section first provides an overview of the formal organization of the RTF as described in the charter. Next, the section outlines policies and procedures that are in place to help the RTF achieve its goals. Finally, this section describes the RTF's decision-making processes.

Overview of Organization

At a high level, the RTF serves as an advisory body to the Executive Director of the Council. This structure provides a direct link between the Council staff who manage the RTF (the Chairperson and Vice-Chairperson) and the Council's upper management. The connection of the RTF to the Council is meant to provide the RTF with the independence to make decisions that are in the best interest of the region rather than in the best interest of any individual stakeholder.

The Chairperson oversees and manages virtually all aspects of the business of the RTF. The Chairperson is responsible for recruiting and selecting members, maintaining the agenda, organizing and facilitating meetings, managing contractors to the RTF, setting budgets, soliciting additional funds, determining which RTF members receive stipends and the size of those stipends, among other responsibilities. The Chairperson also serves as the primary liaison between the RTF and the Council. A Vice-Chairperson is designated to fulfill the official duties of the Chairperson in his absence and provides an important level of support for the Chairperson from a staffing perspective.

The RTF includes two types of members:

- *Voting Members* – Voting members who apply and are selected are allowed to vote on all of the issues before the RTF; and
- *Corresponding Members* – Corresponding members include other individuals that may provide input to the RTF or receive regular updates on the activities of the RTF, though they do not attend most meetings or have the right to vote; members of state regulatory agencies are invited to participate in an Ex-Officio capacity as Corresponding Members.

Most of these members serve on a voluntary basis, although a select few receive honoraria for participating in the RTF. The Chairperson holds the authority to allocate the honoraria, which

are usually reserved for participants whose employers do not compensate the members for the time that they spend working on the RTF.¹⁰

RTF has already begun evolving organizational structures and procedures to manage its growing scope and volume of work. An increase in the number and breadth of issues has not been met with a commensurate increase in staff, members, or meeting time. As a result, the RTF has innovated solutions that fit with its culture, available resources, and technical needs. One solution has been to farm out work through a subcommittee decision process, which results in hiring consultants and contractors to conduct projects. Any future decisions to restructure the RTF might be well suited to consider these organic adaptations by weighing perspectives on what has and has not functioned well in terms of the organization's decision-making. Examples of stakeholder perspectives can be found in the comments within Section 3 of this report.

In addition, the Chairperson is responsible for overseeing the contractors who perform work for the RTF. Contractors are hired on a regular basis to support the work of the Voting Members because the level of effort required goes beyond the expectations for the volunteer members. The Chairperson is ultimately responsible for the contractors' quality of work and often interacts with them directly. The Chairperson may delegate this responsibility to the Vice Chairperson. Currently, the RTF retains a consultant (at approximately 0.5 FTE) to assist with the management of the RTF and technical support needs; this individual also reports directly to the Chairperson.

The RTF does not have any administrative professionals on staff to assist with administrative issues such as contracting, accounting, website maintenance, or meeting organization. The Chairperson is often able to draw on Council staff to support these needs, but the needs of the Council take precedence. These individuals do not report directly to the Chairperson, which can limit their availability to assist with RTF needs.

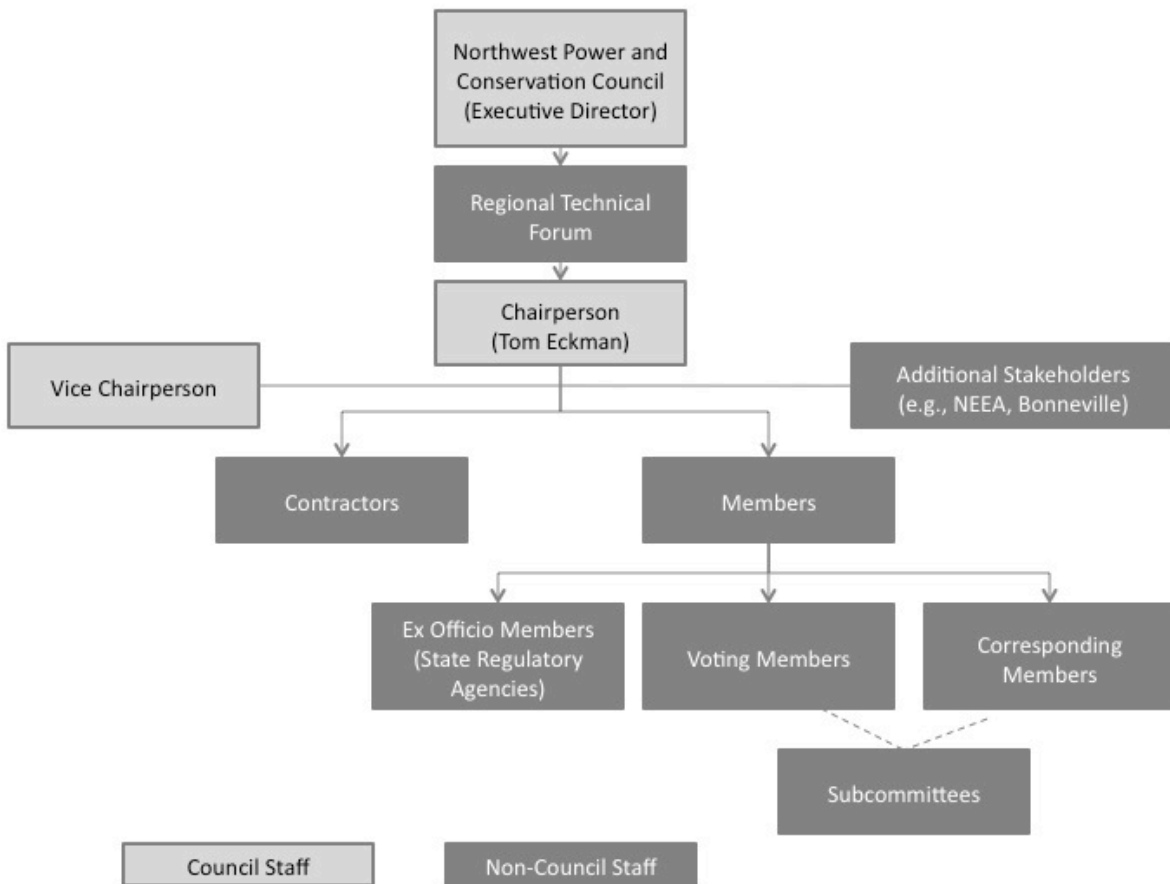
Beyond managing the business aspects of the RTF, the Chairperson is also responsible for managing the stakeholder relationships that underlie the RTF. RTF funders and the consumers of RTF work products also participate directly in the process since the RTF membership is made up of individuals rather than organizations. The Chairperson must negotiate these relationships and ensure that the RTF is meeting the needs of all stakeholders in the region and navigating through the various viewpoints found in the region.

Functionally, the RTF provides *guidance* for many stakeholders in the region. BPA figures most prominently in this capacity because of the connection between the RTF work products and the savings estimates that BPA's customers use when calculating their share of the region's conservation targets. During some periods, the voting membership may not include any staff people from BPA, but BPA remains one of the primary consumers of RTF information.

Figure 2 summarizes the key relationships that define the RTF as understood by the evaluation team.

¹⁰ Typically, the recipients of the honoraria are consultants.

Figure 2 Organizational Structure of the RTF



Subcommittees

The RTF has several active subcommittees:

- End Use Load Data Research;
- Direct Use of Gas;
- PTCS Subcommittee;
- Commercial Rooftop Economizers;
- HPWH Research;
- Residential Ventilation;
- Irrigation Hardware;
- IT Sector; and
- Distribution Efficiency.

These subcommittees enable members to cover a broader range of issues and to leverage specialized expertise held by a subset of members. Subcommittees are formed when it is obvious that a specific issue will require a lot of meeting time or when a subset of members want to dive deeper into the details of a specific issue. The subcommittee structure also allows the members with an interest in a certain topic to conduct the analysis needed (in their view) without holding up the entire RTF. It keeps a larger number of members engaged on a regular basis because a broader range of issues can be discussed during any individual RTF meeting.

The subcommittee approach evolved after a couple of issues (e.g., heat pumps) consumed more of the organization's time than some members believed warranted. The ensuing frustration generated enough momentum to support the development of the subcommittees. RTF included funding for eight individuals to participate in subcommittees during the 2007 – 2009 period.

Policies and Procedures

The RTF conducts its business using a combination of official and unofficial policies and procedures. The charter identifies a set of governing rules, and the RTF itself has developed some policies and procedures over the years. There is no handbook for new members, but most of the members interviewed for this evaluation are familiar with the most frequently referenced procedures. They rely on the Chairperson to provide guidance on other issues.

Officially, the charter establishes one policy and one set of procedures for the RTF:

- The RTF is subject to the advisory committee rules approved by and adopted by the Council in 1982 (and periodically amended).
- Voting members must support any recommendations that the RTF proposes to BPA or to the Council with a 60% majority vote.

In interviews with members and staff, neither of these frameworks was mentioned.

Members interviewed acknowledged the use of Robert's Rules of Order as a standard practice at RTF meetings. Robert's Rules are a foundation for parliamentary procedure for deliberative bodies. In practice, they provide a framework for an orderly and civil discussion of the issues that affect decision-making. In large part, the moderator of the meeting (the Chairperson in the case of the RTF) is responsible for using Robert's Rules to facilitate the meeting. The use of Robert's Rules has provided most members with the sense that members' opinions are widely heard.

On a less formal level, one key element of the RTF culture (an informal policy of sorts) is respect for the views of others. Members are expected to treat each other with the type of professional courtesy that they would like to be afforded. Several interviewees discussed the importance of the Chairperson's role in creating this atmosphere. Robert's Rules and the Chairperson's facilitation style are important factors in ensuring that the meetings retain an appropriate level of decorum.

Informally, members retain the right not to vote on a particular issue. Some members choose not to vote on issues with which they were unfamiliar. Others choose not to vote on issues when they have not received sufficient information to evaluate the claims made. In still other cases, members may not vote because they are simply not interested in an issue.

One issue that several of the interviewed members raised was that of conflict of interest. RTF asks its members to recuse themselves in cases in which there is “a real or perceived conflict of interest.”¹¹ Yet there remains some disagreement about how members’ outside interests are managed in the RTF. While some members perceive that their peers leave their interests at the door, others are concerned about the interference of their peers’ business or organizational interests with the debate and decision-making of the RTF. In theory, each member sits on the RTF as an individual, rather a representative of their employer; this arrangement helps to reduce the frequency of conflicts. In practice, however, it is difficult for most people to separate their interests from their employer’s; as a result, some members do perceive conflicts at times. Though some stakeholders interviewed and surveyed indicated that conflicts such as this do exist at times, others specifically stated that they withdraw themselves from votes if they have a financial interest. To this end, it can only be stated that various sentiments are present regarding this issue.

The RTF follows the Council’s guidelines for contractor relationships. The guidelines include thresholds for RFPs and provisions for making sole source awards. When RFPs are developed, a team is selected to review the responses and recommend the selection. For sole source awards, the Chairperson brings the contracts before the RTF membership for approval. In both cases, Council staff manages the contracts on behalf of the RTF. This evaluation did not include an exhaustive study to identify the proportion of contracts that have been sole source versus selection by RFP or to what degree the use of proprietary software by consultants has limited the contracting alternatives to sole source.

RTF members rely on the Chairperson to establish and provide guidance about other policies and procedures. When there is a question about how things are “supposed” to be, members typically approach the Chairperson to determine the best course of action. The Chairperson holds the institutional knowledge of the RTF because he has held the position for the life of the organization.

Decision-making Approach

Decision-making starts with the budgeting process, continues through the development of the agenda, and is completed during the voting stage. Different parties drive the decision-making process at different stages. This section highlights the main decision points (budgeting, agenda, analysis, and approval) and the parties that are involved in the process at each point.

During the *budgeting* phase, the Chairperson and the funders discuss the priorities of the RTF during the coming year. The funders may have specific issues that they want addressed during a given year, which are raised during the time that the budget is set. Some issues warrant their own

¹¹ “How the Regional Technical Forum Supports PNW Energy Efficiency Programs.” Regional Technical Forum. January 5, 2010. Available: http://www.nwcouncil.org/rtf/meetings/2010/01/RTFBackground_010510.ppt

pot of money, while others are discussed at a conceptual level only. A variety of issues may be discussed at the conceptual level without specific funding allocations, and these issues may differ from one funder to another. It is not clear how these types of issues are prioritized or tracked during a given budget cycle.

On a more practical level, the decision-making starts with the development of the **agenda**. Most members interviewed believe that the RTF staff establishes the agenda in response to requests by regional stakeholders. The initial analyses for a given RTF proposed project and the decisions on resource allocation relating to that proposed project are typically made prior to presentation to the RTF. Most members interviewed believe that anyone who comes to RTF leadership with a relevant issue will be included in the agenda. At the same time, however, a smaller subset of members wonder whether or not any requests are refused; if some applicants are denied access to the RTF, these members are unclear about what criteria are used to screen out the requests.

Once an issue reaches the RTF's agenda the first time, decisions about how to allocate RTF resources in the **analysis** phase are driven by member interest in specific technologies, markets, or measures. The amount of time spent on an issue is usually more closely related to these interests than to any formal assessment of a measure's technical or market potential in the region. Members are not aware of written rules that determine which issues have precedence. As a result, the interests of the members heavily influence the frequency of an issue's appearance on subsequent agendas.

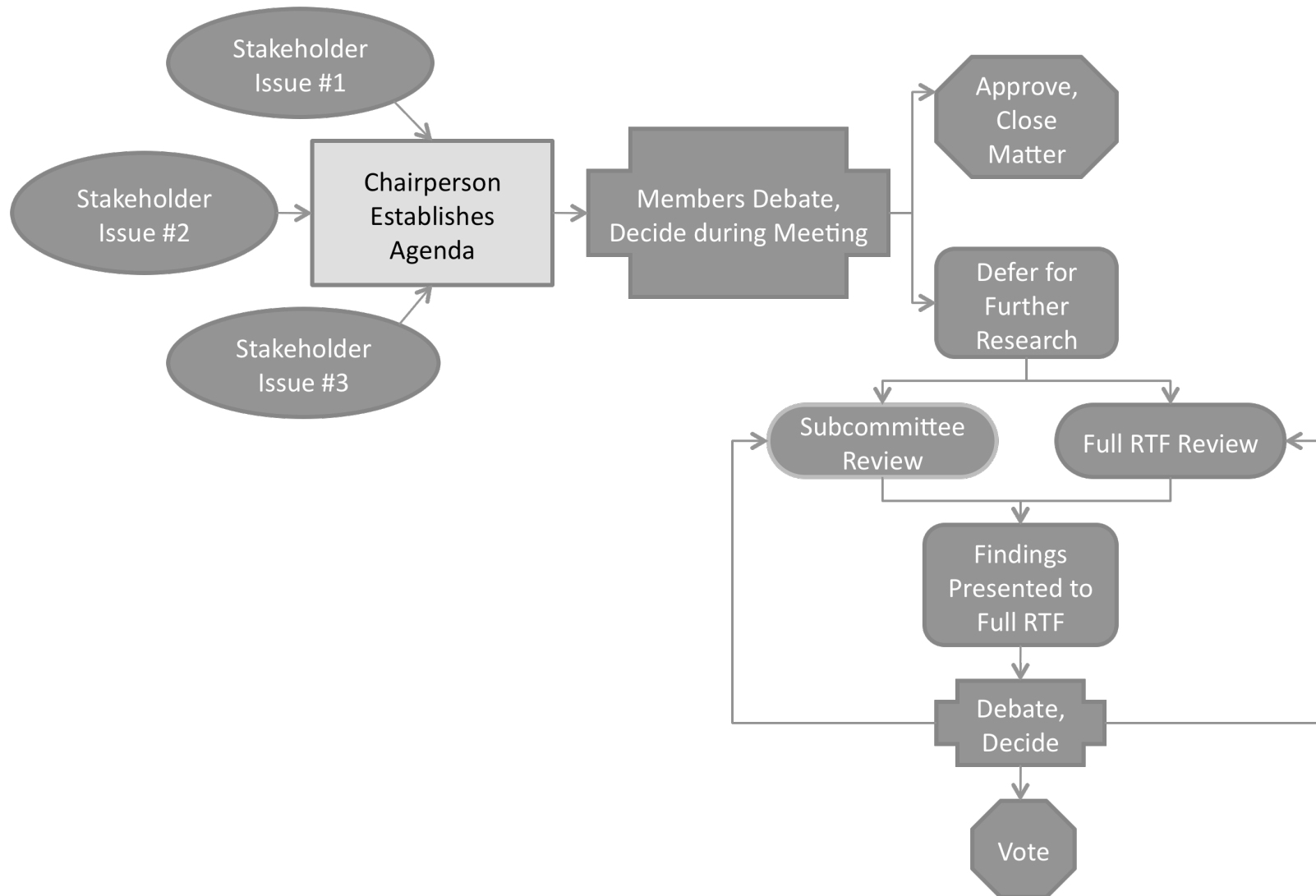
If an issue warrants further analysis beyond the stakeholder's initial presentation to the RTF, it may follow one of two routes. First, it may warrant the attention of the full RTF; in these cases, the issue is kept on the agenda until the issue is resolved. On the other hand, interested members may start a subcommittee to focus on the issue. Subcommittee meetings continue until the members of the subcommittee believe that the issue is ready for re-examination by the full RTF. At this point, the subcommittee prepares a presentation to the full RTF, summarizing the findings of the subcommittee and making recommendations about how to move forward.

Whether the issue is examined by the full RTF or by a subcommittee, it eventually reaches the **approval** stage. The approval stage may come quickly if the analysis provided by the stakeholder group is considered sufficient, or it may take some time if RTF members are not satisfied with the rigor or quality of analysis.¹² The majority of RTF decisions are made by consensus, though votes are eligible to pass with a simple majority. Consensus is a hallmark of Robert's Rules, and it is a part of the RTF culture because of the value placed on the variety of expertise provided by the members. Discussions typically continue until the concerns of all members are addressed, though not all members participate in every discussion. The number of members providing input on any given issue is limited by their interest, expertise, and attendance. The RTF does not have any quorum requirements.

Figure 3 provides an overview of the mechanics of the agenda setting through approval stages as understood by the evaluation team.

¹² Some decisions do occur in just one meeting, but these are the exception rather than the rule.

Figure 3 Summary of the RTF Issue-Based Decision-Making Process



2.4 Membership Composition and Participation

The RTF's members are well respected throughout the region. The region respects the decisions made by the RTF because of their respect for the members, and RTF members' opinions voiced in other regional organizations are respected because their reputation as RTF members precedes them. People throughout the region realize that RTF is a voluntary organization, and the members' efforts are appreciated. In turn, RTF members are loyal to the RTF as an organization, continuing to support it year after year.

This section summarizes the process used to select members, the participation of members over time, and the current makeup of the RTF.

Membership Selection

Historically, members have been selected through an application process managed by the RTF chair. The Chairperson periodically issues calls for members, and RTF staff makes the selections. The Chairperson asked applicants to submit a cover letter and resume as their application two years ago and again in late 2009. All members who applied to renew their membership two years ago were selected. Including those individuals, the Chair and Vice-Chair selected 30 members from over 125 applicants.¹³ The Chairperson determines the timing of these membership drives; it occurs roughly every couple of years.

Selection of members by the Chairperson is based on technical expertise rather than on organizational affiliation, and members are expected to represent themselves rather than their organizations during RTF meetings. At the inception of the RTF, this model was devised to avoid conflicts of interest in decision-making and ensure the availability of a robust group of technical experts who understand the unique circumstances of the Northwest. However, there is a question among some stakeholders as to whether this model is capable of addressing issues of conflicts of financial interest, as some people suggest these have occurred in the past. In practice, some bias towards the goals of the member's organization is to be expected. At times, organizations that fund the RTF may not have any voting members on the RTF, which may adversely affect that organization's ability to influence the agenda of the RTF. Conversely, some members indicated they were selected essentially to replace a departing member from their organization, implying that some organizational representation may still be considered important.

