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Washington

September 27, 2012

DECISION MEMORANDUM

TO: Council Members

FROM: Charlie Black, Power Division Director
Tom Eckman, Manager of Conservation Resources

SUBJECT: Recommendations for 2013-2015 RTF Membership

PROPOSED ACTIONS: Approve the staff recommendations for Voting Members to serve on the Regional Technical Forum (RTF) for 2013-2015. List attached.
Approve the staff recommendation that Tom Eckman continue to serve as RTF Chair and Charlie Grist as Vice-Chair.

SIGNIFICANCE: With the Council's approval in June 2012 of a new RTF charter and set of bylaws, the Council is looking to update its advisory committee's membership in order to ensure the RTF continues to provide the technical expertise and the forum necessary to advise the Council and to assist the region in the evaluation and verification of energy savings.

BUDGETARY/ECONOMIC IMPACTS

If the membership and officer recommendation is approved, the Council will not sustain any additional economic impacts.

The RTF is funded entirely by regional utilities and organizations based on a budget approved by the Council. Sponsorship levels are determined based on the funder's approximate share of regional retail load and the proportion of the funder's power supplied by the Bonneville Power Administration (BPA). RTF funders will contribute an estimated \$1.5 million/year for 2013-2015. The Council does not contribute dollars directly, but provides meeting facilities and Council staff time to manage the daily work of the RTF at no additional cost to the Council or funders. Thus, the Council provides its own employees to assist with management of the RTF and to provide administrative, legal and business support. The Council will contribute the equivalent of ~\$370,000 in staff support for 2013; and ~\$300,000 in 2014. An estimate of the Council's in-kind contribution to the RTF in 2015 has not yet been determined.

BACKGROUND AND ANALYSIS

The RTF plays a key role in the region as the non-constituent based group of technical experts who develop standardized estimation methods and protocols for verifying and evaluating conservation savings. Since its authorization by Congress in 1996, the RTF has had a lasting impact on the region's conservation savings.

The process of appointing RTF Voting Members occurs every three years, as set forth in the RTF's revised charter and bylaws. The RTF solicits nominations for voting members from the Bonneville Power Administration, the region's utilities, the state energy offices, energy efficiency professionals, renewable resource developers, public interest groups, customers and other experts from within and outside the region. RTF staff and the RTF Operations Subcommittee review the nominees' qualifications and make member recommendations to the Council's Director of the Power Planning Division and the Chair of the Power Committee. The full Council, in consultation with the Director of the Power Division and the Chair of the Power Committee considers the recommendations and appoints

voting members in accord with the principles set forth in the Council's rules on advisory committees and the RTF's charter and bylaws.

In addition to voting members, the RTF also has a non-voting membership group known as "corresponding members" who are called upon to serve on RTF subcommittees, attend RTF meetings, and offer comments on matters, providing an additional breadth of expertise to the RTF. Corresponding members may include energy consultants or independent contractors with a high level of technical expertise in one or more areas of energy efficiency and in some instances may receive compensation from the RTF for their time and work. Corresponding members are appointed by the Director of the Council's Power Planning Division, in consultation with the Chair of the Power Committee.

In addition to RTF voting and non-voting members, members of the public may also attend RTF meetings. As a technical advisory committee to the Council governed by the Federal Advisory Committee Act (FACA), RTF meetings are open to the public, with exceptions allowed for closing RTF meetings in a few specified circumstances.

In June 2012, the Council announced that it was soliciting applications for RTF membership--both voting and non-voting. The Council received 27 resumes from current members and 18 resumes from new applicants. The RTF charter allows for the appointment of 20-30 RTF Voting Members.

After an extensive review and evaluation process, staff and the RTF Operations Subcommittee have come up with recommendations they are confident will maintain the technical expertise and participatory level necessary to accomplish the diversity of tasks included in the RTF's work for 2013-2015. The list of applicants recommended by staff and the Operations Subcommittee for appointment as voting members is attached. The first decision for the Council to make is whether to approve these people as voting members of the RTF. Current members and new applicants not recommended for appointment as voting members will be given the opportunity to participate as corresponding members. The list of applicants recommended for appointment as corresponding members is also attached.

