

Regional Portfolio Advisory Committee (RPAC) Summary Notes Monday, May 14, 2018



In Attendance:

Brent Barclay, Bonneville Power Administration
Larry Blaufus, Clark Public Utilities
Deb DePetris, Clark Public Utilities
Jennifer Light, NW Power & Conservation Council
Tom Lienhard, Avista

Jessica Mitchell, Snohomish PUD
Lori Moen, Seattle City Light
Jeremy Stewart, Tacoma Power
Jeff Tripp, Puget Sound Energy
Deb Young, Northwestern Energy

By Phone:

Fred Gordon, Energy Trust of Oregon
Don Jones, Pacific Power
Cassie Koerner, IPUC
Katie Pegan, Idaho Office of Energy and Mineral Resources

Public Attendees: No public attendees.

NEEA Staff: Julia Harper, BJ Moghadam, Emily Moore, Bing Liu, Stacy Blumberg, Maria Murphy, Kaylan Dorsch, John Jennings

Welcome, Introductions and Administrative Items

- A. Packet
 - i. BJ Moghadam noted the NEEA Portfolio Overview is on page 28.
- B. Announcements
 - i. BJ Moghadam announced that the NEEA website update has officially launched. Funder pages are coming, but not live yet. Each page will be curated over time.
- C. 2018 RPAC Workplan Update
 - i. Next Step Homes vote (Scale-up Approval, "SA") scheduled Q3; Super-Efficient Dryers vote (SA) as early as Q4

RPAC Vote: Very High Efficiency Dedicated Outside Aire Systems (VHE DOAS)

Maria Murphy gave a brief overview of the VHE DOAS technology and thanked members of the RPAC committee (and their staff) for their time and thoughtful consideration during the Roadshows for this program. MM also mentioned that there was a request for a deep dive on VHE DOAS pilots, and she would be reaching out in June to some members who have expressed the most interest to determine meeting agenda and length.

Discussion:

Northwestern – Supportive, but concerns about contractor base and influencing the HVAC industry. Our engineers are excited, but have concerns that it will be a challenge for the engineering and design community. We should make sure we address those barriers.

BPA – Would be helpful to have gas market traction to make it successful, but otherwise supportive. Utilities are constantly asking for an HVAC solution and they are hard to come by. Trade ally network can help inform this.

ETO – Gas rooftop equipment might not be the best option. We will need to figure out what is best for each and what is best together. If we think of how to establish a beachhead for efficient HVAC with separate ventilation in new construction, it may not meet all the specifications of this initiative. Energy Trust is likely to offer incentives for systems that have improved heat recovery but are a little less efficient. NEEA should make sure to be open to coordinating with people who are looking to get half way there. We may need a stepping stone option.

NWPCC – Supportive, but advised that NEEA try not to get too siloed. Agree there could be gas opportunities.

Avista – Expressed concern with maintenance issues. John Jennings (NEEA) clarified that all the filters are metal, removable and washable. Tom offered that it will be helpful to know the code and what code compliance looks like - as it may show a need for more education around new technologies.

Pacific Power – We are excited about this incentive. We run on summer peak, so cooling is of interest. We might not get the savings unless folks re-duct everything, so it might be best to focus on new construction. Supportive of program coordination. Keep in mind that good is not the enemy of the perfect.

Snohomish – We are supportive, but we have concern about the software tools. We would need to know more on the software is there, before we make the investment.

SCL- Supportive, but concerns about moving parts of HRVs. We should pay attention to the long-term maintenance and that they are effective 10-15 years from now.

High-Performance HVAC - IS Milestone- RPAC VOTE					
Name	Organization	Yes	No	Present, Not Voting	Not Present
RPAC Voting Members					
Brent Barclay	BPA	x			
Larry Blaufus	Clark Public Utilities	x			
Fred Gordon	Energy Trust	x			
Jenn Light for Charlie Grist	NWPCC	x			
Garrett Harris	PGE	x			
Tom Lienhard	Avista	x			
Don Jones, Jr	Pacific Power	x			
Terry McKenzie	Grant County PUD				x
Jessica Mitchell	Snohomish PUD	x			
Lori Moen	Seattle City Light	x			
David Nightingale	WUTC				x
Pete Pengilly	Idaho Power	x			
Jeremy Stewart	Tacoma Power	x			
Jeff Tripp	PSE	x			

Jim White	Chelan County PUD	x			
Deb Young	NorthWestern	x			

RPAC Round Robin

PSE - Entering Phase 3 of multi-family line voltage thermostat- using Mysa. Working to bring 3 funding sources together for low income multi-family solar grants. This year working with PSE Green Funding and WSU Seep funding – hope to do 5-7 this year. Next year, with Microsoft settlement money, have additional funding for solar grants. Finalizing commercial mid-stream distributor for HVAC and water heat – hope to launch this summer. Started a pay for performance pilot. Claymation ads – 2 more this week. Green power will have their own commercial and the other is on residential HPWH rebates.