RTF members supplement RTF staff's time and expertise, but the availability of these resources on the part of the volunteer members is also limited. RTF alleviates some of this pressure by compensating a subset of members (typically consultants) for the time that they spend in RTF meetings (at a discounted rate) and for travel, but those funds are also limited. As a result, RTF members focus on issues of interest to them, attending more meetings if their priority issues are on the agenda and allocating more time to support the investigation of these issues through subcommittees.

¹³ Due to the timing of the 2009 membership review, similar data are not available for the 2009 membership composition.

Participation over Time

The members who attend the RTF meetings hold the greatest influence over the items addressed on the agenda. After an issue appears on the agenda the first time, the members determine how much time and effort to allocate to that issue. The importance of a given issue may or may not be considered in the context of other possible areas of focus. A member can only participate in that process if they are present at the meeting or participate via telephone. The makeup of the members along a variety of different dimensions can heavily influence the agenda of the RTF. A number of those dimensions are identified below in Figure 4.

Figure 4 A Variety of Member Characteristics Influence RTF Agendas and Work Products.

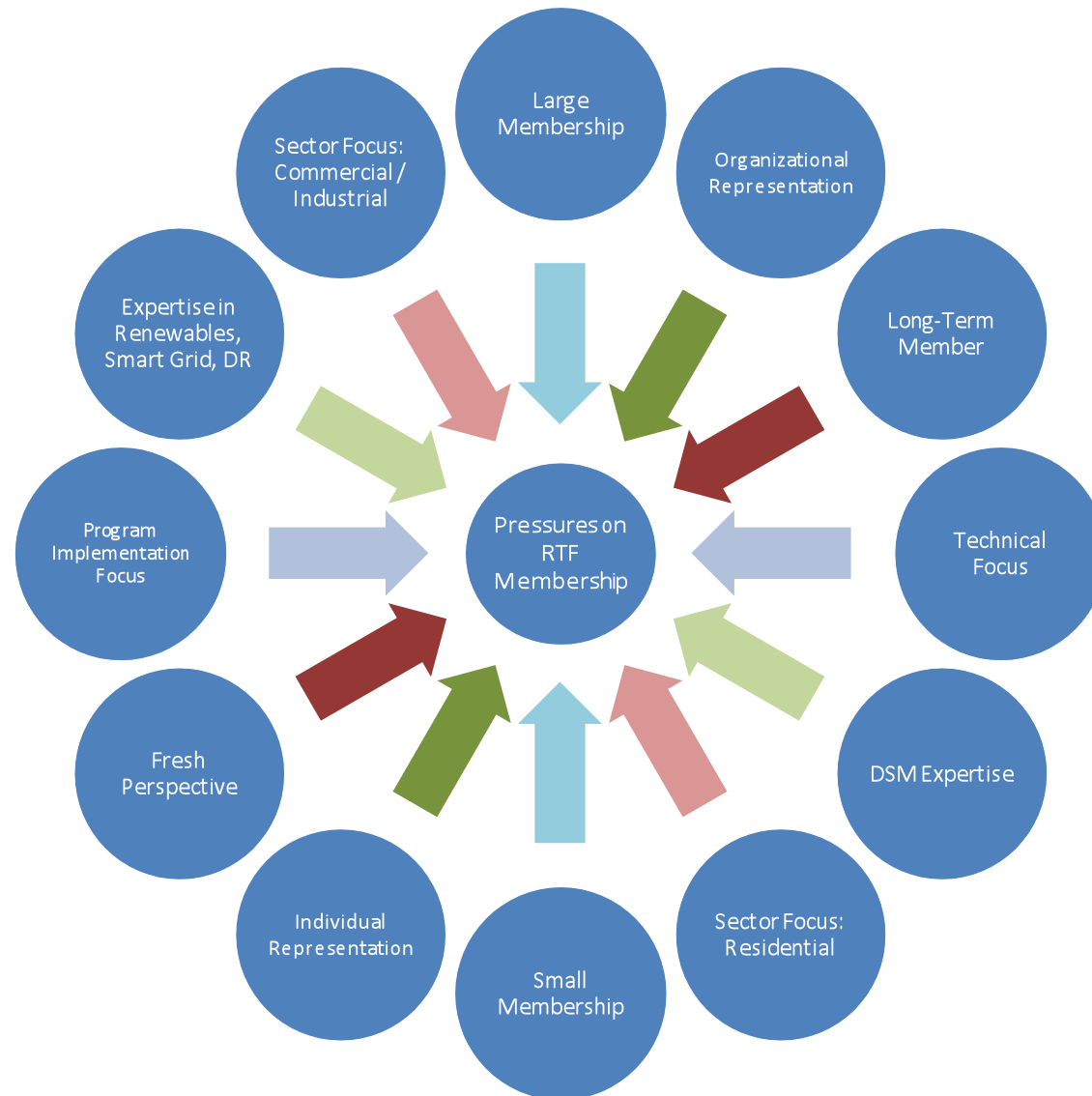
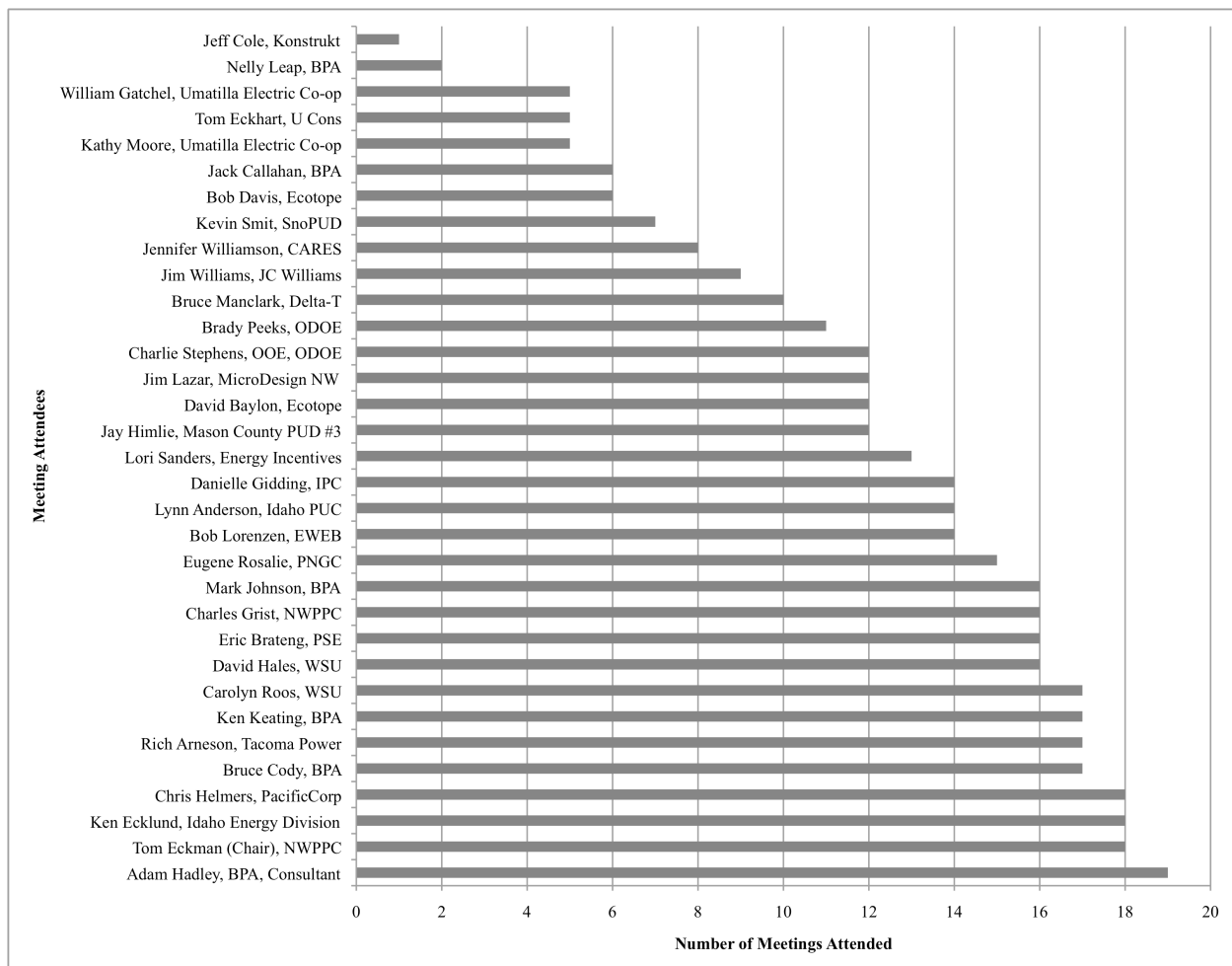


Figure 5 and Figure 6 illustrates the recent attendance at RTF meetings from January 2007 through August 2009 to illustrate current participation of both individuals and their respective type of organization.¹⁴

- State-level energy related government agencies such as the state energy offices and public utility commissions are most heavily represented at the RTF meetings.
- Contractors and consultants are the second to most commonly represented group, participating a bit more than BPA and the public utilities.

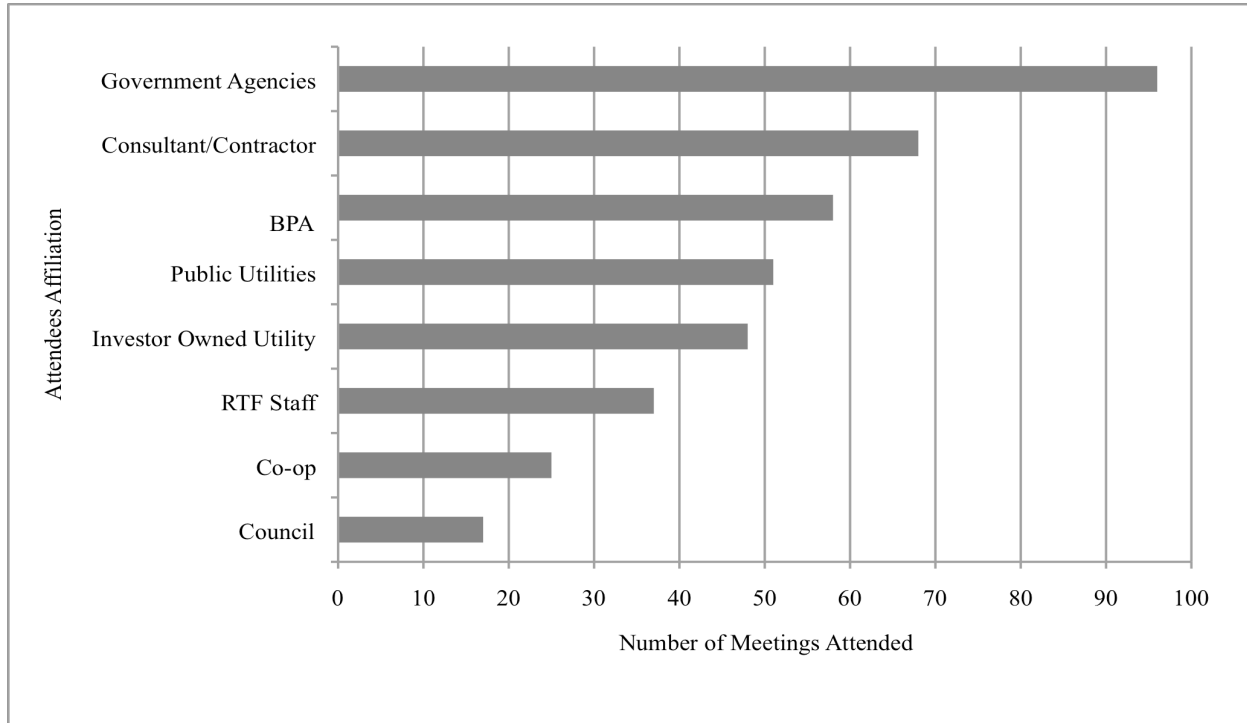
Figure 5 Number of Meetings Attended (January 2007-August 2009)



Source: RTF Meeting Minutes. Available <http://www.nwcouncil.org/energy/rtf/archive.htm>

¹⁴ This time period comprises a span of 33 months. A total of six of these 33 months did not have meeting minutes recorded, and five of the months with meeting minutes recorded did not have an attendee list. Thus, Figure 5 demonstrates attendance at 22 recent meetings.

**Figure 6 Number of Meetings Attended by Type of Organization Affiliation
(January 2007 - August 2009)**



Source: RTF Meeting Minutes. Available <http://www.nwcouncil.org/energy/rtf/archive.htm>

Further communications with the Chairperson indicate that as of February 2009, the RTF has held a total of 87 meetings. The minutes for many meetings are missing because of the lack of support staff and/or funding to secure paid “minute takers.” Additionally, many meetings with minutes do not have a recorded list of attendees. To this end, the data illustrating meeting attendance over the history of the RTF is significantly limited in its usefulness.

Current Membership

The current list of RTF staff and members is shown below in Table 3. This reflects the updated membership as of December 2009.

Table 3 Current RTF Membership (Voting Members)

Member	Organizational Affiliation
Rich Arneson	Tacoma Power
Mike Bailey	ECOS Consulting
Eric Brateng	Puget Sound Energy
Jeffrey Brooks	Idaho Office of Energy Resources
Bruce Cody	Independent
Tom Eckman, Chairman	Northwest Power and Conservation Council
Ryan Fedie	Bonneville Power Administration
Damon Fisher	Avista Utilities
Lauren Gage	Bonneville Power Administration
Charles Grist, Vice Chairman	Northwest Power and Conservation Council
Adam Hadley, PE	Hadley Energy Engineering, LLC
Jeff Harris	Northwest Energy Efficiency Alliance
Chris Helmers	PacifiCorp
Jay Himlie	Mason County PUD 3, Washington
Mark Jerome	Pacific Air Comfort
Ken Keating	Honorary RTF Member
Bill Koran	Quantum Energy Services
Jim Lazar	Microdesign Northwest
Jim Maunder	Ravalli Electric Cooperative
Nick O'Neil	Energy Trust of Oregon
Brady Peeks	Oregon Department of Energy
Travis Reeder	Eugene Water and Electric Board
Carolyn Roos	WSU Energy Program
Eugene Rosolie	Pacific Northwest Generating Cooperative
Kevin Smit	EES Consulting
Jill Steiner	Snohomish County PUD
Kevin Van Den Wymelenberg	University of Idaho

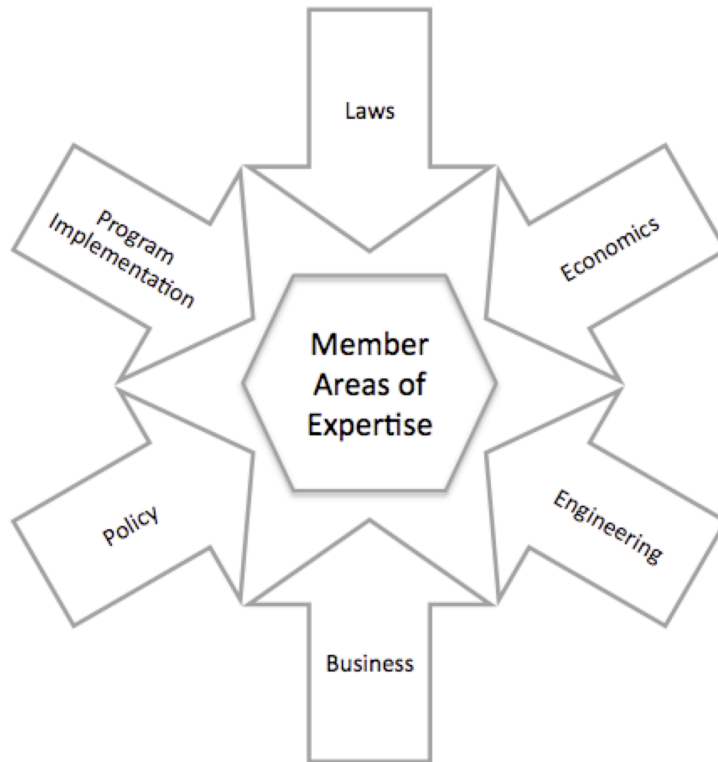
Types of Organizations Involved

Several types of organizations are involved with the RTF, including municipal utilities, public utility districts, investor owned utilities, state energy offices, and implementation and technical/engineering consulting firms. The level of involvement varies by need and interest.

Types of Expertise Involved

Members represent a variety of different areas of expertise, as shown in Figure 7. This variety enables the RTF to consider a wide range of influences on and implications of its decisions. For example, a policy expert can explain why specific terminology may fit with one state's energy policy. An implementation expert can explain why a certain technical specification will be difficult to use in the field. Quotas have not been used to guide the makeup of the RTF membership in the past.

Figure 7 Member Areas of Expertise Can Create Synergies in RTF Decision Making.



Tenure on RTF

Historically, membership in the RTF has included a similar group of individuals as compared with today. Members who have applied to remain on the RTF membership roster each time the application process begins again have been retained. This has created institutional memory and is a sign of the loyalty of the members to the RTF.

The group of members who were selected at the end of 2009 includes several individuals who are relatively new to the RTF. Of the 27 members, eight of them had attended fewer than five meetings from the inception of the RTF through the August 2009 meeting.¹⁵ These individuals tended to have been nominated or encouraged to apply by other individuals from their organization who had been members of the RTF in the past.

2.5 Funding and Budgets

The RTF budgeting cycle involves an annual request for funds from regional stakeholders, who are under no obligation to contribute, based on projected budget needs. The process is informal

¹⁵ This analysis is based on available data. Some meeting minutes did not include lists of attendees.

and requires significant attention from the Chairperson. Despite these challenges, the budget has grown dramatically over the past ten years, with a three-fold increase from 2009 to 2010 alone.

Past Budget Levels

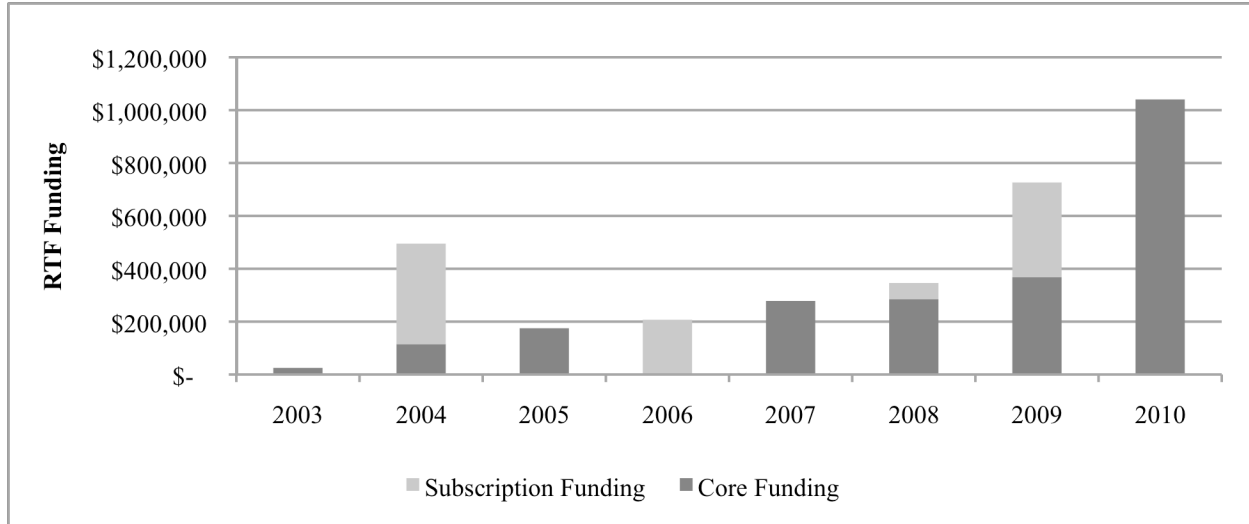
Funding for the RTF has increased dramatically since its inception in 2000. Overall, the 2010 budget is over ten times larger than the 2000 budget and nearly three times larger than the 2008 budget. This increase reflects the transformation of conservation over that time period as well as an increased focus on the value of the results of the quantitative analysis that RTF conducts.