The staff and Operations Subcommittee recommendations for voting members are based on formal evaluation of applicants against a set of criteria that includes technical expertise, sector experience, technology focus and policy and institutional experience. Consistent with the Council-approved RTF Charter, the recommendations for voting members are not constituent-based, that is, the voting members' slots are not intended to represent specific entities. On the other hand, in making its recommendation, staff and the Operations Subcommittee have also considered the diversity of the advisory committee's membership and believes the recommended group of nominees represents a group that is fairly balanced in terms of the points of view and technical aptitude required by the RTF. The recommended group contains ten new voting members and twenty voting members continuing on from current service. Please see the attached spreadsheet detailing the names and self-reported skills of all the applicants.

In addition to appointing Voting Members to serve on the RTF, the RTF charter also calls on the Council to select the Chair and Vice-Chair. The staff and Operations Subcommittee recommend that the Council re-appoint Tom Eckman, Manager of Conservation Resources for the Council, as RTF Chair and Charlie Grist, Senior Analyst for the Council, as RTF Vice-Chair. Both have served ably in those positions, have extensive experience in energy efficiency, and work well with the other RTF members, other Council staff, and the RTF Policy Advisory Committee so as to ensure the Council meets its statutory responsibilities and that the RTF works efficiently to help the Council meet those responsibilities.

ALTERNATIVES

With regard to the voting members, the Council could appoint fewer, or other, applicants to serve on the RTF from the list of candidates. Neither staff nor the Operations Subcommittee support this alternative insofar as it might limit the technical expertise, capacity and diversity of the RTF and could potentially make it more difficult for the RTF to accomplish its 2013 Work Plan and 2012-2014 Business Operating Plan.

As for the RTF Chair and Vice-Chair, the Council is free to select other voting member candidates to fill these positions, assuming of course a willingness to serve. Neither the staff nor the Operations Subcommittee recommend this alternative, in as much as the work load of the RTF staff requires daily management and oversight by the Chair and Vice-Chair to assure its successful execution. Council staff have ably served as RTF Chair and Vice-Chair, and appointment of a voting member, who is not on Council staff, as Chair or Vice-Chair will likely result in additional

work for Council staff who assist with the management, administrative and business operations of the RTF, given the lack of familiarity of non-Council staff with Council operations generally.

Also, be aware that if a Council staff person does not serve as Chair and/or Vice-Chair, FACA still requires that we designate a Council employee to serve as the RTF's Designated Federal Officer (or in this case, Designated Council Officer). Under FACA the agency has to designate an employee to be responsible for calling, attending, and adjourning advisory committee meetings, approving meeting agendas, maintaining records, etc. The overlap in duties between the advisory committee chair and the DFO position has been one of the reasons why the Council's practice has been to name a Council employee as chair of each advisory committee, and in the interest of efficiency, entrust the responsibilities of the DFO to that staff member.

ATTACHMENTS

2013 Staff Recommendations

2013 Expertise Matrix

2012-2014 RTF Business Operating Plan, Work Plan, and Budget

Applicant Resumes and Letters of Intent available upon request.



2012 Business Operating Plan and Funding December 6, 2011

Introduction

The Regional Technical Forum (RTF) adopted its 2012 work plan and budget at its November 1, 2011 meeting, following two rounds of comments and revisions and consultation with the RTF Policy Advisory Committee. This document describes the 2012 work plan and the business plan for 2012 through 2014. The budget for 2012-2014 is \$1,500,000 per year.

Work Scope

The RTF will continue to pursue the tasks adopted by the Council and its original charge from Congress and the Comprehensive Review. These are:

1. Develop and maintain standardized protocols for verification and evaluation of energy savings.
2. Conduct periodic reviews of the region's progress toward meeting its conservation resource goals, acknowledging changes in the market for energy services, and the potential availability of cost-effective conservation opportunities.
3. Provide feedback and suggestions for improving the effectiveness of the conservation resource development programs and activities in the region.

Consistent with these tasks, the RTF will continue to provide recommendations to Bonneville Power Administration (Bonneville), the region's utilities, and system benefit charge administrators to facilitate the operation of their conservation resource acquisition programs. The 2012 work plan includes, but is not limited, to:

- Review and update existing measures and maintain standardized protocols for verification and evaluation of energy savings. The RTF has a library of over 90 measures to maintain and many will need additional data or status changes to conform to the uniform standards in the RTF's operative "Guidelines for RTF Savings Estimation Methods, Release 6-1-11" (*Guidelines*).
- Develop new measures and review unsolicited proposals for new measures.
- Continue to standardize and implement guidelines for technical review of measures.
- Update and develop new tools for measure technical analysis, to include ProCost and

SEEM improvements.