NWPCC – We are starting our mid-term assessment of 7th plan - draft due by October. Completing regional conservation progress survey out in the field - hoping for feedback on savings by end of month and to get some budget projection to compare with 7th plan targets. We are also starting to think about 8th plan. Wrapped up RTF load shape quality project with Cadmus. Draft report released on underserved markets last week with 2-month comment period. Conservation Resources Advisory Committee Meeting will be coming up on June 5. Pacific NW DR Project Meeting will be on June 19 and Demand Response Advisory Committee will be on June 20.

Tacoma- Just got approval for commercial strategic management project – 2 eight-person cohorts. We have also made some residential program changes - eliminated low income heat pump grant and hoping to increase rental weatherization. Struggling with thermostats and HPWH – looking to change their marketing strategy. Also, doing utility DR assessment.

Northwestern – We are doing all of our assessments for program changes effective July 1. We have a tiny team already. But, David Bausch is retiring in the middle of July. New engineer Eric Sayre will be at EFX18, so please introduce yourself to him. Our commission has changed the standard for life of measures - no measure can be longer than a 15-year life. We will see new avoided cost every 6 months, rather than once a year. Demand side management is being treated on the same playing field as QF facilities.

Clark – We are doing a SEEP program for low income customers to get a no-cost DHP and weatherization. Also doing commercial lighting projects at non-profits – put aside funding for those projects and energy kits. We rolled out the new lighting calculator. Our i937 achievements were approved for 16-17 and they will be going off to Commerce shortly. New Homes program since October, but have had challenges with data. Working those issues out with BPA and NEEA. Street lighting in Clark County will get all LED lighting. Participating in commercial SEM pilot with BPA. Doing a strategic energy management project with Legacy Healthcare in Vancouver, which is a continuation of the work of ETO.

Avista – We are in Climate Zone 2 & 3, so we have a hard time with weatherization. Insulation is cost effective, but it is difficult to run a program across the whole sector. We are piloting a test for people who are about to put siding on, we will instead pay to put on house wraps. We found poorly insulated walls are more problematic than attic space and this should be a better value. We are running another multi-family direct install pilot. We blew through the money in 3 months that we had for 6, so we had to go back to advisory group meeting to ask for an extension. We are changing over our old software for monitoring projects to Nexant’s Energy Central.

SCL- Working on finalizing our portfolio. City Council approved ordinances for energy efficiency as a service and pay for performance programs and we are doing 10 pilots. We have major changes to lighting in business sectors – we are folding small business and multifamily into our business lighting program, and moving lamp only to midstream delivery. We finalized our targets for this year for 110% of where we need to be, which gives us some room to breathe. We are anticipating up to 10 staff departures this year, so the hiring process is keeping us busy. Our bids are coming in for the RFP's we had had out for our demand side management program, so we are reviewing those. We have been working with the Office of Sustainability and Environment on the tune up accelerator program and we are on track to have all 100 buildings signed up to participate.

BPA – We recently published strategy document to the public. We continue to talk about our competitiveness and how we can prepare for the future with the organizations that we work closely with. We are also looking to find new revenue sources, while also keep costs to customers low. We are still not hiring from outside and we are instead moving people around to find their best suited positions. We are further investigating what grid modernization means for BPA. We got the new lighting calculator 4.0 – thanks to all for your patience. We announced that Evergreen Consulting Group will be our integrated trade ally network prime contractor and will be our sole vendor for HVAC and lighting.