Historically, the RTF has drawn on three types of funds to support its operations:

1. Core Funding has supported the main activities of the RTF, including regular meetings, review of projects that come before the RTF, and administrative costs.
2. Subscription Funding has been raised to support projects that the RTF plans in response to specific needs in the region; examples include Residential Heat Pump Maintenance (2004) and End-Use Load Data (2009).
3. The Council, which receives its only funding from Bonneville Power Administration, absorbs the time spent by Council staff to support the RTF; these costs have not been tracked, however, and are not reported in this section.

The funding for core activities and subscription projects was requested separately until 2010. RTF leadership included both Core and Subscription Funding in the 2010 budget for the RTF for the first time. By planning ahead, the RTF Chairperson hoped to avoid the need to seek additional funds throughout the year. By reducing the transaction costs associated with raising funds for the RTF, this effort is designed to help the RTF run more efficiently and to be more deliberate about planning activities during the course of the year.

Figure 8 shows the annual funding levels for the RTF, broken out by Core and Subscription Funding.

Figure 8 Annual RTF Funding Levels (2003-10)

Source: Data provided by Charlie Grist, the Council.

Figure 8 raises the following points:

- The increase in total funding between 2005 and 2010 appears to be the beginning of an exponential growth curve;
- The number of subscription projects grew from one in 2004 and 2006 to two in 2008 and three in 2009;
- Core Funding essentially ran out in 2006, requiring the RTF to run on Subscription Funding alone that year. RTF leadership had sought funding commitments in 2003 for a three-year period;¹⁶ the second round of major fundraising occurred in 2006, the gap year.

Current Budget and Funding

The RTF released its 2010-2014 Work Plan, Business Plan and Budget in early January 2010. The Modified Approved Budget for 2010 was \$1,040,500, excluding the time of Council staff; if the budget figure is increased to include the estimated value of Council staff's time, the full RTF budget is \$1,220,500.

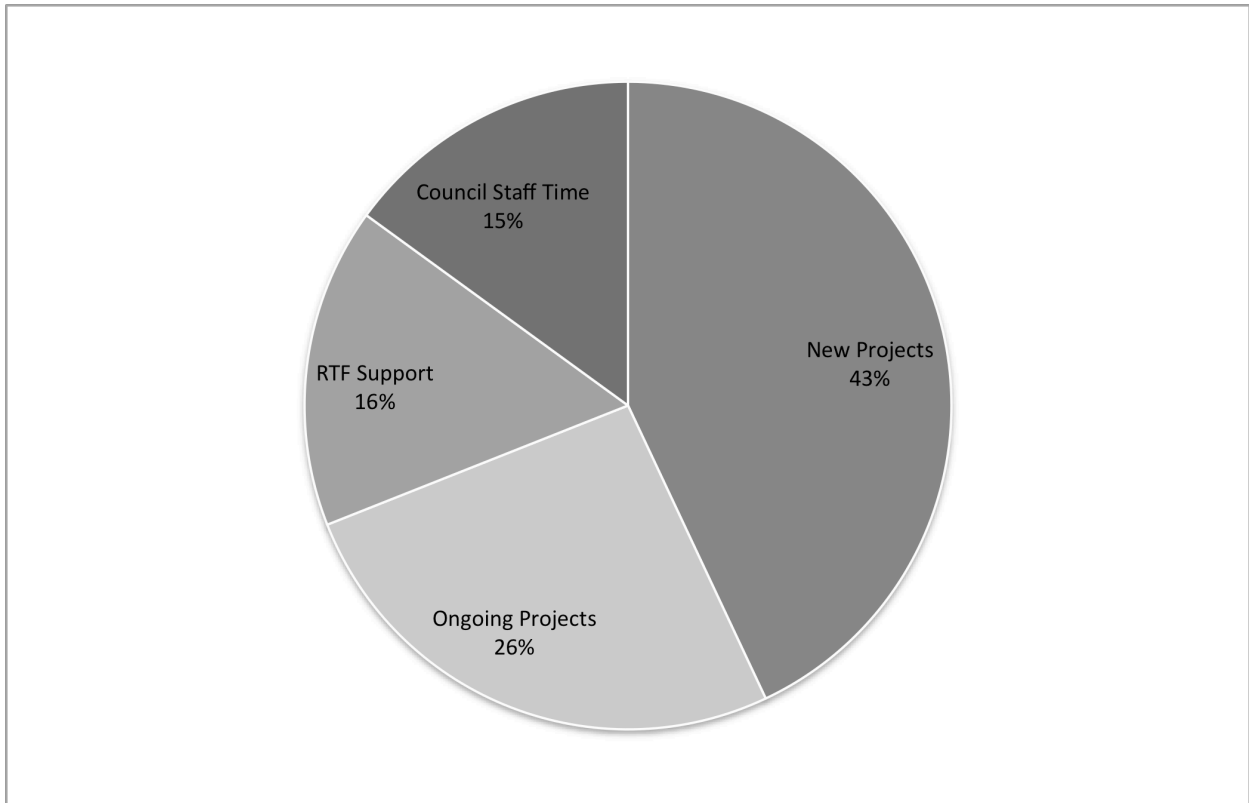
The budget can be broken down into four main categories, as shown in Figure 9:

- *New Projects:* The 2010 work plan calls for the RTF to work on new monitoring and verification (M&V) protocols for two specific applications, a benchmarking of RTF deemed measures against those of other organizations, and a small allocation for follow-up on an end-use load study conducted in 2009.

¹⁶ RTF still had to collect the funds on an annual basis during this three-year period and essentially had to convince funders of the value of contributing funds on an annual basis. The three-year cycle was helpful from a strategic planning perspective but did not obviate the need for annual fundraising efforts.

- *Ongoing Projects:* Several types of activities fall into this category, including reviews of specific measures, support of commercial roof-top unit HVAC research, work on ductless heat pumps and heat pump water heaters, and support of the PTR, among others.
- *RTF Support:* The costs for administering the RTF include regular meetings, subcommittees, contract management, and overall management of the RTF. This bucket includes stipends to RTF members and the reimbursement of expenses incurred in traveling to the meetings.
- *Council Staff Time:* This category of costs is often excluded from the overall RTF budget because it comes directly from the Council’s budget. However, it is included here to provide a complete view of the costs incurred in maintaining and operating the RTF.¹⁷

Figure 9 Breakdown of 2010 RTF Budget, Including Staff Time.



Source: Regional Technical Forum. January 11, 2010. Final 2010-2014 Business Plan and Budget.

Sources of Funding and Process for Obtaining Funding

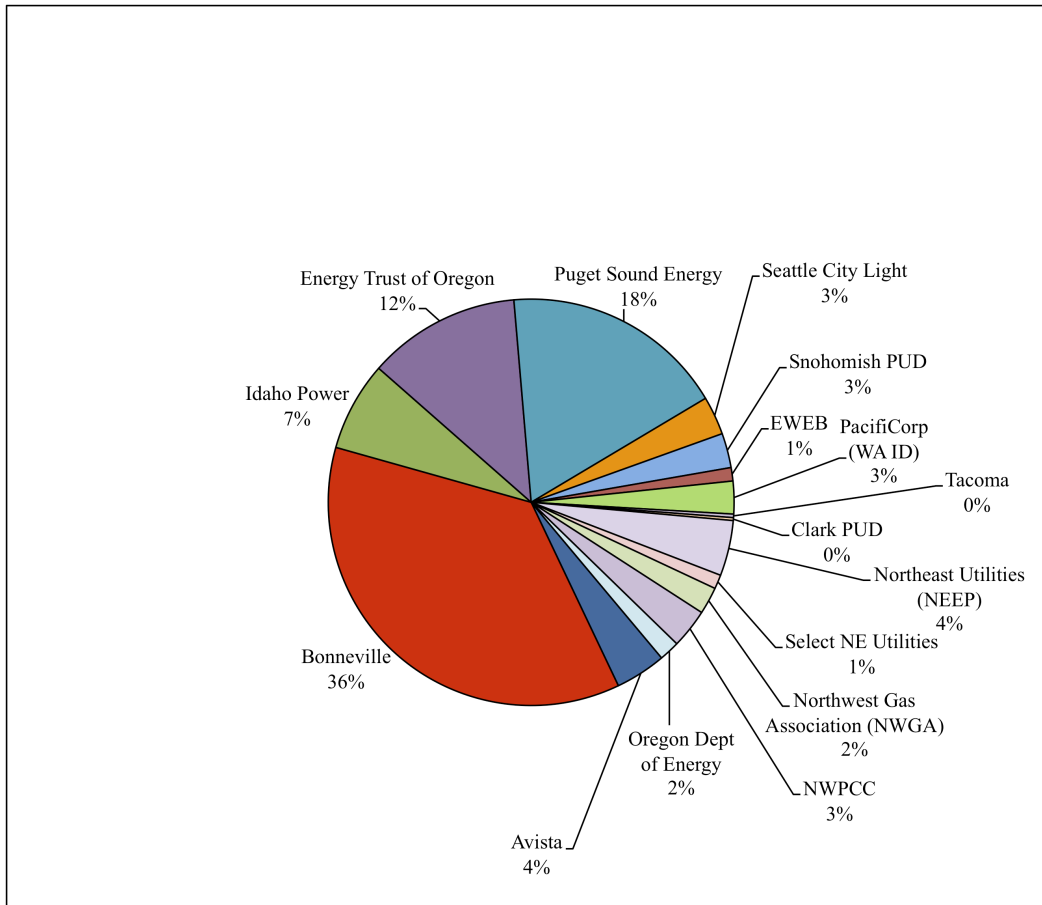
The RTF secures funding from a variety of sources throughout the region through an informal process.¹⁸ At an aggregate level, BPA has historically been a leading funder of the RTF. Energy

¹⁷ About 50% of Council staff time dedicated to the RTF is estimated to be for administrative purposes; therefore, the estimated budget for Council staff time was pro-rated to reflect this level of resource commitment. (Source: Charlie Grist email, February 19, 2010.)

Trust of Oregon, Puget Sound Energy, and Idaho Power Company have also served as major contributors. More recently, the pool of funders has expanded to include other utilities in the region: Seattle City Light, Avista, PacifiCorp (outside of Oregon), Snohomish PUD, and Eugene Water and Electric Board.

Figure 10 identifies the organizations that have contributed funds to the RTF from 2003-2009. This breakdown includes the aggregation of both Core Funding and Subscription Funding. It does not include in-kind or indirect support, such as the funding that Bonneville Power Administration provides to the Council, some of which is used to provide Council staff time for the RTF; that information was not tracked historically. This accounting does not make any adjustments for the changes in the value of a dollar over time (i.e., those resulting from inflation).

Figure 10 Sources of Aggregate (Core and Subscription) Funding for RTF



Source: Data provided by Charlie Grist, the Council.

Figure 10 also reflects the approach to fundraising that has been taken by the Chairperson and Vice-Chairperson. They consider how each organization has contributed *over the life of the RTF*. Benefits of RTF’s work accrue to organizations throughout the region, regardless of whether or not a given organization funds the RTF. Thus, organizations that provided significant funding in

¹⁸ The information about funding sources was taken from a spreadsheet prepared by Charlie Grist and provided to the evaluation team via email on February 12, 2010.

the early years have not been requested to make contributions that were as substantial in subsequent years. The funding request made in 2010 sought to further true-up these relative contribution levels.

Figure 11 and Figure 12, on the following page provide two additional levels of information about the RTF's funding sources:

1. ***Annual contribution amounts:*** These figures show how each organization's contribution varied from year to year.
2. ***Breakdown between Core Funding and Subscription Funding amounts:*** These figures identify how the funders allocated their resources to the RTF. Of the 16 organizations that have provided some type of funding to the RTF since its inception, seven of them have provided only Subscription Funding: Tacoma Power, Clark PUD, Northeast Energy Efficiency Partnership, a select group of Northeast utilities, the Northwest Gas Association, the Council, and the Northwest Energy Efficiency Alliance.

Figure 11 Sources of RTF Subscription Funding

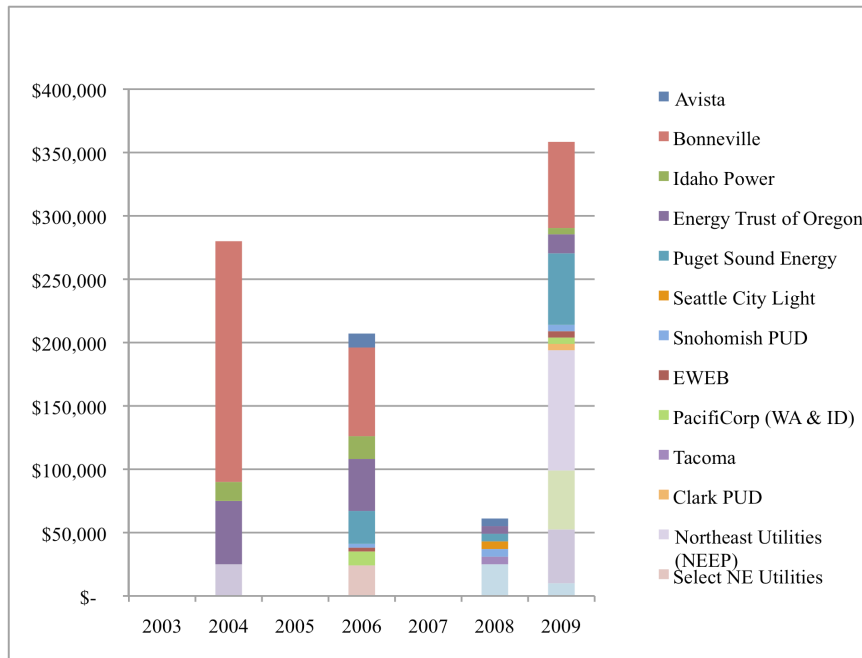
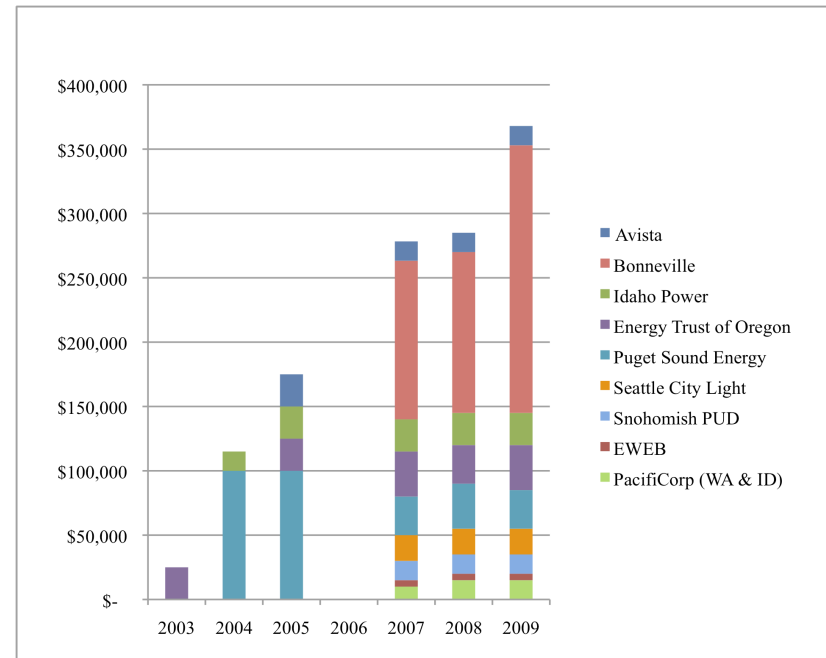


Figure 12 Sources of RTF Core Funding



As time has passed, the number of funders of the RTF has grown. In the early years, Core Funding was concentrated among a few organizations; this number grew to 9 in 2009. Subscription Funding has always attracted a larger number of funding organizations, perhaps because these organizations could see direct benefits of these very specific funding efforts. Over the course of seven subscription projects, sixteen organizations have provided some funding.

Some of the funding from BPA and the publics appears to be hidden. BPA and the public's funding of the RTF's core activities appears to have begun in 2007; Figures 11 and 12 show no Core Funds coming from BPA and the publics in 2003-2006. During these early years, BPA and the publics did not provide direct funding for the RTF's activities. BPA was developing the PTR, which the RTF eventually managed; the time and costs incurred by BPA in the development of the PTR are not included here. Also during that time period, BPA and the publics provided funds to support Jeff Harris' contribution to the RTF when he moved from the Council to NEEA; those indirect funds are also not included here.

In addition, a portion of the RTF's operating costs is also taken from the Council's budget. The time spent by the Chairperson and Vice-Chairperson, who are Council staff, is part of their overall compensation, which is covered by the Council. This portion of the budget is not generally included in the "RTF budget" because it is already included in the Council's budget; it does not require outside funding. Since BPA is the only funder of the Council, these funds essentially come from BPA. Although not formally recognized as a funder in most breakdowns of contributions, the cost of Council staff time during 2008 was larger than any single organization's contribution.¹⁹

The budget process is typically referred to as "passing the hat." The Chairperson proposes a budget and presents it to stakeholders across the region. This process has taken place every year, a sort of fundraising drive. It requires that the Chairperson solicit a buy-in from each organization every year. In turn, the Chairperson must balance the needs and goals of a dozen or more organizations throughout the region in the creation of the budget. The Chairperson develops a "suggested" budget amount for the stakeholders who are expected to contribute and then makes the case to each stakeholder for that amount.

Although there is no obligation to contribute to the RTF, some organizations are *expected* to allocate budget for the RTF. BPA and the public as well as the Energy Trust of Oregon are amongst those organizations that are expected to contribute. The direct connection between the RTF mandate and BPA's needs makes that connection fairly obvious. Energy Trust of Oregon is somewhat "expected" to contribute because of its public nature, even though it does not use all of the outputs of the RTF.

2.6 Major Activities and Accomplishments

The RTF workload has consisted of a few core activities over the years. As indicated previously, much of its work involves evaluating measures and conducting studies to create standardized

¹⁹ Ibid.

metrics and protocols for estimating savings. The organization maintains a public database containing the body of their results, which includes information about measure savings, incremental cost, cost-benefit ratios, total resource cost, and carbon reduction. As part of this work, the RTF also develops program technical specifications and evaluation criteria and provides cost-effectiveness methodology and software. The RTF also manages a system for planning, tracking, and reporting (the PTR database) regional conservation progress. Moreover, as mentioned previously the RTF has played a major role in the development of savings for the conservation and renewable resources rate discount (C&RD) for BPA, which gives rate discounts to customers to encourage the installation of effective energy conservation measures.

The RTF has also made significant contributions to power planning for the region conducted by the Council.

In sum, the major accomplishments include the following:

- Approving hundreds of cost-effective energy efficiency measures and activities eligible for BPA's C&RD;²⁰
- Creating deemed savings estimates for hundreds of measures;
- Supporting the energy efficiency aspects of the last decade of power planning for the Council, including information key to the latest, the *Draft Sixth Northwest Power Plan* from September 2009;²¹ and
- Tracking of regional savings goals and targets.

The databases available online as well as information drawn from this evaluation highlight the considerable effort that RTF staff and members have put forth since the organization's inception. This evaluation report will now turn to feedback on what has worked overtime to make this happen, how it has happened, and thoughts on future purpose and roles of the RTF.

²⁰ A list of approved measures is available at: <http://www.nwcouncil.org/rtf/crd/recommendations/origappendixe.htm>. According to the RTF website, a database of current measures will replace the above website.