- Research projects, develop data, and provide searchable access to data for analysis
- Provide an inventory of regional evaluation spending and activities to aid in regional coordination of evaluation.
- Develop, review, and revise as needed the cost, savings, and regional cost-effectiveness of new or existing energy efficiency measures, technologies, and practices.
- Maintain a process through which Bonneville, the region's utilities, and system benefit charge administrators may demonstrate that different cost, savings, and cost-effectiveness findings should apply to their specific programs or service territories.
- Develop and maintain protocols by which the savings and the regional cost- effectiveness for energy efficiency measures, technologies, or practices not specifically evaluated by the RTF can be estimated.
- Review measurement and verification and program impact evaluation plans and results to assess their suitability for use supporting studies for RTF-related measure evaluations.
- Upon request of program sponsors, review plans for measurement and verification or program impact evaluation.
- Develop, review, and revise as needed program technical specifications. Identify high-priority evaluations and research and demonstration activities that are needed to improve regional energy savings estimates or facilitate adoption of new and existing energy efficiency technologies, measures, or practices.

2012 Activities and Budget

The RTF's specific work plan is largely dictated by the requests it receives from parties within the region, primarily utilities, Bonneville, Energy Trust of Oregon (ETO), Northwest Energy Efficiency Alliance (NEEA), and state energy agencies (SEO). Historically these requests have come to the RTF through informal requests by staff from these entities or through the more formal "petition" process on the RTF Planning, Tracking and Reporting (PTR) web site. To facilitate the submittal of proposals by parties in the region for review by the RTF, the RTF will establish an online petition form located directly on the RTF website. This petition form will be designed to collect the minimum data that is required for an RTF decision, e.g., lower data requirements for measures to be classified as "small savers" versus significant data requirements for request to establish a deemed UES. A link to this form will be displayed prominently on the RTF's homepage.

These two mechanisms allow the RTF to respond in a timely manner to emerging technical issues and questions. In addition, the RTF will issue an annual request to Bonneville, the region's utilities, ETO, NEEA, and SEOs asking these entities to identify specific technical research and evaluation issues that they believe should be addressed during the coming year. During its operating year, the RTF typically adjusts allocation of resources among the categories

in its work plan based on requests received, petitions, and the pace of multi-year projects. Specifically, the RTF reviews the budgets allocated to the review of existing and new measures and within those budget categories the allocation of funding between small savers, UES and standard protocols. The RTF notifies the Council of significant reallocation of resources or priorities.

In 2012, priority will be given to updating and developing measures identified as high and medium priority in 2011 by Bonneville, ETO, and the region’s investor owned utilities, and through the RTF’s 2011 measure review of 60 existing unit energy savings (UES) measures.

The RTF divides its work into six categories of elective work and three categories for management and administration. Table 1 presents a summary of these categories for 2012. It includes components for contracts, RTF contract staff, and Council staff in-kind contributions. The component labeled “Subtotal Funders” represents the amount of funding required from the RTF’s voluntary funders. A detailed budget for 2012 and the three-year budget forecast are in the accompanying Excel workbook. Each category of work is briefly discussed in the sections following Table 1.

Table 1: Planned RTF Activities for 2012

Category	Contract	Contract RTF Staff	Subtotal Funders	Council Staff In-Kind Contribution
Existing Measure Review & Updates	\$244,000	\$69,000	\$313,000	\$47,500
New Measure Development & Review of Unsolicited Proposals	\$203,000	\$109,000	\$312,000	\$34,000
Standardization of Technical Analysis	\$134,000	\$42,000	\$176,000	\$24,500
Tool Development	\$86,000	\$48,000	\$134,000	\$12,000
Research Projects & Data Development	\$180,000	\$48,000	\$228,000	\$24,000
Regional Coordination	\$0	\$58,000	\$58,000	\$12,000
Website, Database Support, & Administration	\$0	\$0	\$0	\$50,000
RTF Member Support & Administration	\$174,000	\$0	\$174,000	\$7,000
RTF Management	\$5,000	\$100,000	\$105,000	\$180,000
Total New Work	\$1,026,000	\$474,000	\$1,500,000	\$391,000

Existing Measure Review & Standardization of Technical Analysis (\$489,000)

One major thrust of the 2010-2014 work plan for the RTF is the standardization of technical analysis of efficiency measures. In 2010, the RTF began projects to update, standardize, and strengthen its technical analyses and document the input assumptions used for energy efficiency measures approved by the RTF. This work includes the development of guidelines for estimating energy savings, measure costs, non-energy benefits, and measure life. In 2011, the RTF began a systematic process to conform its library of measures to its recently developed Guidelines.