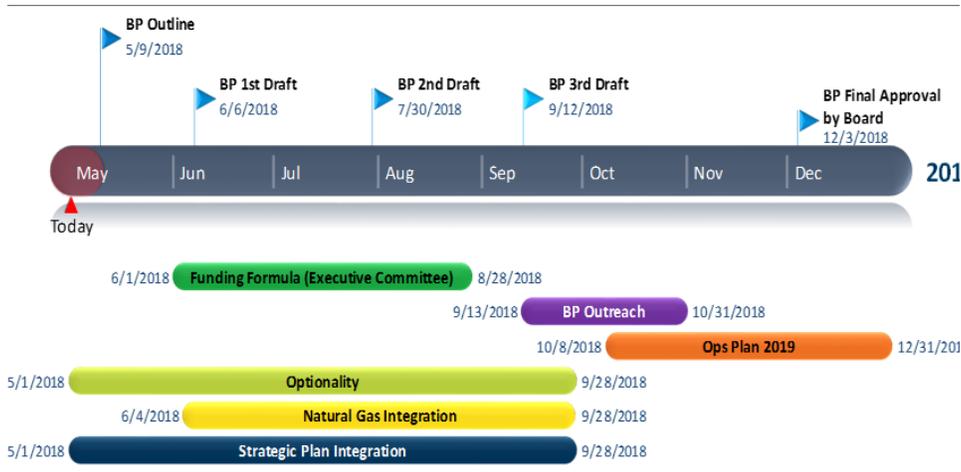
Snohomish – We are still underway with our shift for capacity targeting and winter peak reduction with EE programs. We are getting ready to launch a residential low-income direct install program. On the commercial side, there has been more building efficiency measures – HVAC, weatherization and decreasing our lighting portfolio. Energy Smart Industrial cohorts have been really successful. We decided to go after load shifting with water and wastewater – we identified 3 hours in a day where we incentivized using at a different time, but not less. This proved easier than DR, because they have scheduling capabilities, but not responsiveness capabilities.

Pacific Power- We are wrapping up 16-17 results for i937 – our home energy reports did better than we thought and now we hope to be slightly exceeding our target. As seems to be the theme, we are doing more with less and lowering avoided costs. We are turning the crank on a new potential study for the 19IRP.

ETO – We are working on a docket to figure out our peak value from efficiency in summer vs. winter. It might prove to be huge or it might be small, but we are hoping that by July we will have a better sense. We completed an Impact of commercial SEM study and it is on our website. We are seeing the efficiency volume trailing off after this year. Two of our contract staff quit to take permanent jobs elsewhere, so we are also doing more with less. We are working with PGE to do testbed of scaling up DR and are negotiating a big efficiency/DR thermostat install project with them. We are at the culmination for organizational review, a new budget process, and creating a baseline for our diversity and equity goals. And, OR State will be releasing an audit of ETO.

Board Activities Update

Julia Harper (NEEA) gave an update on the business plan and strategic plan that are slated to be done by December. Larry Blaufus is heading up the Board's Business Planning Committee. We are figuring out the funding formula and if it will stay the same or change. We will be doing outreach in the fall. There are conversations going on about Natural Gas. The ad hoc committee will meet in early June, so it will be a full sprint for the natural gas business plan and how it integrates with electric. Larry encouraged that it is important to get the input of the RPAC Committee and hope that you share your thoughts with this committee and your Board Members.



Strategic and Business Planning Timeline

2010-2024 NEEA Business Planning Workshop

BJ Moghadam facilitated a discussion on the complementary approach and the current investment of effort in that approach. The Committee addressed two specific topics:

- 1) The success of the Complementary Approach in executing Market Transformation initiatives and recommendations for improvement
- 2) Whether the collaborative processes to make the complementary approach successful are right-sized, including Advisory Committees, work groups, and NEEA’s Initiative Life Cycle (ILC) process. Recommendations for improvement were also requested.

Complementary Approach- Success & Recommendations

This table was presented as context to share alliance staff perspectives on the effectiveness of the Complementary Approach. The table shows perspectives on the varying level of local program support enjoyed by the six alliance programs with the highest savings targets, or promise of savings. The specific programs and funders were genericized to focus the conversation on the balance of support. Committee members engaged in a discussion of factors governing local program participation in NEEA programs, including cost-effectiveness of measures, applicability of measures within specific funder territories, program maturity, incentive challenges between BPA and public utilities, and marketing coordination.