²¹ Available at <http://www.nwcouncil.org/energy/powerplan/6/default.htm>

3. MEMBER AND STAKEHOLDER FEEDBACK

An underlying objective of this evaluation is to build an understanding of the wide range of viewpoints among the major players involved in the RTF, namely the members and other important stakeholders, on a number of key topics. In order to solicit such feedback from members and stakeholders, the evaluation team conducted in-depth interviews with current members, followed by an on-line survey from a broader range of participants to gather feedback and perspectives across a consistent set of issues. This section integrates the findings from these two data collection efforts across two key areas: current satisfaction with the RTF, and current and future roles and responsibilities.

- Current satisfaction with the RTF – The evaluation team explored a variety of topics related to the current *structure* and *operation* of the RTF, including
 - Organizational structure
 - Staffing
 - Membership composition
 - Policies and procedures
 - Budgeting and finances
 - Work products
 - Meeting stakeholder needs

- Current and Future Roles and Responsibilities – The evaluation team explored a variety of topics related to the *purpose* of the RTF in supporting the energy efficiency goals of the region, including
 - Overall importance of the RTF
 - Relative importance of stakeholder needs
 - Current responsibilities
 - Future responsibilities

Findings in each of these areas are presented below.

3.1 Current Satisfaction with the RTF

A significant focus of this evaluation is on the satisfaction among members and stakeholders with the *structure* and *operation* of the RTF. The intention is not to critique the operation of the RTF per se, but rather to paint a picture of this satisfaction as it has been expressed through the in-depth interviews and surveys to enable the organization to develop a shared understanding of these perspectives. In some areas, there is very tight agreement on these topics; on others, there is a significant level of variance across respondents. Where there is significant variation, this document characterizes the range of perspectives.

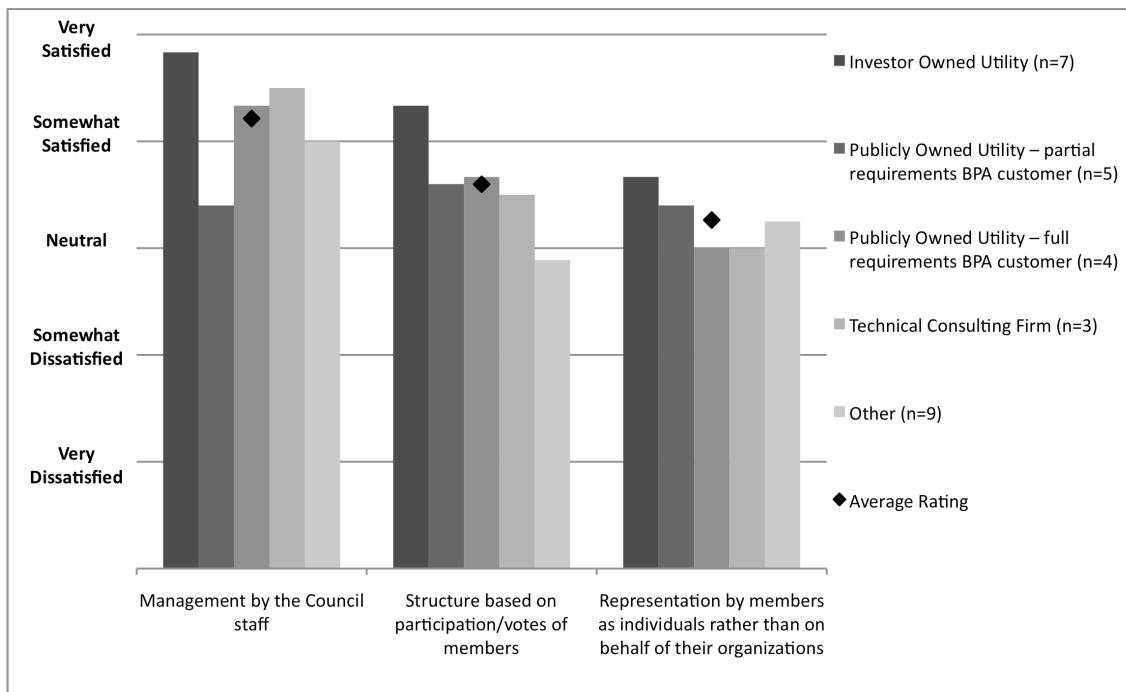
Organizational Structure

According to the charter, the organization of the RTF is directed by a staff person from the Council, which then oversees the selection of the membership within the group. Some observers have suggested that the RTF, by virtue of its ties to the Council, may be tied too closely to BPA.

Another question raised during the in-depth interviews was whether the RTF should continue with the current structure based upon participation and votes by members, as opposed to some other form of organization. Related to this is the issue of member representation on the RTF as individuals rather than organizations. Some stakeholders are concerned about the conflict of interest issues that arise as a result of these affiliations. Some bias towards a member's organizational goals is to be expected, even if members are selected without consideration for organizational affiliation and are asked to make decisions without regard for their organization's interest.

Decision-making is accomplished by a vote of the membership, and the Chairperson does not have a vote. As alluded to previously, the members are selected based upon their technical expertise and are expected to make recommendations founded on technical merits and absent of any political or other non-technical factors. Interview respondents raised the question of whether or not members are truly able to participate in the objective manner as intended, and whether this is a reasonable expectation. Figure 13 illustrates the level of satisfaction in each of these areas among the on-line survey respondents.²² Respondents were less satisfied with the third area, representation by members as individuals rather than on behalf of their organizations, which may be reflecting concerns relating to the objectivity of members.

Figure 13 Respondents' Satisfaction with the Current RTF Structure



n = 28 corresponding to each component of the RTF structure.

²² Figure 13 and all other figures showing cross-tabulation results by organization type include an “Other” category. These nine “Other” respondents classified their organization types as one of the following: non profit, industry association, federal utility managed by a tribal organization, BPA, implementation contracting firm, ratepayer-funded DSM agency, and other utility types not offered as a choice. None of these organization types made up more than two respondents. Also, responses of *not sure* were not calculated into the satisfaction ratings shown in these figures.

Overall, 75% of respondents are *somewhat* or *very satisfied* with management of the RTF by Council staff; 57% of survey respondents indicated that they are *somewhat* or *very satisfied* with the structure of the RTF based on participation/votes of members; 39% are *somewhat* or *very satisfied* with representation by members as individuals rather than on behalf of their organizations, though very few were dissatisfied. In fact, most gave a *neutral* response for the representation area. The latter issue, related to participation by individuals as organizations is also an area where 14% of respondents responded they were *not sure*, further indicating that this is an area where greater alignment may be necessary. Another interesting trend noted in these data is the relatively lower levels of dissatisfaction expressed by *partial requirements* BPA customers in the area of management by council staff.

Survey respondents were asked to comment on any aspect of the current organizational structure that they were dissatisfied with. These comments included the following:

I do have some discomfort with the appearance of conflicts of interest in regards to consultants and utility representatives. I'm impressed with the integrity of the individuals, but the process is overly reliant upon that integrity.

The Council staff has done a good job given the time constraints they operate under. The protocols for RTF membership are virtually non-existent and there is no quorum requirement for RTF voting. RTF members appear very confused about whether they represent themselves or their organization.

Consultants who are paid for their analysis or consulting should present the data impartially. They should not be present when budgets or project proposals are discussed.

There needs to be method to set the work agenda and priorities. Probably difficult to separate individuals from their organization loyalty.

There often appear presentations by parties who have self-interests or financial gains, which may conflict with the overall goal of having best practices for the region.

Understaffed and underfunded for current and future roles.

(Need to define) regional (better) - need clarity for each endeavor. Improved dovetailing of efforts and areas of responsibility to speed progress...availability of specifics when reporting, to better support transferability of results.

Members are those whose attendance is paid by their agency, i.e. utility staff. Does not include independent consultants unless they have a client willing to pay for their time

The current staff are competent and dedicated, however I think the region would be better served if Council staff participated as a stakeholder like others in the process

I'm against contractors having votes on adopted programs. They appear to make work for themselves. I think the voting members should all be member of groups that have responsibility to obtain energy efficiency in the Northwest Region.

Other written comments from survey respondents relating to perspectives of the organizational structure include the following:

The region needs to re-examine the RTF's role and function, including where oversight of the RTF is housed.

In general, the overall structure of the RTF needs to be revisited and revised

The uniqueness of the RTF has been the non-bureaucratic/volunteer based organizational model. This model lends itself to more credibility and being nimble enough to react to the ever changing 'picture' of energy efficiency in the Northwest.

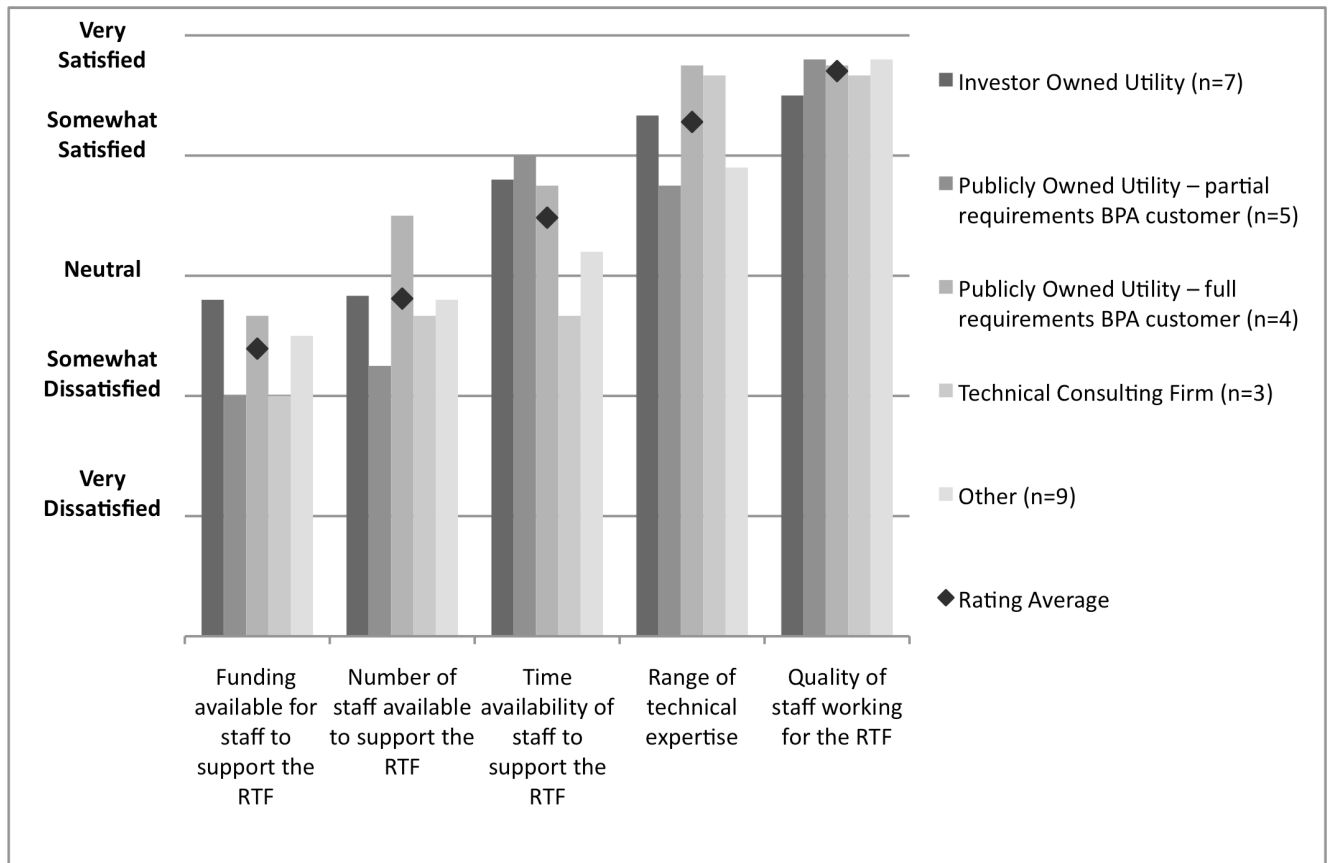
My dissatisfaction is with the organization and management of the work, which reflects in part the character of the group, and the power structure. I think more decisions can be made in committee. When 20-40 people are tinkering with a model online in real time, that's not efficient or effective.

I think the region would be better served if Council staff participated as a stakeholder like others in the process

Staffing

Though there is widespread recognition among those members interviewed that the staff of the RTF are highly skilled and recognized as experts in the energy efficiency field, there is still an acknowledged need for additional specialized staff with the proper technical knowledge to inform RTF decision-making. The evolving nature of the projects undertaken by the RTF was also cited as an important trend, particularly (1) the overall increasing level of work, and (2) the trend toward managing outside contractors and (3) the commensurate need to increase project management skill and support infrastructure. Staff is needed to support these trends and for a range of additional administrative-type of functions as well, including updating the website, organizing meeting minutes and budgeting/accounting.

The online survey results appear to align with sentiments expressed during the in-depth interviews. While survey respondents are either *somewhat* or *very satisfied* (93%) with the quality of RTF staff and the range of technical expertise they provide (71%), survey respondents are largely dissatisfied with the *number* of staff available to support the RTF and the *funding* available to support the RTF. In these areas, 43% and 57%, respectively, were either *somewhat* or *very dissatisfied*. Variations in responses by organization type are shown, below, in Figure 14.

Figure 14 Respondents' Satisfaction with RTF Staffing by Organization Type

n = 28 corresponding to each element of RTF staffing.

Survey respondents were asked to comment on any aspect of the current staffing that they were dissatisfied with. These comments included the following:

Current staffing is two part-time Council staff and some consulting time. It is not clear that is sufficient for the current work load, but it is clear it will be insufficient for the future work load. Current consultants appear to operate without competition or adequate oversight.

The RTF needs more dedicated staff, and funding, to manage the work of subcommittees and contractors conducting research. Given the current level of funding, the RTF will not be capable of meeting the expectations of the regions stakeholders in the outcomes of the RTF.

Funding is always an issue.

Staff relies heavily on contributed time by members; painful process for efficient decision-making. At times, biases seem to exist; decisions appear "pre-determined". Depends on the scope of projects and whether staff is expected to perform analyses or manage consultants.

We have consulted to both California and Texas (DEER at PUC advisory committees). The RTF does not appear to have the same level of financial funding as these agencies. This may contribute to being reliant on parties with an economic bias.

Funding and time devoted should be higher to assure timely information.

[] and [] are great, but they are very busy and to ramp to the levels that are requested, the RTF would either need more of their time, or more of them.

So much work...too little resource.

The RTF has been underfunded especially since it has become essential in BPA's programs and a very important reference for all the region's utilities. We can only review so many initiatives and this tends to slow both the development of programs in many utilities. The funding of the RTF has been fairly miserly given the importance of our review.

Insufficient budget for research

The organization needs to have a sufficient number of independent staff supported as necessary by independent technical consultants. Adequate funding should be made available to accomplish this.

[] and [] are very good at what they do. I think [] is too but we at the Utility do not get to look in the black box (Software Analysis package). It appears to be private and not shared with the people that fund it. This is my dissatisfaction.

Several other written comments related to aspects of staffing, especially number of staff and funding levels available to support staff. These comments include the following:

Staff has not been able to rely on stable or secure funding.

It appears that the lack of staff time and a technical-based Board has made it difficult to prioritize projects or have necessary resources to apply.

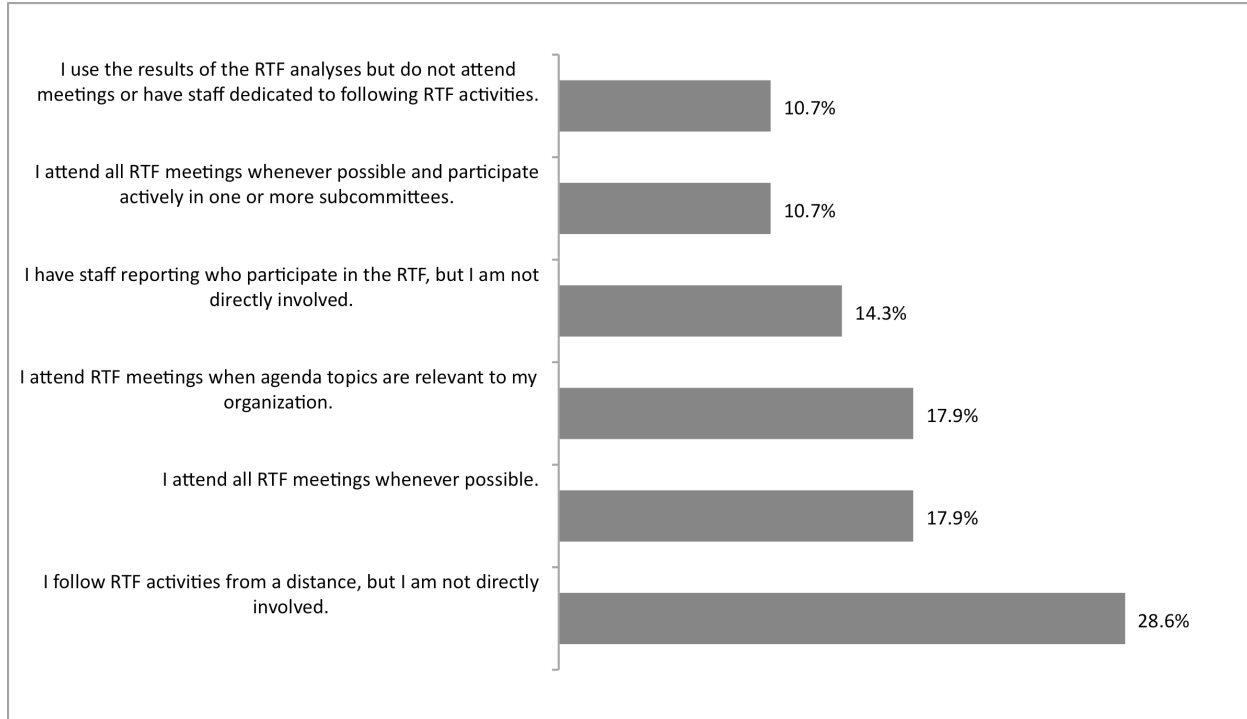
Currently, the management of the budget - that is making sure the work gets done - is constrained by the available staff time.

Membership Composition

The composition of the RTF membership, including level of involvement, selection of members, and expertise needs, was examined during both the interviews and the surveys. A number of issues emerged related to membership composition, expertise, and involvement. These issues will be elaborated below.

Members and stakeholders report their meeting attendance as follows in Figure 15. Nearly a third of the respondents are not directly involved with the RTF. Over a third of the respondents either attend all RTF meetings whenever possible or all RTF meetings when agenda topics are relevant to their organization. These findings show the respondents represent a range of levels of involvement with the RTF.