The RTF will continue updating and standardizing work in 2012, expanding the number of measures reviewed for conformance to standardized guidelines, protocols, and measure specifications. The goal is to implement a systematic process, using identified standards of quality, for all RTF technical analysis. The RTF intends to cycle through its library of existing

measures by the end of 2014 and bring them all up to the quality standards specified in the Guidelines. In addition, RTF-approved measures need to be revisited every two to three years to update measure viability, savings and cost estimates, baseline assumptions, lifetime, and other key factors.

The budget estimate for 2012-2014 includes updating about 20 UES measures per year for the next three years. It is anticipated that some of these measures will be reclassified as either small savers or standard/provisional protocols because they do not satisfy the Guidelines.. The RTF will prioritize updates based on factors such as past and expected future frequency of use, annual savings rate, time since last updated, availability and quality of source data, and changes in baseline data. Given the large number of RTF-approved measures, this will continue to be an ongoing activity with a review of an estimated 20 measures per year for the next three years. Approximately one-third of the 2012 budget is intended for completion of this standardization activity and updating existing measures to the standards in the Guidelines.

New Measure Development & Review of Unsolicited Proposals (\$312,000)

Typically the RTF sets aside funding for review of specific high-priority new measures as well as unanticipated new measures or protocols proposed during the year. About 20 percent of the 2012 budget is set aside for new measure work. This estimate is based on the assumption that much of the development and research required for new measures is funded outside the RTF, with the RTF budget assuming only the costs of review. This outside development approach has typically been the case over recent years for high priority measures such as heat-pump water heaters and ductless heat pumps. However, the RTF has allocated \$22,000 of its 2012 budget for the review and development of measures specifically for Small and Rural utilities in recognition of their limited resources.

Tool Development (\$134,000)

The work of the RTF, its technical analysis, recommendations, and specifications require continued development of analytical tools and measure specifications used region-wide. The 2012 budget estimates \$134,000 for development or enhancement of the economic analysis tool ProCost, the residential heat loss simulation model SEEM, and tools used by field practitioners to assure measure specifications are met. Less than 10 percent of the budget is allocated to tool development.

Research Projects & Data Development (\$228,000)

Primary research has not been a key function of the RTF because primary data collection is expensive. However, on occasion it has been advantageous to use the RTF to sponsor primary research, or to coordinate secondary research where there is distinct region-wide value. For 2012, this category is focused on continuing regional cooperation to develop end-use load data and to develop hourly load shape data. The need for this data was recognized as a high priority in the 2009 Northwest Energy Efficiency Taskforce (NEET) process. Through the end of 2011 and into 2012, RTF efforts will focus on making the case for a large-scale regional effort to update critical end-use load data. In 2012, the RTF will work with regional interests to put together a multi-year research plan, develop appropriate funding for the research, and coordinate evaluation design, data storage, and analysis. There are also work elements to convert 1990 ELCAP data to a modern database and generate hourly load shapes from original data. In addition to \$166,000 for coordinating end-use load research, there is a \$62,000 placeholder in this category for small research projects that emerge during the year to be selected by the RTF.

Regional Coordination (\$58,000)

Part of the 2012 budget is earmarked for regional coordination efforts. These efforts include collecting and summarizing regional evaluation activity and spending, facilitating collaborative regional evaluation of Performance Tested Comfort Systems (PTCS), developing and executing RTF evaluation work plan and coordinating an annual comparison of utility/SBC administrator technical resource manuals.

RTF Member Support & Administration and RTF Management (\$279,000)

Support and administrative activities identified for 2012 include RTF member support, contract management, and meeting costs. Member support includes compensating RTF members when they are asked to devote significant additional time to RTF work tasks and/or when they would not otherwise be compensated by their employer for participation in RTF work. The RTF will require expanded technical capabilities to analyze measures, protocols, and measure specifications through RTF contract staff. The category also includes RTF contract staffing to develop agendas, schedule and manage RTF work flow, and refine procedures. About \$280,000 in RTF contract staff work is in this category.

In addition, there is another \$247,000 of Council administrative staff work to support contracts, billing, web site development, annual conservation tracking report, data warehousing, meeting costs, phone, web conference, scheduling and other business functions that are best retained at the Council. These are treated as in-kind contributions from the Council and are not included in the proposed 2012 work plan and budget of \$1.5 million. Over the next three years, the RTF plans to expand its use of contract staff to further relieve Council staff.