	Funder 1	Funder 2	Funder 3	Funder 4	Funder 5	Funder 6	Funder 7	Funder 8	Funder 9	Funder 10	Funder 11	Funder 12	Funder 13	Funder 14
Program 1	Green	Green	Yellow	Yellow	Yellow									
Program 2	Green	Yellow	Green	Green	Green	Yellow	Green	Green	Green	Green	Green	Yellow	Yellow	Red
Program 3	Green	Yellow	Yellow	Green	Green	Red	Red	Red	Red	Yellow	Red	Red	Red	Red
Program 4	Yellow	Green	Yellow	Yellow	Yellow	Green	Green	Green	Green	Red	Red	Red	Red	Red
Program 5	Green	Red	Red	Red	Red	Yellow	Red	Red	Red	Red	Red	Red	Red	Red
Program 6	Green	Yellow	Green	Yellow	Yellow	Yellow	Green	Red	Red	Yellow	Red	Red	Red	Red

■ Strong local support
■ Some local support
■ Little-to-no local support

RPAC members and alliance staff were then polled in real time on the effectiveness of the complementary approach from three perspectives:

- Is it reducing overlap?
- Is it enabling alliance programs to work further upstream?

- The effectiveness of funders executing programs locally.

Results were on a 1-5 scale, with 1 representing “not good” and 5 representing “very good”.

Overall, RPAC members rated the alliance’s collective effectiveness with the Complementary Approach a 4. They acknowledged that the collaboration requires a high level of effort, but represents a significant improvement in process and results compared to five years ago. NEEA staff rated effectiveness at 3.2, citing improvement with relationships and engagement but also challenges including nimbleness and speed of process.

Right-sizing the Collaborative Process - Successes & Recommendations

NEEA staff presented the results of the survey taken prior to the meeting on the Complementary Approach collaboration, with RPAC members and alliance staff results shown in comparison. Respondents rated three dimensions of the collaboration: the number of alliance forums and activities; the frequency of those activities; and the number of steps and touchpoints in the Initiative Life Cycle process (ILC). Results were on a 1-100 scale, yielding score ranges on a spectrum of “too little, just right, or too much”.

Overall, RPAC members rated the collaboration in the 50-60 range across all three dimensions, or “just right” with a trend toward “too much”; NEEA staff responses skewed toward the “too much” end of the range (in the 70-80 range).

Following presentation and discussion of these results, the Committee was then polled (using a 1-5 scale) on the current Advisory Committee structure (see diagram to right) and whether the collaboration process is right-sized for accomplishing alliance goals. The scores averaged 3.5.

While time ran out before the Committee could coalesce around specific recommendations for process change, the following comments/themes were offered by RPAC members:

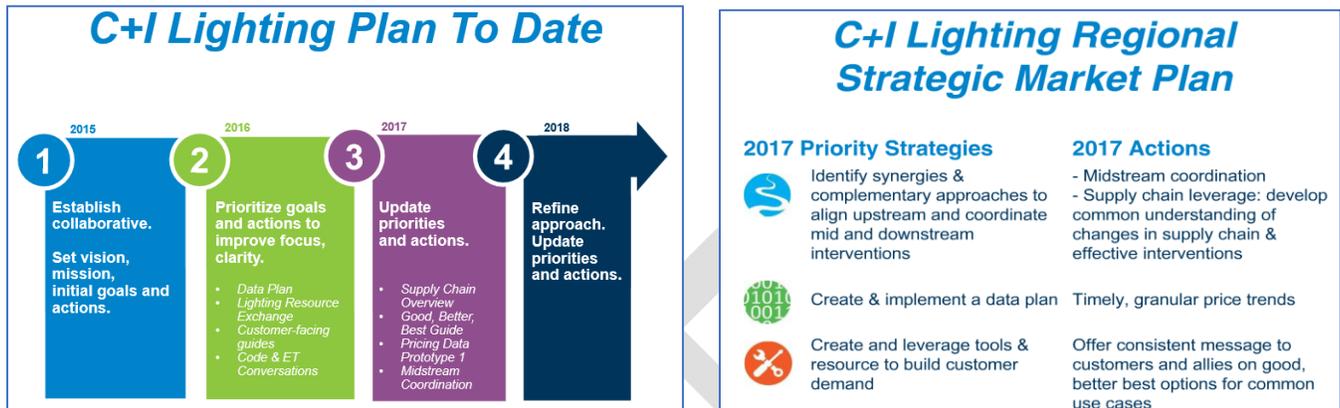
- a. Process is a little too heavy
- b. Written materials have improved, but still a lot
- c. Committee and work group structure is big; dial back some
- d. Sector Advisory Committees could be treated more as “sounding boards” and convened as needed, versus standing quarterly meetings
- e. This is the process we established to solve issues we faced a lot more of 5 years ago
- f. Alliance staff needs to understand the leeway it has from each funder to conduct its activities
- g. Limited resources and turnover (on Funder and NEEA staff side) are a challenge
- h. Fewer meetings feasible but not sure how to do it
- i. The funders made this process collaboratively with alliance staff, the same participants could change it, but they are not immediately sure how to do so

C&I Lighting Regional Strategic Market Plan

Debbie Driscoll, along with Steering Committee members Fred Gordon and Lori Moen, gave an update on the progress and next steps of the C&I Lighting Plan. The plan was created to align the region on long-term goals, improve coordination in the region, and maximize cost-effective, long-term energy efficiency opportunities.