Figure 15 Respondents' Level of Involvement with the RTF

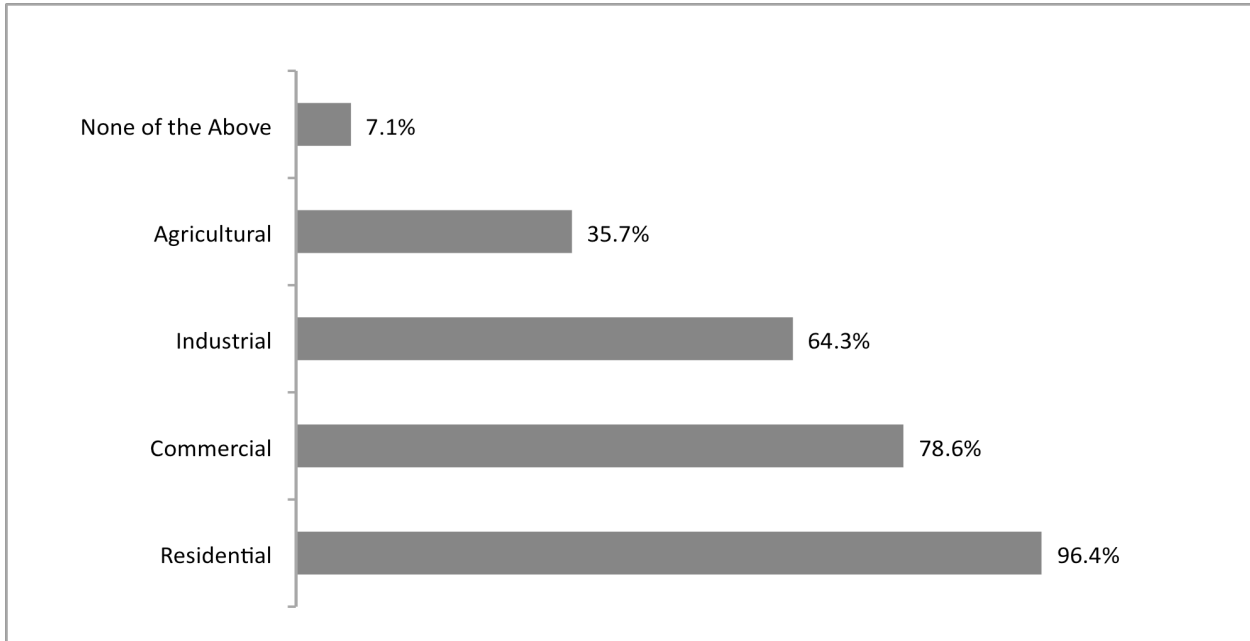


n = 28. Respondents each chose one category.

To date, the existing membership process has purportedly worked well in some regards but it also faces limitations in regard to succession planning, sector experience, selection, and composition.

Sector Experience

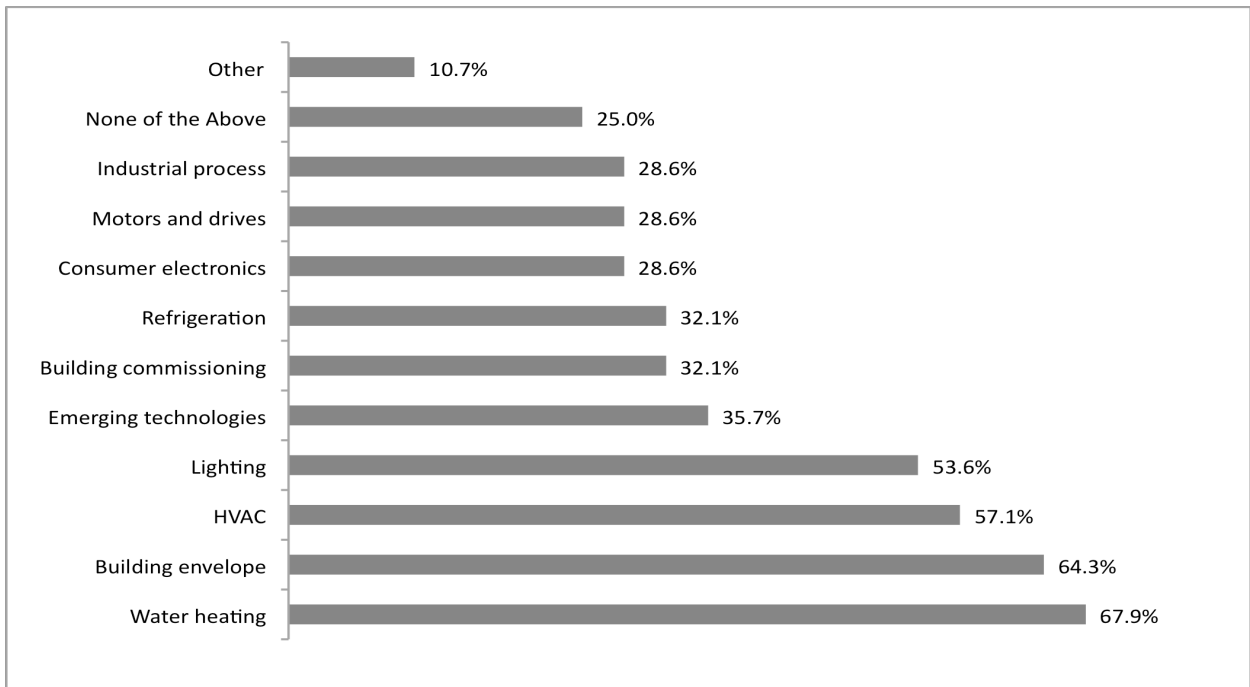
Member expertise is weighted heavily towards the residential sector, which results in emphasis on residential measures. Although expertise in the commercial and industrial sectors is more expensive and harder to come by, several members expressed the need to expand membership in this area. This factor is also illustrated in the areas of expertise represented by the online survey responses. As shown in Figure 16 below, nearly all respondents claim expertise in the residential sector (96%), while only 64% claim industrial expertise and 36% claim expertise in the agricultural sector. A similar spread is illustrated in end-use expertise, shown below in Figure 17. The end uses with the most technical expertise among stakeholders were reported to be water heating and building envelope whereas the end uses with the least amount of technical expertise were industrial processes, motors and consumer electronics.

Figure 16 Respondents' Sector Experience

n = 25. Respondents were allowed to choose multiple sectors.

End Use Expertise

Similarly, not all stakeholders have the same type of technical expertise. However, a few dominant end uses make up such knowledge. Over 40% of respondents indicate that they have expertise in water heating, building envelope, HVAC, and/or lighting, as shown in Figure 17.

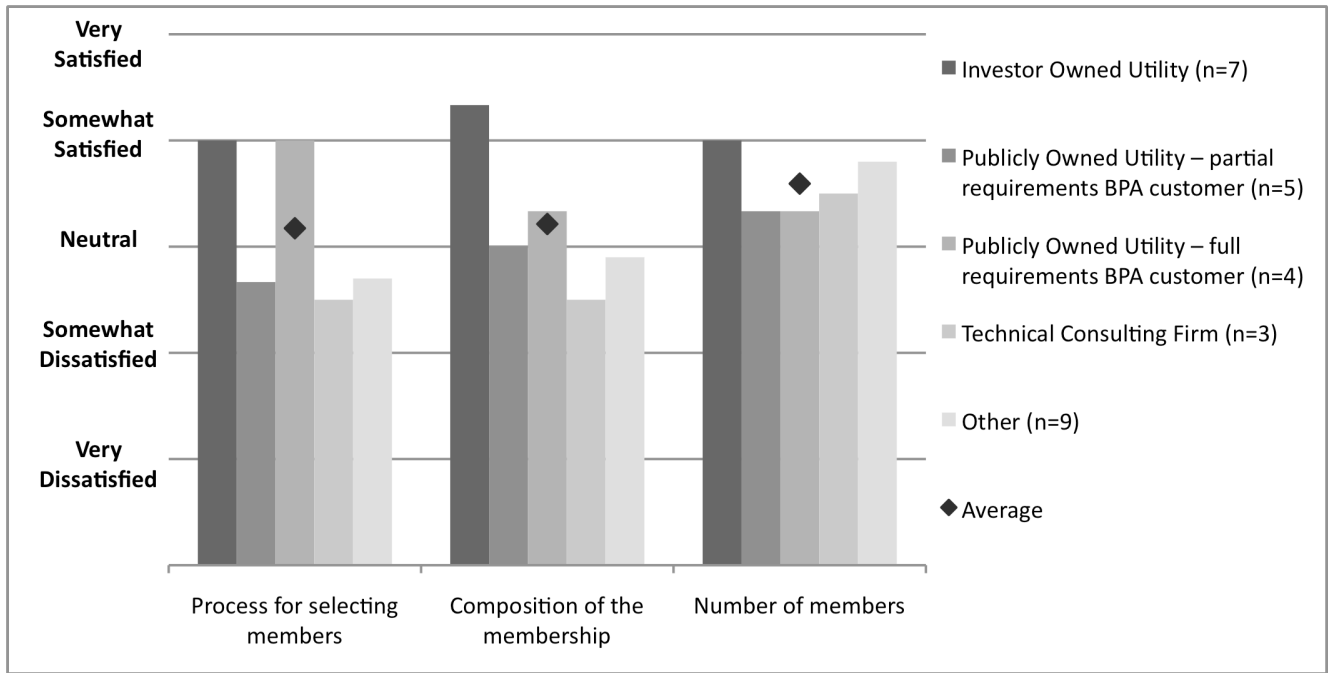
Figure 17 Respondents' Technical End-Use Expertise

n = 28. Respondents were allowed to choose multiple end-uses.

Member Composition, Selection, and Number

Potential dissatisfaction was expressed during the in-depth interviews regarding the composition of the membership, including both the range of skills and expertise represented and the representation of interests by type of organization. On one hand, it is believed that the “utility” interest is too strong; on another, it is felt that the [utility-based] “planning perspective” is not represented well enough. It was also expressed that there is not a great deal of ethnic or female representation on the RTF. As shown below in Figure 18, survey respondents expressed somewhat neutrality in relation to elements of membership composition. Respondents were a bit more dissatisfied with the process for selection of members and the composition of members than they were with the actual number of members.

Figure 18 Respondents’ Satisfaction with the RTF Membership Composition



n = 28 corresponding to each element of the RTF membership composition.

Survey respondents were asked to comment on any aspect of the current membership composition that they were dissatisfied with. These comments included the following:

There are a lot of members. There's also a Portland-centric (or even I-5 centric) issue with the degree of participation in the discussion.

The process for selecting members appears to be ad hoc. There is confusion about who members believe they represent and whether they are to play a policy or technical role on the RTF. There have also apparently been instances of RTF members voting on questions in which they have or may potentially have a financial interest.

Membership should more greatly based on technical capability. The current mix is biased toward west coast mild weather residential issues as opposed to understanding cold climate issues.

Not well publicized or broadly solicited.

I am unclear about the composition of the recently chosen membership. I am also not clear about the process for selecting members - and therefore marked it as dissatisfied.

Membership allows for much self-interest... however, the lack of supporting resource is a bigger problem.

2010 process isn't done so it's hard to answer.

Not sure if the RTF has the right mix of technical expertise and practical field experience. Finding the right balance is important as processes and committee structures that balance the technical and practical needs of the region.

Again I don't believe contractors should sit on the committee. I believe the composition should be stakeholders.

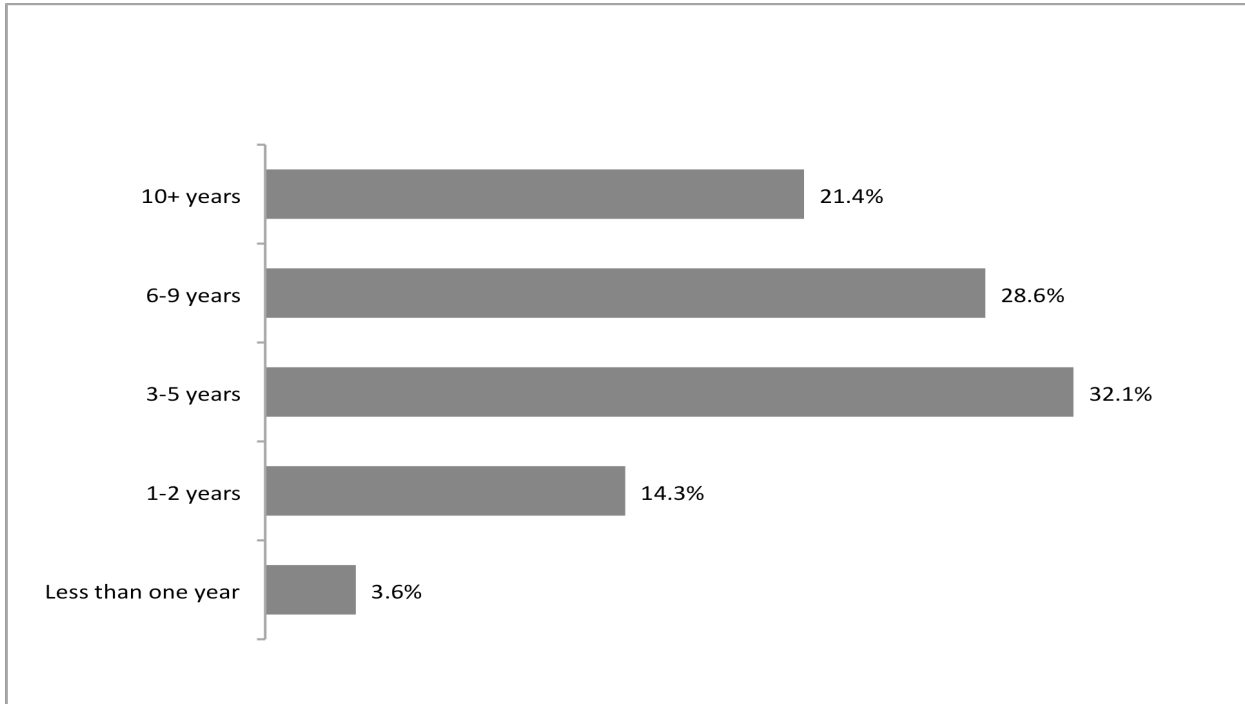
Other written comments relating to membership composition include the following:

The protocols for RTF membership are virtually non-existent and there is no quorum requirement for RTF voting. RTF members appear very confused about whether they represent themselves or their organization.

Members are those whose attendance is paid by their agency, i.e. utility staff. Does not include independent consultants unless they have a client willing to pay for their time

Succession planning

The RTF leadership is nearing retirement, as are many of its members. To date, there has not been any formal effort to recruit new members or to mentor more junior colleagues. The length of time participants have been affiliated with the RTF is reflected in the results of the on-line survey, shown below in Figure 19.

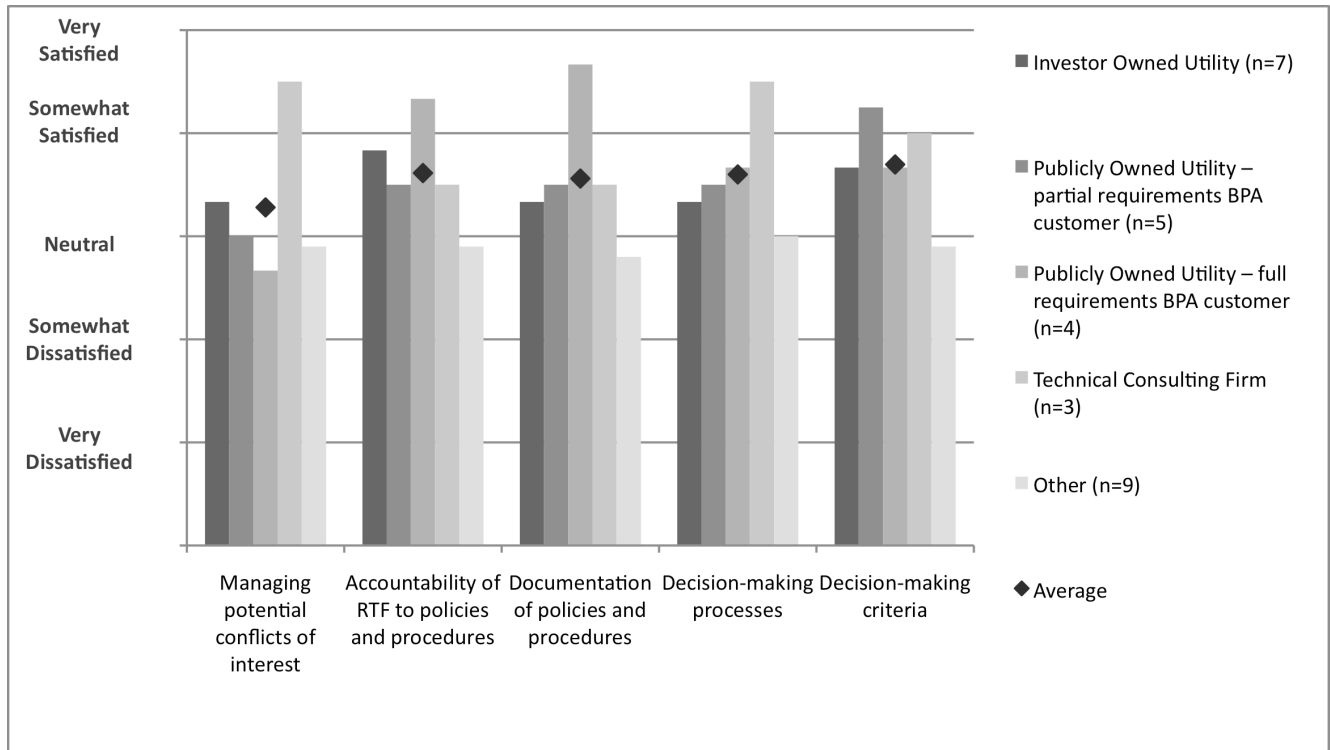
Figure 19 Respondents' Years of Involvement with the RTF

n = 28. Each respondent chose one category.

Policies and Procedures

Respondents to the online survey are generally satisfied with the current policies and procedures of the RTF (see Figure 20, below). However, there are indications that not everyone has a clear understanding of the policies and procedures of the RTF. This is an area where members rely upon the Chair for guidance. When asked during interviews where people would go to educate a new member of the RTF on the policies and procedures of the organization, participants indicated that the Charter and the meeting minutes were good sources for gaining an understanding in these areas. There does not appear to be any formal handbook or set of operating guidelines available for use. As such, the organization may be less formal in nature and relies extensively upon the collective history and knowledge of its members as a guide in this area.²³

²³ It should also be noted that the Council, as the organization housing the RTF, does have formal accounting, staffing, and contracting procedures that are necessarily followed.

Figure 20 Respondents' Perceptions of RTF Policies and Procedures

n = 28 corresponding to each of the five elements of RTF policies and procedures.

Survey respondents were asked to comment on any aspect of the current RTF policies and procedures they were dissatisfied with. These comments included the following:

The decision making process - the criteria for decisions and the manner by which decisions are made - is not clear.

Management of conflicts of interest has been adequate due to the integrity of the current members. The process should take into consideration the potential for individuals of lesser integrity to be involved at later dates.

I am not aware of documented policies and procedures for the RTF. It seems that these are "learned" from participating on the RTF.

Again consultants' participation should be limited to their presentation of the data and not part of the decision making.

Not well understood or monitored. Likely outdated.

The process for decisions seems quite subjective at this time - we joke that after lunch it is easier to get approval than in the morning. Supposedly there are guidelines for deemed measure approval, but we've requested them several times and still not received them. I believe conflicts of interest are not well addressed at all, and it is necessary.

There is little in the record for this public entity. How would one find out about these effect and operations?

The RTF could be a little more professional in decision-making remembering that regulators are often present and that utilities rely on the RTF metrics to calculate cost-effectiveness.

The Documentation process is not really subject to review unless a program or utility brings it to our attention. There is not real method to review he specifications except when they become an issue. The utilities are not really the best QC source.... This results in a review every 5 years when the power plan is rewritten. I think this problem reduces the impact of the technical specs since they are not used unless there is a demand at the utility for some sort of program. The accountability of the RTF goes both ways.

There is little or no ability for us to see what the implementation of particular specs might be and even less ability to have any comment on process. On the other side comments from the utility on the nature of our specs are few and far between and one suspects that there are issues that come up in those programs that could be addressed by the RTF or an RTF subcommittee.

I see too much attention to heat pumps and rural measures, and some pressure to deem things that are inconsequential or shaky.

The group struggles to complete a measure at times – depends on complexity, amount of background research completed, special interest, and level of debate about details

There should be guidelines for subcommittee oversight, what is the process to manage the budget/workplan?

Other written comments from the survey that relate to the current RTF policies and procedures are provided below:

There needs to be method to set the work agenda and priorities.