Organization and Staffing

The full RTF meets ten to twelve times per year for an all-day meeting. In 2010, the RTF began to delegate a significant amount of work to its subcommittees. The use of subcommittees allows more decisions to be made by the full RTF at its regular monthly meetings. It allows subgroups comprised of RTF members, corresponding members, and interested parties with topic-specific expertise to focus on the details of issues that will come before the RTF. Subcommittees are primarily technical in scope and usually limited in duration. The process of using subcommittees has worked fairly well and the RTF plans to continue to use it. However, over the last year it has become apparent that the ability of RTF members to devote sufficient time to subcommittee work is limited. That limitation is one of the reasons that RTF contract staffing needs are increasing. Work that does not get sufficient subcommittee attention is left to RTF contract staff.

Since 2009, the RTF has relied on one half-time contract staff (0.5 FTE) to carry significant amounts of technical analysis as well as much of the technical management of RTF affairs. Beginning in spring 2011, a second half-time contract staff was added to assist with technical management and new measure reviews. The work includes development of the RTF agendas, developing scopes of work, reviewing contract work products, and documenting RTF decisions. This work is guided by Council staff serving the RTF and by the RTF operations subcommittee.

In order to handle the increased volume of RTF work and assure the high degree of integrity and independence that the RTF seeks, the 2012 budget includes the two half-time staff currently under contract with the RTF plus the addition of a full-time contract staff (1.0 FTE). For 2012,

this brings the staffing of the RTF to 2.0 FTE from contract staff and about 2.4 FTE from Council staff. For 2013 and 2014, the budget anticipates an additional 0.5 FTE is added as contract staff.

Proposed 2012 Funding

Prior to 2010, the RTF operated on a combination of funding for its core services and funding for special “subscription” projects. Beginning in 2010, the RTF moved to eliminate subscription projects to reduce the burden of seeking extra funding for specific efforts and reduce administrative overhead. The funding plan for 2012 continues to bundle all RTF activities together.

Funding shares are based on the formula developed for NEEA funding, with an adjustment for Northwestern Energy. This approach solicits funding from Bonneville, several of the large generating public utilities, and all six investor-owned utilities in the region. Table 2 shows proposed 2012 funding shares and amounts by funder.

Table 2: Proposed 2012 Funding Shares

Organization	NEEA Funding Shares (as of Jan 2010)	Share of RTF Budget	Proposed Contribution to RTF Budget (rounded)
Bonneville Power Administration	35.5%	\$532,366	\$532,000
Energy Trust of Oregon	20.5%	\$307,889	\$308,000
Puget Sound Energy	13.7%	\$205,771	\$206,000
Idaho Power Company	8.6%	\$129,258	\$129,000
Avista Corporation, Inc.	5.5%	\$82,952	\$83,000
PacifiCorp	4.5%	\$67,619	\$68,000
Northwestern Energy	3.8%	\$57,193	\$30,000
Seattle City Light	3.7%	\$55,813	\$56,000
Clark Public Utilities	1.4%	\$20,395	\$20,000
Tacoma Power	1.1%	\$16,866	\$17,000
Snohomish PUD	0.8%	\$11,807	\$12,000
Eugene Water and Electric Board	0.5%	\$7,778	\$8,000
Cowlitz County PUD	0.3%	\$4,293	\$4,000
Total Funds	100%	\$1,500,000	\$1,473,000*

* Northwestern’s contribution fixed at \$30,000. The RTF will adjust its work plan accordingly.

Multi-Year Work Plan & Regional Review of the RTF

The RTF developed an initial multi-year work plan and budget for 2010 through 2014 to aid in long-term budget planning. The budget has been updated for the 2012-2014 period. Annual work plan development is intended to provide flexibility to meet regional needs year to year and keep focused on high priority work. Table 3 shows anticipated RTF funding for the three-year period. This period coincides with the current NEEA funding cycle.

Table 3: Proposed 2012-2014 RTF Budget

	CY 2012	CY 2013	CY 2014
Contracts	\$1,017,000	\$922,000	\$922,000
RTF Staff	\$483,000	\$578,000	\$578,000
Subtotal Funders	\$1,500,000	\$1,500,000	\$1,500,000
Council Staff In-Kind Contribution	\$391,000	\$318,150	\$318,150

This three-year budget holds RTF funder commitments to approximately \$1.5 million per year. Additional staff work is shifted to RTF contractors in 2013 and 2014 to relieve Council staff. Contract work decreases slightly to accommodate the shift to more RTF staff.