At times I see a decision made through brute force that isn't prudent because the group gets so stuck and the process doesn't seem to support nuanced decisions. I think there must be management tools and approaches for meetings that would help. They might include professional facilitation, but certainly more refined agreements about conduct and maybe for how proposals get moved forward. I don't have firm answers, just think there's got to be better ways.

I think more decisions can be made in committee.

Supposedly there are guidelines for deemed measure approval, but we've requested them several times and still not received them. I believe conflicts of interest are not well addressed at all, and it is necessary.

Budgeting and Finances

RTF members expressed significant concern regarding budgeting and finance issues and, in the process, posed a number of important questions:

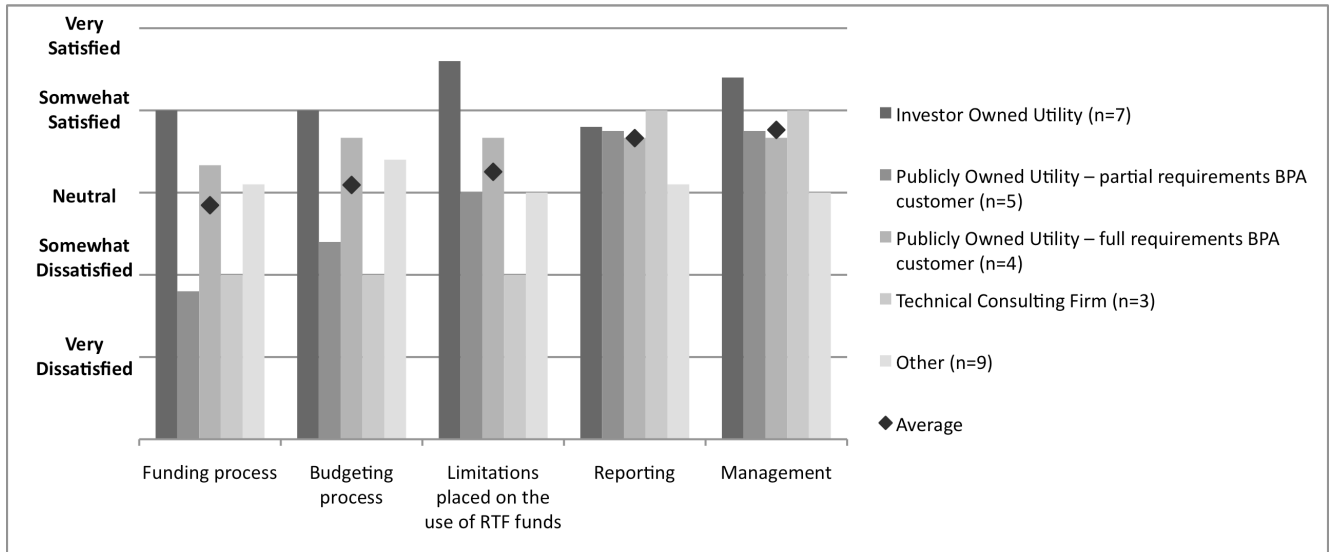
- Are members able to provide adequate input on the budget?
 - Do only the co-chairs have an idea on how the money actually flows into, through, and out of the group?
 - Do the co-chairs effectively respond to RTF members' concerns?
- Should there be an oversight board for funding issues?
- Is a five-year commitment too much for funders?
- Should paid members get a higher stipend?
- Are there concerns over how to justify future funding?
- Is it fair that members are contractors who get paid directly to be at RTF meetings but some other members do not get paid?
- What is the benefit of subscription funding? How will such funding be best used in the future?

The online survey explored this issue from a satisfaction perspective and, importantly, highlighted a distinction between the budgeting and the funding process. There is a lack of agreement on satisfaction with the funding process; 38% are *somewhat satisfied*, while 35% are either *somewhat* or *very dissatisfied*. A similar split appears in satisfaction with the budgeting process, although not quite as severe.

Both members and stakeholders view funding as a significant challenge for the RTF. There is wide agreement among RTF members and stakeholders that an increase in funding is needed for the future. As noted above, 62% of survey respondents are either *very* or *somewhat dissatisfied* with the funding available for staff to support the RTF.

Satisfaction with budgeting and funding issues, broken out by respondent organization type, is shown in Figure 21. Satisfaction with the budgeting and funding processes, as expressed by representatives from partial requirements BPA customers, was markedly lower than other respondents. Also of importance, not illustrated in Figure 21, is that 43% of respondents were *not sure* about their satisfaction with limitations placed on the use of RTF funds. It appears this issue may not be well understood.

Figure 21 Respondents' Satisfaction with Elements of RTF Budgeting and Financing



n = 28 corresponding to each of the five elements of RTF budgeting and financing.

Survey respondents were asked to comment on any aspect of the current RTF budgeting and financing they were dissatisfied with. These comments included the following:

Draft budgets are not widely disseminated or discussed regionally. The funding process essentially requires staff to beg for monies and is very uncertain. Management of the RTF has simply not received the attention it needs. Reporting of the RTF's activities have been limited at best.

The funding process is a shameful process, with Tom/Charlie directly "fundraising" from the region's largest utilities. The RTF should not be placed in an annual cycle of "fundraising" to support its activities. There needs to be greater certainty in who is providing financial support and at what level.

Staff has not been able to rely on stable or secure funding. Does not appear the organization has a strategic plan. Needs flexibility and 'nimbleness' to address measures in a timely manner.

The RTF is a wonderful organization, which has served the region well for many years. It could be even better should there be a means for expanding its budget significantly.

Currently, the management of the budget - that is making sure the work gets done - is constrained by the available staff time...It is essential that the RTF keeps an updated website of decisions and analysis spreadsheets. It's on the workplan for 2010.

The new budgeting process is improved over the past method.

There seems a good amount of focus on measures, etc. but too little on providing decision quality information for policy and fiscal planning...how much when on what.

The current budgeting is not particularly responsive to either the RTF role in the deemed savings or program designs or to the overall need for engineering and technical data analysis. The system as it currently exists does not add money to the budget when particular issues are raised and assumes that the RTF will provide some input or oversight with very little effort to balance the budget implications...(quote continues with examples).

The limitations on funding have also been somewhat problematic. The funding should allow some general guidelines so that issues that come up and program proposals coming from the utility can be supported. The fact is that we cannot expect that a list written down in August will be sufficient to cover the next 18 months and to develop technical insights necessary for all questions that are raised. In the past this has been reasonably flexible but that flexibility has been reduced and no mechanism has come to replace it. If the region is to get this sort of analysis and basic research done it will need to have a mechanism to that. RTF has provided some help there but the fact is that this is a much more general problem.

I am ok with allocation of funding by funder. I am unconvinced that the staff made a clear case for the dramatic increase in funding given their management problems. I also see their plans for load research as dubiously ambitious.

We need to have a governance structure and planning and decision-making processes that funders and stakeholders have confidence in. Once this is established I believe we can attract a broader funding base that will provide the resources necessary to carry out the technical priorities of the region on a multi-year basis.

I believe the Utility participants should be reimbursed for there travel. I think a meeting every two months for up to 1 1/2-day period would result in travel costs savings for us in the East.

There were also a number of comments relating to ideas on other potential funders for the RTF. These comments are as follows:

Natural gas utilities should be participating in the RTF, as should the providers of other space & water-heating fuels -- i.e., propane and fuel oil.

States and/or state regulatory commissions. Contractors and consultants who provide measures (like securing a 'UL' label)

I think managers love to ask this question because it sounds like being prudent. I think it is a huge distraction. There are lots of groups funding lots of things, but if RTF is to retain purpose and focus, the NW program entities should fund it.

Perhaps gas utilities as RTF explores more gas measures.

All utilities and third party administrators should fund the RTF on an equitable basis.

Solicitation of contributions of regional and national non-profit, governmental or utility entities who make use of RTF work would be useful. (Manufacturer contributions would be a conflict of interest). I assume that NEEA is also assessed some amount as well.

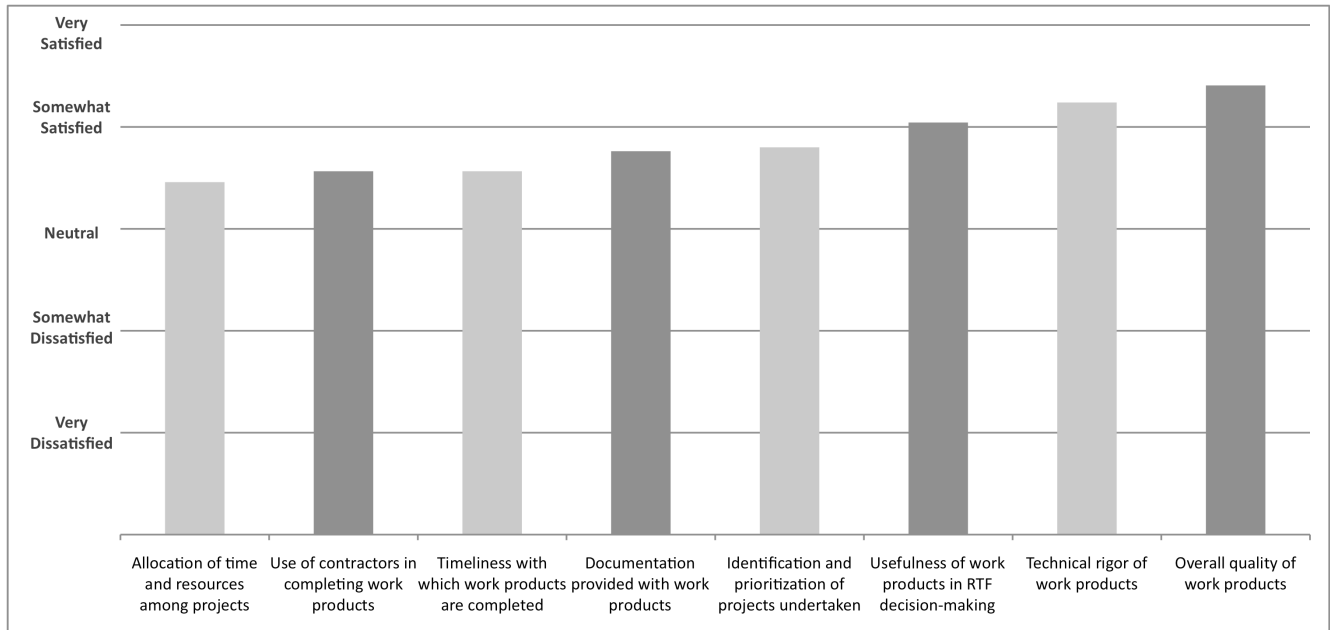
Product manufacturers, vendors etc.

BPA and associated utilities benefit more from the RTF than other funders, so they should do the majority of the funding.

The regulators in all three states depend on the RTF for their technical insights applied to the IOUs in those states. Either these agencies should support this work or (at a minimum) they should direct their utilities to fund these activities as a part of their program design and evaluation responsibilities.

Work Products

Quality of RTF work products is viewed very highly, with somewhat lower levels of satisfaction with the “allocation of time and resources to projects” and the “timeliness with which work products are completed.” As shown in Figure 22, the overall quality of work products produced by the RTF is viewed as being quite high, with more than 89% being either *somewhat* or *very satisfied*. Additionally 68% of respondents were either *somewhat* or *very satisfied* with the usefulness of these work products in RTF decision-making. The primary areas of dissatisfaction with work products related to the allocation of time and resources among projects, as well as the timeliness with which work products are completed (32% and 36%, respectively, reported being *neither satisfied nor dissatisfied* or somewhat *dissatisfied*). Uncertainty is exhibited in opinions regarding satisfaction with the documentation provided with work products; in this regard, 25% reported being *not sure*.

Figure 22 Respondents' Satisfaction with RTF Work Products

n = 28 corresponding to each of the RTF work products shown above.

Survey respondents were asked to comment on any aspect of the RTF work products with which they were dissatisfied. These comments included the following:

If there were a larger budget, smaller niches could be explored and work could be completed and updated on a more frequent basis. This would enhance the usability for my purposes.

It appears that the lack of staff time and a technical-based Board has made it difficult to prioritize projects or have necessary resources to apply. Some work products from the RTF appear biased against utilities outside the I-5 Corridor.

I particularly am frustrated with the almost exclusive use of [contractor] for residential building energy performance contract analysis.

All are areas that have been called to RTF attention. Greater emphasis on (funding for) measure performance and in-situ evaluation is needed. Work needs to be better coordinated and prioritized with utility program needs and with new products and services offered by contractors and consultants. Budget for program evaluation is not available.

Prioritization and allocation could be improved to ensure the greatest needs are being met...web-site documentation of decisions and analyses are important.

Sometimes attribution is unclear about which agency does what, studies what --- provides what type of reports/information. So dissatisfaction is diffuse.

There needs to be more flexibility in resource allocations especially for initiatives with open ended scopes and initiatives with long time frames.

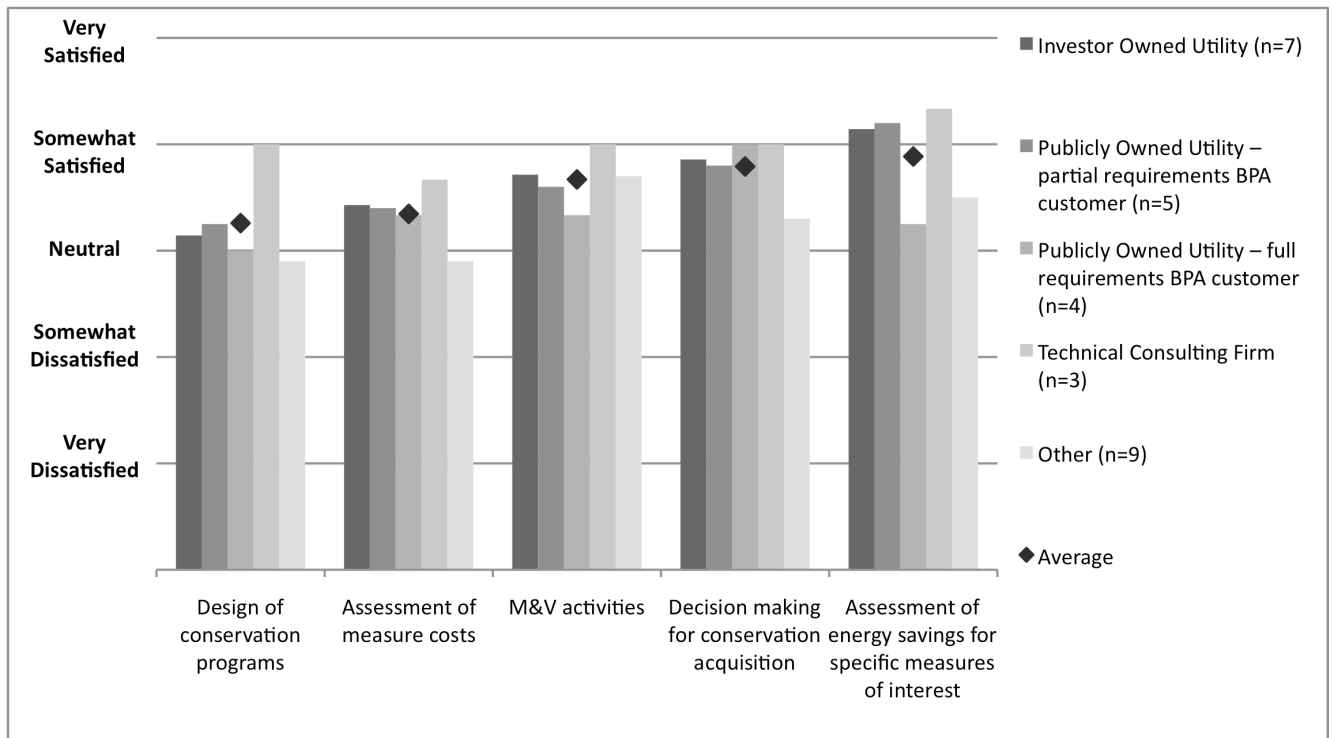
I think the technical work is generally very good but the style of presentation and process for presenting and deciding might be more structured. I wonder if more of the technical review should happen in committee or online before meetings. I wonder if standards for speaking should be upgraded through team building and rule-development exercises. This will take a lot of time but the group standards for meeting efficiency are not good.

Again I don't mind using contractors for information gathering or recommending products, proposals and/or deemed measures but I don't want to have a vote on adoption.

Meeting Stakeholder Needs

In general, respondents are either *somewhat satisfied* or neutral in regards to RTF meeting stakeholder needs. These levels of satisfaction vary among stakeholder groups. This variation is found not only between public and private utilities, but also within the public organization category themselves. There are also other types of organizations involved, including some members, which have a much different interest in the RTF than utilities. Such organizations in the RTF audience include state energy commissions, non-profits, ESCOs, state energy offices, implementation contractors, and consulting firms. Figure 23 shows stakeholder satisfaction with RTF services, by organization type.

Figure 23 Respondents' Satisfaction with RTF Service of Needs



n = 28 corresponding to each type of RTF service shown above.

Survey respondents were asked to comment on how well the RTF is serving their organization's needs. Comments were based on aspects they were dissatisfied with. These comments included the following:

I would not consider the RTF as a source for best practices implementation alternatives; this is a different issue. I would much prefer the RTF to stick to their core function of providing outstanding M&E. Any additional resources should be dedicated towards being more specific in how they evaluate efficiency measures in different niches, more frequent updates of those measures where costs, base case etc are changing, measuring persistence and other factors (e.g. installation rates under different distribution methods etc).

The RTF has employed a black-box approach to analysis that involves consultants using questionable data sets and proprietary computer models that are not open to public review. The RTF has at times unilaterally changed measures brought to them for analysis over the objections of the measure sponsors. This approach has undermined confidence in the RTF among measure sponsors and implementers.

RTF needs to direct consultants to look objectively at energy efficiency measures in cold climates and small rural utilities and not try a one size fits all analysis or favor larger utilities and population centers.

Via BPA adoption of RTF values, RTF has not typically allowed for local decision making for acquisition. Measure costs do not recognize variations in the marketplace. RTF not effective organization for designing programs; not aware of the interactions and layers with respect to administration costs. Could take on a more coordinated regional effort for post-installation evaluation of effectiveness of measures, feeding off of the M&V efforts undertaken locally.

Cost information needs more frequent updating.

The process can be opaque, subjective and require significant time. It often seems that the RTF spends large amounts of time on minor measures, and too little time on the biggest risky areas. The RTF should not be designing conservation programs. That is inherently a utility or NEEA function.

My main concern is to improve the process so that more work can get done and decisions can be more deliberate.

They seem to forget the Rural and residential sectors. Costs are dependent on location they have not shown me they take that into consideration. Deemed saved measures are very conservative.

3.2 Current and Future Roles and Responsibilities

An important focus of this evaluation is to provide information to help inform decisions regarding the future scope of responsibilities for the RTF. Information was collected during interviews and in the online survey regarding each of the following areas that have a bearing upon this future scope of responsibilities:

- Importance of the RTF to the region and its Stakeholders
- Perceived current and future purpose of the RTF
- Future importance of RTF work products

Importance of the RTF to the Region and its Stakeholders

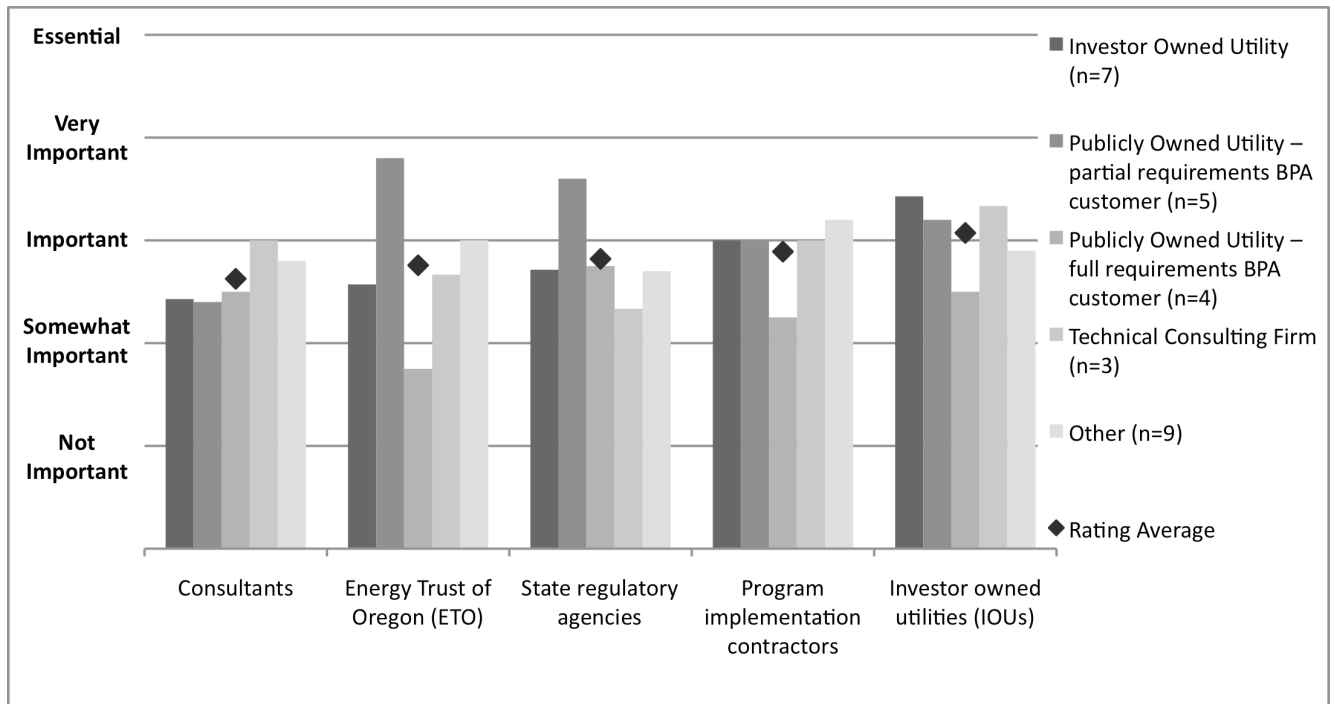
Fully 71% of respondents view the RTF as either *very important* or *essential* to the attainment of energy efficiency goals for the region. The RTF serves an increasing number of stakeholders, including publically owned utilities (POUs), investor owned utilities (IOUs), implementation contractors, state regulatory agencies. Each of these entities uses the outputs of the RTF to address slightly different needs.

- ***Publically Owned Utilities (POUs)*** – Publically owned utilities and their wholesale provider, BPA, constitute one of the original stakeholders. Public utilities are connected to Council policies through their relationship with their supplier of energy, BPA, which is guided by the *Northwest Power Act*. BPA uses RTF recommendations of incremental cost values to develop reimbursement values and deemed savings values are used to track utility accomplishments for their contractual arrangements. The RTF makes recommendations to BPA, BPA then reviews measures and associated savings for inclusion in offerings; most measures are accepted and made available through the PTR system. BPA and the public utilities also rely on the RTF for review of M&V protocols, which guide custom projects, and review of deemed calculators. As such, there is interest among the publics in the outputs of the RTF; and according to some members, this interest and the resulting involvement of publics has increased over time. In this sense, BPA and the utilities it serves are perhaps most directly impacted by Council policy and RTF outputs. Many of the approximately 140 public utilities do not directly fund the RTF; instead they are indirect funders through BPA's contributions. Some of the larger public utilities such as EWEB, Tacoma Power, Snohomish PUD, and Clark PUD also directly fund the RTF.
- ***Investor Owned Utilities (IOUs)*** – IOUs (*e.g.*, ID, Avista, PSE) utilize the RTF outputs in a different manner because of different regulatory requirements. Importantly, these utilities fall under the regulatory authority of their respective state regulatory commissions. These utilities have their own planning and evaluation staff and, although they rely heavily on the RTF in some areas, they also undertake their own research to establish their savings claims as opposed to heavy reliance on the RTF.
- ***Utility Commissions*** – State regulatory agencies have also taken an increased interest in the activities of the RTF. In Washington State, for example, with the passage of I-937 in

November 2006, public and private utilities are required to use technical methodologies consistent with those set by the Council, including assumptions developed by the RTF as well as implementing all cost effective conservation as defined by the council.

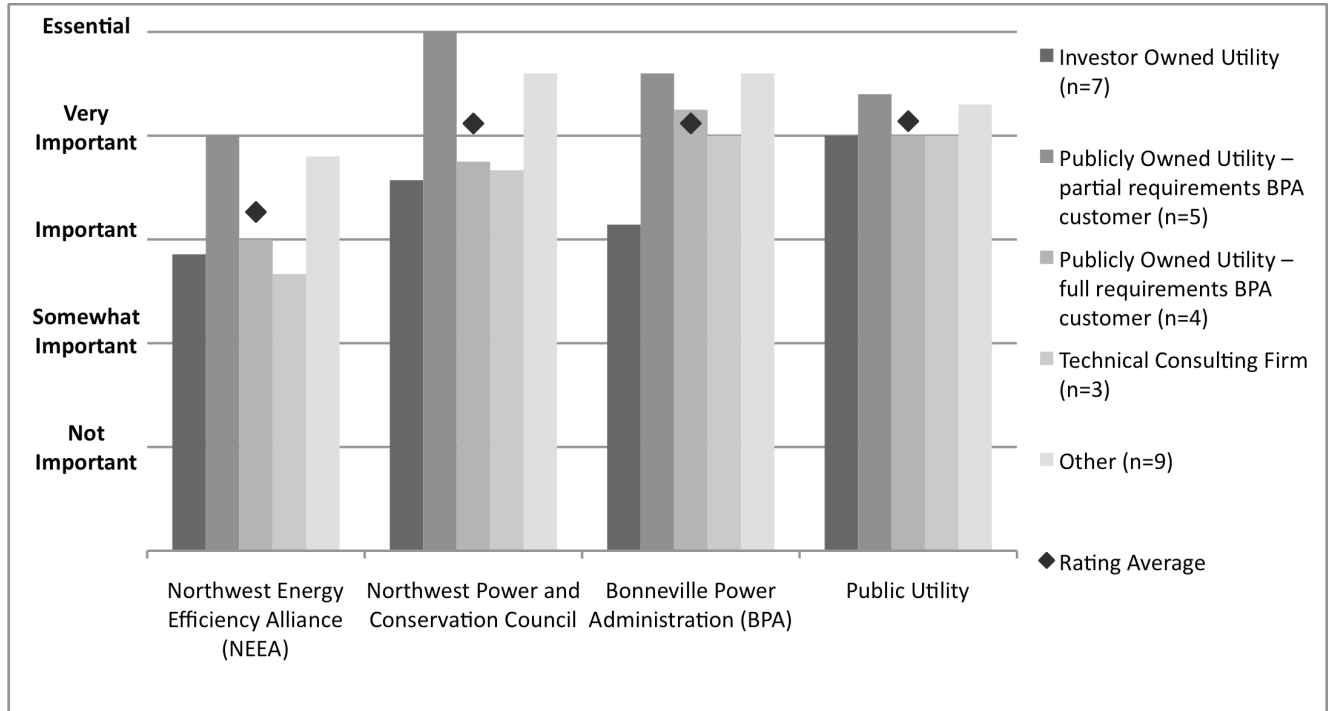
Figure 24 and Figure 25 below capture the perceived level of importance of these various stakeholders. Not surprisingly, respondents view BPA and the publics as the most important stakeholders, whereas consultants and implementation contractors are at the other end of the spectrum. Interestingly, the interests of state regulatory agencies were viewed as being lower in importance than nearly all other types of organizations; this factor does not coincide with the broader observations regarding the growing level of importance of estimating and tracking savings for purposes other than the Council, such as tracking carbon emission offsets.

Figure 24 Respondents' Perceptions on Relative Importance of Stakeholder Needs



n = 28 corresponding to each stakeholder category shown above.

Figure 25 Respondents' Perceptions on Relative Importance of Stakeholder Needs



n = 28 corresponding to each stakeholder category shown above.

Figure 24 and Figure 25 also illustrate that investor owned utilities perceive the RTF as being less important to BPA than other organization types perceive it to be. In general, the publics, especially the partial requirements BPA customers, reported the RTF to be more important to all stakeholder groups' needs than the other organization types perceived.

Current and Future Purpose of the RTF

Questions were asked during both the in-depth interviews and in the online survey to assess the degree of consistency with which stakeholders perceive the current purpose of the RTF and how these same stakeholders view the purpose of the RTF changing over time. Overwhelmingly, respondents view the RTF as an impartial body that can both evaluate existing research and conduct its own studies to supply the region with definitive estimates on savings from energy efficiency measures. Respondents want to be able to look to the RTF for comprehensive, reliable, and usable information about all regionally relevant energy efficiency measures. A complete and authoritative listing of deemed savings estimates is viewed as most important (to both members and the surveyed stakeholders), but several other roles also exist. According to Founder Tom Eckman,

The purpose of the RTF, as it has evolved, has not strayed tremendously from the original intent. It has remained a regional peer review panel to look at M&V issues, create lists of deemed measures and protocols for measuring impacts, verifying costs, performing cost effectiveness analyses in a standard manner. It serves as a regional diocese of sorts, providing feedback on whether measures are a real resource or not.

However, there is some variation among members and stakeholders in the phrasing of the purpose. The two most prominent terms respondents used to describe the RTF's purpose are "measure" and "efficiency," suggesting a consensus establishing energy efficiency measures as central to the purpose of the RTF. A few respondents specifically mentioned deemed savings, while others stressed the interplay of the RTF and BPA – indicating that informing BPA of the value of EE to public utilities was the main function of the RTF – and still others focused on technical or cost attributes.

One stakeholder's assessment was particularly comprehensive:

The purpose of the RTF is to assess available technical information and conduct technical research on various energy efficiency measures, and develop recommendations for appropriate technology standards, evaluation methodologies, and expected energy savings.

Not all agree, however, that the RTF should actually "conduct" research, as opposed to overseeing or reviewing research. This is a subtle and yet central issue relating to scope that the RTF needs to address.

In terms of the future purpose of the RTF, most portray this as a continuation of the same role that the RTF has played to date, but on a substantially larger scale post-2011. Stakeholders expressed a hope that the RTF will do this work even more effectively and comprehensively, meaning more estimates, greater cooperation and working with other organizations, and all with a very high level of integrity and reliability so that people can take their data at face value.

In addition, however, members and stakeholders indicated that the RTF may be needed to provide additional essential information, including statistics for efficiency measures such as cost effectiveness data, EM&V, measure life, and load shapes. One stakeholder phrased the future role as such, emphasizing the technical:

To evaluate and sometimes sponsor research to determine the cost, energy savings, load shapes, persistence, technical appropriateness of energy efficiency and demand response programs and measures.

Ideas on future roles of the RTF brought up in the interviews and survey comments can be categorized as the following:

- Conducting research that others are not doing,
- Critically evaluating existing research,
- Expanding coverage of deemed savings estimates, especially commercial estimates, and
- Continuing to focus on current core competencies.

There is disagreement among members about how involved the RTF should be in program design. The RTF does not specifically design programs or set rebate levels. However, it does establish technical specifications since deemed values often require a set of installation requirements. These requirements do, in turn, ultimately impact policy and program design in some ways (e.g. windows in low-income versus non-low income retrofit). “The bottom line is that,” as, described by one Founder, “although this is a technical forum, the technical issues also affect policy.”

Some members claim that this actually impedes or limits flexibility in program design, suggesting that the RTF should provide the numbers and the methodologies but leave it up to the utility members to design programs. These same people suggest that drawing this line would allow the group to better prioritize and focus on vetting the key measures, such as those found in the power planning carried out by the Council. Others argue that the program design function of the RTF, which is somewhat limited at this point, needs to be enhanced. The potential benefits of enhancing program design efforts are that it could provide more consistency in programs around the region, and might help utilities with their portfolio planning.

Future Responsibilities

In exploring member and stakeholder perceptions regarding future responsibilities of the RTF, the evaluation team solicited feedback on the perceived relative importance of ongoing responsibilities in which the RTF is currently active, as well as new *additional areas* where there exist perceived needs for RTF involvement

Relative Importance of Ongoing Responsibilities

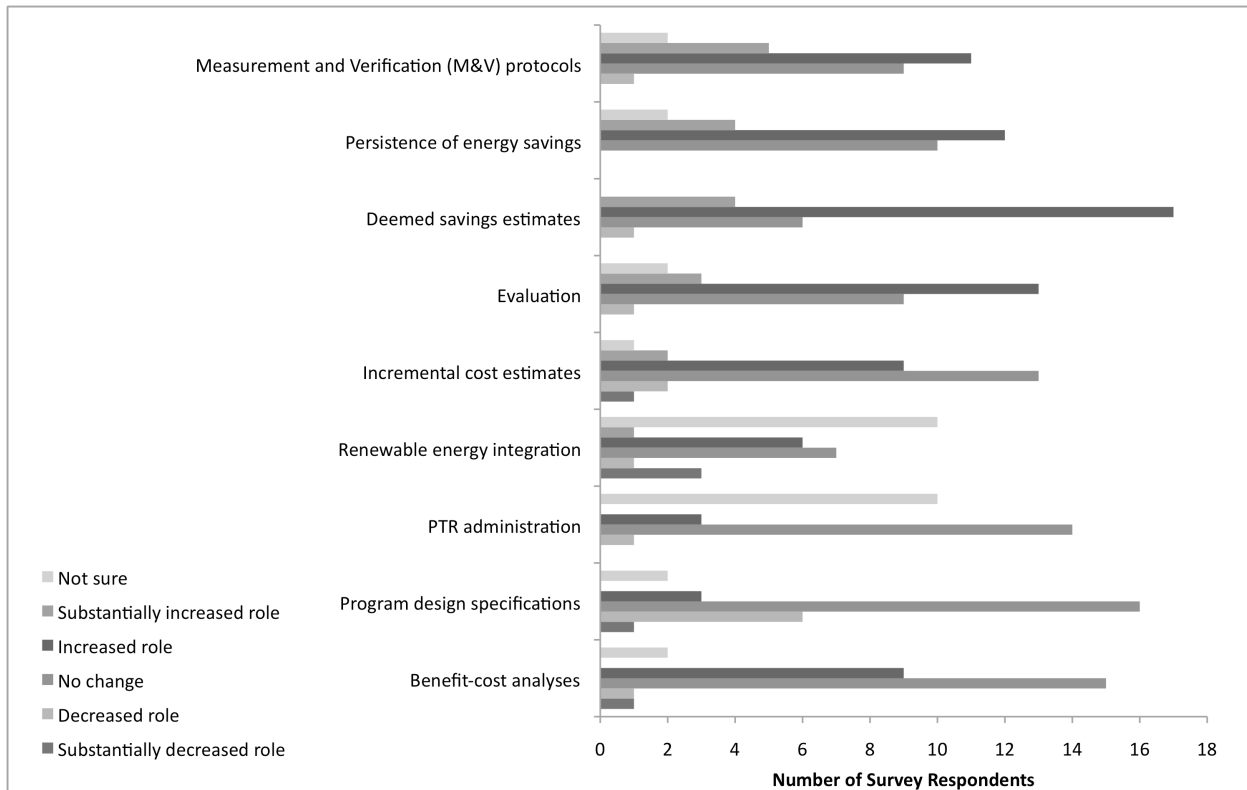
With regard to future responsibilities, the evaluation sought to identify key areas where members and stakeholders perceive a need for increased RTF involvement, as well as any areas where such involvement is *not* necessary. As a first reference point, the online survey asked respondents whether they perceived the current roles played by the RTF to increase, decrease, or remain the same. The results, highlighted in Figure 26 below, show some clear trends:

- Increased importance of deemed savings estimates – this has been, and will certainly continue to be, the core of the RTF work. Fully 75% of respondents expect an *increased* or *substantially increased* role in this area.
- Increased importance need in M&V protocols – 57% of respondents expect an *increased* or *substantially increased* role in this area.
- Increased importance need in program evaluation – 57% of respondents expect an *increased* or *substantially increased* role in this area.
- Increased importance need in issues related to the persistence of energy savings – 57% of respondents expect an *increased* or *substantially increased* role in this area.
- Two areas with the greatest uncertainty: renewable energy integration, and PTR administration – 36% of respondents were *unsure* of whether they see an increased or decreased role for the RTF in these areas.

- The only area where some stakeholders have perception that RTF needs to play a lesser role, and the area in which respondents most decidedly expect *no change*, is in the development of program design specifications. In other words, the survey respondents, by and large, do not believe the RTF needs to play a larger role in program design specification than it already does. Only three respondents do in fact believe it is important for the organization to have an increased role in this area.

For most other roles, the majority of respondents expect that there will be no change in importance.

Figure 26 Respondents' Perceptions of Relative Importance of Current RTF Roles



n = 28 corresponding to each of the current roles shown above.

Survey respondents provided a number of comments relating to the importance of these current responsibilities of the RTF. Clearly there is an array of opinion about these functions of the organization. These verbatim responses are provided below.

Identifying and serving as a forum for debating cost-effectiveness issues (e.g. objections to the inclusion of tax credits in the CA TRC test) would be useful. They would be a good facilitator on these issues.

The RTF should not be evaluating program design specification, costs, or cost/benefit analysis unless requested by the sponsors. It is not clear that the PTR function needs to

be housed at the RTF. They currently have no role in renewable energy integration, nor does it appear that they need to have one.

Renewable energy integration is on the horizon and the RTF should be involved to provide guidance and some common sense to the industry at to what their products can and can't do for energy efficiency.

Program design 'guidelines' as opposed to specifications could be valuable; some program criteria perhaps are helpful; details need to be better developed at the local level, perhaps supported by RTF list of additional documentation requirements. Incremental cost estimates often difficult to document; guidelines may be helpful. Benefit-cost analyses at the local level; recommend 'suggested values' associated with selected non-energy benefits.

Maintain focus and get more work done. There is no regional consensus on renewables. Orient process to better focus on IOU needs as well as small publics. Prioritize by potential impact.

New and Expanded Responsibilities

The role and activities of the RTF has evolved and changed over time – particularly in terms of the methodologies utilized for approving efficiency measures – but has always included the key function of technical and economic assessment of energy efficiency measures and their resulting savings. Other activities such as developing M&V protocols, modifying program-oriented savings estimates, and determining cost-effectiveness of measures have also been within the RTF scope of work and often overlap with the primary function outlined above. Given the pace at which energy efficiency programs are becoming ever more vital to utility integrated resource planning, the need in the future for evaluating energy efficiency measures and related savings is seemingly more pressing. The RTF role will probably be even greater in the coming years, especially post-2011. However, there exists a conflicting view over whether the overall function of the group needs to change in response to the perceived greater role.

Additionally, the future role of the RTF may impact new areas of the energy industry external to the utilities due to American Recovery and Reinvestment Act (ARRA) funding, projected climate change policy, smart grid and renewables issues, and other new business initiatives. Several issues will affect the RTF's capability to meet these probable new demands for its services including the amount of funding, number of staff members, and technical expertise. There is also the potential of the RTF delving into new areas, such as greenhouse gas emissions verification. Some issues that the RTF is already aware of in terms of verifying energy savings could also be applicable to greenhouse gas reduction verification. For instance, verification of *additionality*, or the requirement that a reduction of greenhouse gases would not have been done without whatever the program under consideration (e.g. cap and trade) is really the same issue as *free-ridership*, which is a concern for energy efficiency program evaluation and M&V.

RTF members and staff have discussed a number of additional roles. These roles include the examination of technologies and services external to typical energy efficiency measures such as the following:

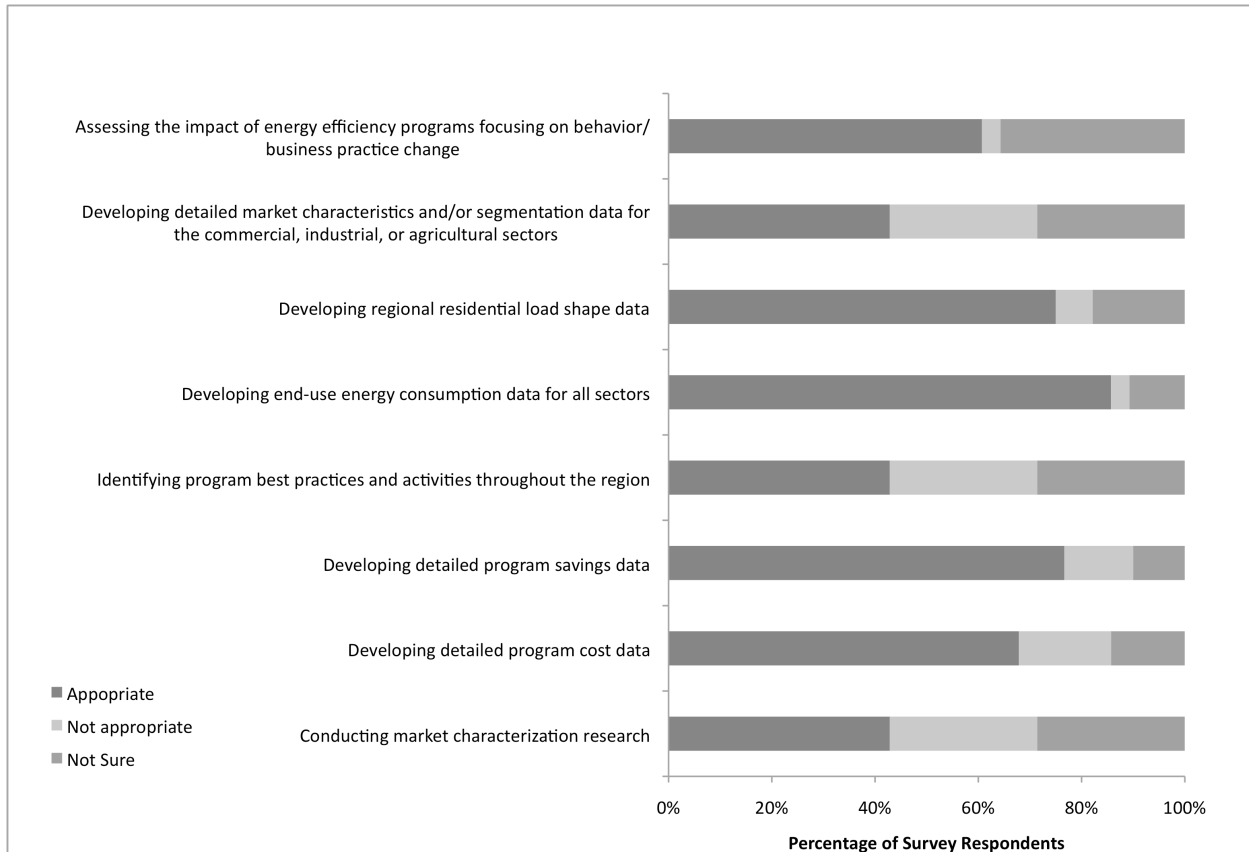
- *Renewables* – being at the interface of buildings and renewables such as PV and BIPV
- *Storage technologies* – PHEVs and other storage.
- *Smart grid* – to the extent the grid involves smart appliances or how distributed generation interfaces with the grid.
- *Carbon credits* – there is question over whether carbon credits can/should be deemed.
- *New energy efficiency technologies* – There is confusion over roles and responsibilities in terms of assessing emerging energy efficient technologies.
- *Evaluation* – Additionally, some RTF members believe the group might consider playing a larger role in evaluation throughout the region. One member said the group could help design, lead, and even manage program evaluation projects.
- *Market research* – There has also been discussion over whether the RTF should be involved in market research or field-testing projects. The mini-split project currently handled by BPA is one such project that fits into this realm.²⁴

As shown in Figure 27, below, respondents view the following as appropriate new or expanded roles for the RTF:

- Developing end use energy consumption data for all sectors (85.7%)
- Developing detailed program savings data (82.1%)
- Developing regional residential load shape data (75%)
- Developing detailed program cost data (67.9%)
- Assessing impact of EE programs focusing on behavior / business practice change (60.7%)

²⁴ http://www.bpa.gov/energy/n/doc/BPA-Report_Ductless-Heat-Pump-June2009.pdf

Figure 27 Respondents' Perceptions on Appropriateness of Potential Future Roles



n = 28 corresponding to each of the potential future roles shown above.

Several stakeholders provided opinions relating to areas warranting increased RTF involvement. These comments are as follows:

The RTF needs to be closely involved in the assessment of emerging technologies to identify those that offer the greatest promise in the near term to help NEEA/BPA/utilities focus their efforts on the preferred emerging technologies.

Easily accessible repository for savings and measure performance information to be broadly shared by implementers. Perhaps also for NW program performance info.

Implementers include contractors and consulting firms, whether delivering program for utilities and others, or working directly with customers. If they are to be involved in assessing programs, perhaps RTF could develop "certification" criteria for contractors, installers? And, or training curriculum? Technical Support to regulatory agencies.

Energy savings from education and training efforts.

PTR support for utilities that must meet legislative requirements. (e.g., I-937)

As new alternative renewable generation products come on the market the RTF needs to provide input into their potential energy savings and program fit in the Northwest.

Please focus on M&E issues and closely related matters; energy savings, persistence, cost. Don't try to be all things to all people.

It would be helpful to have actual savings data to back up estimated energy savings.

More analysis and research on Demand Response.

Stay focus on energy efficient programs and deemed measures.

Development of basic research into both techniques and tools needed to develop future programs and initiatives should be a topic for the RTF. Overall requirements such as ventilation standards need to be agreed to as part of the PTR at least. The RTF should vet these sorts of assumptions and make it clear what the limitations and conditions attached to these assumptions.

Since other agencies have more of a regional view, rather than a BPA utility view, perhaps RTF should support transfer of regional record keeping to other agencies. It is too slow for a clear need for change.

Also, a number of respondents provided detailed comments relating to appropriate future roles. These comments are similar in nature to those above but are also important to present. The remarks on appropriate future roles are as follows:

Best practices and market segmentation are appropriate only if they are ultimately related to impact evaluation. Behavioral programs are very program-specific, few generalizations can be made. Utilities engaging in those programs should ultimately be held accountable for their own quantification of benefits.

It is not clear at this point that the RTF is the appropriate home for these other activities. There would need to be a more detailed regional discussion (and a broader funding base) before these activities should be included in the RTF's mission.

By "market characterization" I am assuming this refers to the characterization of the buildings and not the humans that make the decisions. Building characterization is appropriate technical research for the RTF. Market characterization of the decision makers is not.

"Not sure" because some roles depend on being closely coordinated across the region, with not only other regional entities, but states, utilities and other service providers. Clarity needed on "measure" costs and savings vs. "program" cost and savings. A future role around best "program" practices would greatly expand current RTF beyond technical review; others areas of program expertise would be needed to assess additional program elements. Careful with "regional" data for regional estimates purposes - limited

value except for the 'big' picture. Only valuable if can be specifically applied at the local level, incorporating local parameters. Again- careful to distinguish 'measures' with 'programs'. Market characterization - Only when clearly coordinated with NEEA and/or states and/or others at the regional or "sub regional" level so that it can be applied reasonably accurately for local situations.

I prefer recording and reporting to developing for the RTF to do for other agencies...other agencies should be doing their own development and measurement since they have their own programs. RTF should do BPAs.

Analysis of economic benefit to region based on employment of contractors, sale of building materials used in conservation efforts, sales of energy efficient equipment and products. Another words how much does conservation contribute to the economic well being of the region aside from reduced energy market purchases.

The RTF needs to keep in mind that the areas East of the Cascades are very different than the I-5 corridor. The laws, climate, market, energy usage, energy prices, regulators, geography, and demography are different.

I thought NEEA was to do market research

A lot depends on what the NEEA data coordination group does. Program cost data depends on details of program design. I'm not sure how much universal truth there is to find, and there are loads of other people doing best practices studies. Stick to measures- it's enough work.

Finally, a few comments were provided specifically addressing areas in which the RTF should not be involved going forward. These comments consist of the following:

Anything outside of the core competencies outlined above, specifically program design issues.

Unless requested by the program sponsor, the RTF should not unilaterally change the proposed program/measure from what the sponsor proposes. Additionally, the RTF should examine only the savings expected from proposed programs and not the costs or cost effectiveness unless those analyses are requested by the sponsors.

The RTF has had at times to fight the notion that it renders decisions on program design. The question above regarding "program design specifications" can be seen as such, although I am interpreting that to mean, "program technical specifications". The RTF should not be in the business of judging program design. That is for BPA/utilities/regulators to manage.

Prescribed cost-effectiveness to determine measure eligibility (vs. acceptable role of prescribing cost-effectiveness methods and guidance for how to value or 'credit' certain non-energy benefits).

Program design has been an area that the RTF has not dealt with, and I believe it should stay that way.

It depends on the purview of NEEA, and ETO, and other regional organizations that are not locked to BPA.

There must be a way for the organizations that exist to retool their working agreements in ways that are actionable in their charters and benefit the general public in policy and implementation.

Renewable integration.

I am not convinced that the marketing goals that are part of many programs are appropriate for RTF review.

I think there's not much role for renewables, and evaluation role should be limited to occasionally coming up with recommended protocols for areas of broad interest. Evaluation will be driven by regulatory rules, program scale, and theoretical differences, and so on. I think the data group formed by NEEA might better manage joint evaluations.

4. SUMMARY OF MAJOR THEMES

The research conducted during this study has shown that the RTF has played an instrumental role in the development of an active regional energy efficiency market in the Northwest, and that most stakeholders highly value the role that the RTF serves. At the same time, the needs of the region for the types of services provided by the RTF are evolving quickly as ambitious energy efficiency goals are adopted by states and utilities.

The findings of this evaluation study, and particularly from the stakeholder survey results found in Section 3 of this report, highlight four distinct areas that warrant attention:

- Stakeholder Definition and Governance Structure
- Role of the RTF
- Alignment of Activities with Stakeholder Priorities
- Scalability of Operations

A summary of each of these is provided below, followed by a set of recommended near-term action items and specific questions for NEET to consider as it moves forward.

4.1 Stakeholder Definition and Governance Structure

During the course of this evaluation, stakeholders identified issues and concerns related to (1) the objectivity of members, (2) representativeness and regional interests in decision-making, and (3) overall composition of membership. There are multiple layers to each of these issues and, while each may be considered and addressed individually, the evaluation team believes that the underlying and common question that belies each of these issues is more fundamental: *who is a stakeholder?* *This issue of confusion regarding the definition of a stakeholder in relation to the work of the RTF is the most fundamental issue highlighted in this study*

While the primary stakeholders were initially BPA and the public utilities, this has since expanded to a point where there are far more potential stakeholders, including investor-owned utilities, state regulatory agencies, state energy offices, and public benefits organizations such as Energy Trust of Oregon. Each of these stakeholders brings a unique set of perspectives, but also a potentially competing set of priorities and interests in the work of the RTF.

This question of stakeholder definition quickly leads to related questions of governance and funding. For example, once the core stakeholders are defined, issues related to funding expectations will quickly come to the fore. Reaching clarity and agreement among the various entities in the region on both the stakeholder definition and governance structure is the first priority and a process should be put in place to address this before subsequent issues related to role, priorities, and operations can be resolved.

4.2 Role of the RTF

The research conducted during this study has shown that the RTF has been instrumental in developing an active regional energy efficiency market in the Northwest and that most stakeholders value highly the role that the RTF fills. At the same time, the needs for the types of services provided by the RTF are evolving quickly across the region as ambitious energy efficiency goals are adopted by states and utilities. The RTF has taken on an increasingly expanded role within the region and the findings from the in-depth interviews and the online surveys highlight the fact that there are varied opinions as to which of these roles are appropriate for the RTF moving forward.

There is strong agreement among stakeholders around the core responsibilities of the RTF, which includes the development of deemed savings values that are technically sound and well documented. Around other potential roles for the RTF, there is less agreement. Once issues related to stakeholder definition (above) are resolved, the clarification of these roles – including what is within the scope of the RTF and what is *outside* the scope of the RTF – will likely be the next logical step. In order to fully understand the current state of pressure placed upon the scope of responsibilities for the RTF, and the need to address alignment issues related to the future scope of responsibilities, it is helpful to bear in mind several important factors and trends.

1. ***Primary historical role of the RTF*** – An important role of the RTF has historically been to facilitate standardization in the ways that the region estimates, tracks, and reports energy savings achievements. The reason for this has been to increase the overall accuracy of regional load forecasting in order to ensure resource adequacy and system reliability.
2. ***Historical role in enabling new programs*** – Another historical role of the RTF has been to support the development of new programs and the definition of new measures to capture energy efficiency opportunities. This, in turn, aids the region in meeting its energy efficiency goals. There is some debate about the extent to which the RTF is involved in program design. However, the RTF does serve a central role in developing savings estimates, which provide data that can be used by individual utilities and BPA to design programs appropriate for their customers.
3. ***Increased demand for RTF deemed savings estimates*** – There is substantially increased interest in the RTF as the provider of savings estimates the region can count on in resource planning efforts. This interest is driven by elevated energy efficiency goals that are targeted in the *Sixth Power Plan*, continued interest in energy efficiency as a cost-effective resource needed to meet energy demands, and increased focus on climate change mitigation.
4. ***Increased complexity of measures*** – The energy efficiency measures in need of the RTF's attention in the future will likely be much more complicated than those measures already addressed by the RTF through its deemed savings review process. Future measures may involve hard-to-quantify aspects, such as behavior change.

5. *Increased demand for work products in addition to deemed savings estimates* – While deemed savings estimates are important for tracking accomplishments and enabling conservation programs to move forward, numerous other inputs are also becoming increasingly important and thus are in need of the RTF’s focus. These inputs, highlighted in interviews and surveys, include integration of evaluation data as they become available, refined and updated consumption data and load shapes for energy efficiency measures and sectors, and measure cost data (the other half of the benefit/cost equation).

While this study does not seek to define what the role for the RTF should be in the future, the results indicate that the region presently lacks a shared sense of understanding of this role. As the region moves forward with efforts to meet its energy efficiency goals, a central challenge is to define the role of the RTF more precisely.

4.3 Alignment of Activities with Stakeholder Priorities

As the RTF is under pressure to increase the volume of its work, both members and staff identified the need to *prioritize* these activities. Developing deemed savings estimates has been a priority in the past and there remains much work to be done in this area. Based upon a list of potential future roles presented to stakeholders for feedback, a few stand out as being more important than the others but none can be conclusively ruled out at this point. These results, as well as verbatim comments offered, highlight that the RTF is clearly faced with stakeholder needs that are competing for scarce time and resources on the part of both paid staff and member volunteers. The need to establish agreement among stakeholders about the scope of these activities for the RTF moving forward *and* building a clear consensus about the *relative priority* of these activities is becoming increasingly imperative.

Determining how to allocate the resources of the RTF to achieve the established priorities will be a key to future success. Moving forward, it will be helpful to draw a clear distinction between the consideration and prioritization of activities related to (1) the development of deemed savings estimates, and (2) all other research activities. This distinction reflects the region’s continuing view that the primary function of the RTF is to develop deemed savings estimates and review methods to estimate savings from custom measures while, at the same time, providing stakeholders with a venue for integrating other activities that align with the established priorities.

This study did not endeavor to recommend priority research areas; however, developing a transparent, well-defined process for establishing an annual research agenda is an important step for aligning stakeholder expectations and the activities of the RTF.

4.4 Scalability of Operations

Organizational scalability refers to the ability of an organization to increase the scope and/or level of effort undertaken in achieving its mission, without taxing the effectiveness of systems, infrastructure, and resources necessary to support these activities. Issues related to the adequacy of funding and staffing, information management systems, and transparency of procedures were all identified in this research as concerns among staff, members and stakeholders. Stakeholders

expressed concerns related to sufficiency of staff resources, budgets, and overall transparency of business processes. The existing systems developed by the RTF are showing evidence of strain as increased demands are placed upon the organization and this is a concern because this poses potential constraints on the overall scalability of the RTF operations.

While radical changes could be envisioned in each of these areas, input from stakeholders suggests a more incremental approach is appropriate.

1. **Clarity of Policies and Procedures** – The current informal nature of the organization as well as even the overall structure of the organization appear to be contributing to some dissatisfaction among members and stakeholders.
2. **Project Management and Use of Contractors** – Procedures for management of RTF projects, including reporting back to the broader membership and guidelines for use of contractors, will help increase the transparency that stakeholders desire.
3. **Budgeting** – The RTF has already moved forward with implementing a two-year budget. In conjunction with this two-year operating budget, it may be worth also developing a longer-term five-year prospective budget that, again, reflects the longer-term priorities of the region as well as the multi-year nature of many RTF initiatives.
4. **Stable funding process** – A multi-year funding process that clearly links to the overall agenda and priorities for RTF will help to ensure an effective allocation of scarce resource and reduce the distraction to RTF leadership of the need to spend valuable time “passing the hat” to secure funding.
5. **Succession Planning** – During the next couple of years, the RTF will need to consider planning for new leadership. The current leadership, which has been very effective in establishing the solid reputation for high quality products, will not be available to continue in this role forever. Attention will need to be given to succession planning among the membership and developing the next generation of leadership in the region.

Numerous steps were identified during evaluation to increase the *transparency* of RTF operations and a clear set of action items should be relatively easy for staff and members to develop out of this study.

4.5 Next Steps

Although this evaluation stops short of making specific recommendations, the consideration of issues related to stakeholder definition, governance structure, role of the RTF, alignment of activities and stakeholder needs, as well as refinement of operating policies and processes pose a tall order for the region. Addressing foundational issues will provide the best basis for moving forward with operating issues. Strong leadership will likely be required to achieve the necessary alignment – especially around issues of stakeholder definition and governance. With such alignment, however, subsequent alignment issues around near and longer-term priorities for the

region, as well as issues related to budgets, funding, staffing, and operational processes, will be addressed much more easily.

Recommended action items offered for consideration include the following:

1. Initiate a process to reach agreement on stakeholder definition and address issues related to governance and structure of the RTF.
2. Building upon the work initiated in this study, continue to inventory the full range of stakeholder needs, establish a transparent process to *prioritize* these needs, and establish a multi-year work plan for the region with which all stakeholders are fully aligned.
3. Implement operational changes that will increase the transparency of the operations of the RTF in the following areas:
 - a. Budgeting process
 - b. Voting requirements
 - c. Operating procedures
 - d. Potential conflicts of interest

Fundamental questions that surfaced during this evaluation and may help to guide the region as it moves forward include the following:

1. Which organizations are priority stakeholders in the RTF?
2. What type of governing body is needed to ensure alignment between the needs of priority stakeholders and the activities of the RTF?
3. How will the RTF be held accountable to the priority stakeholders?
4. How might the RTF be re-structured to meet the needs that it is intended to serve?
5. How might the funding process be adjusted?
6. What levels of funding are expected from the stakeholders of the RTF?
7. How will the next generation of leaders in the region be integrated into the re-invigoration of the RTF?

Strong leadership and considerable effort will likely be required to achieve the necessary alignment around stakeholder and governance issues – as well as broad agreement around near and longer-term priorities for the region. However, with such alignment, issues related to budgets, funding, staffing, and operational processes will be addressed more easily and thereby allow the organization to move forward with a clear agenda in supporting the development of the region's energy efficiency resource.