Presentation Highlights

Debbie gave an overview of the progress made since 2015, with additional detail on 2017 progress.



Midstream Coordination Progress: Lori Moen, of Seattle City Light, and Jessica Mitchell, of Snohomish County PUD, discussed midstream pilots that emerged from the midstream coordination strategy. Both pilots could inform future regional midstream opportunities.

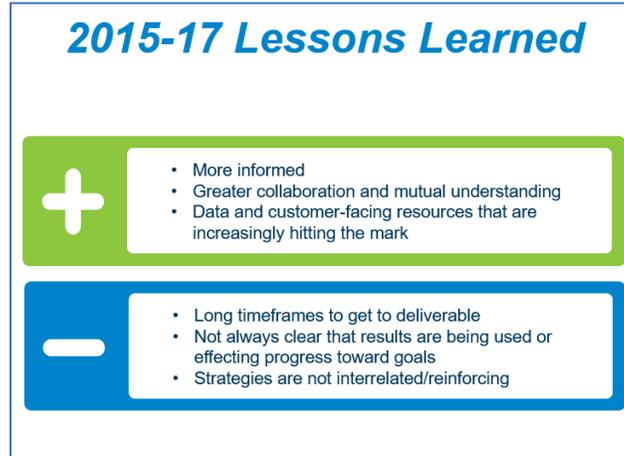
- 1) SCL—Building on the regional midstream coordination work in 2016, SCL decided to work directly with NEEA to do our midstream program. SCL is leveraging the market and tactics NEEA built with reduced wattage lamps – the distributor network, master service agreements, and lessons learned. Leveraging NEEA’s work to date is allowing SCL to get up to speed and adopt a program quickly. Our hope is to launch in August. Benefits to SCL include streamlining the processes for our service providers and relying on NEEA for help with implementation. NEEA’s program support is already in place, so we don’t have to tap into our resources. It also lays the foundation for other major channels down the road.
- 2) Snohomish – We were struggling with the way the baseline is raising for average interior lighting - prices are dropping and we are seeing that squeeze. Also, each transaction is getting smaller and smaller over time. Nearly 70% of our transactions under \$3,500, but transaction cost is static. We saw an opportunity to leverage low wattage platform to work with NEEA to gather market transaction and claim it. We expect to diminish direct transactional intervention and focus on more complicated building efficiency issues.

Timely, Granular Price Trends: The data user group informed a dashboard, based on web scraping, in which the user manipulates lighting pricing. This resource will be available regionally this summer.

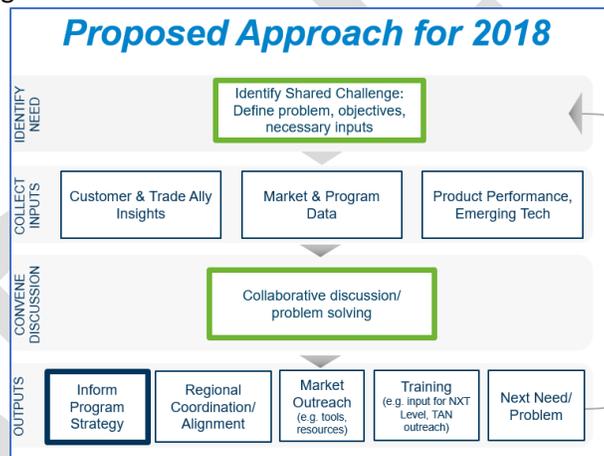
Consistent Messaging to Customers: Michael Lane, of PSE, and program managers throughout the region helped to create a “Good, Better, Best” guide for lighting fixtures with controls. It has been well received by the region and is being adopted by many utilities for their websites.

Lori Moen talked about the process so far (2015-2017) in working to align actions to address shared problems and needs in the region around lighting. We learned some lessons and had some ah-ha moments specifically

around TLED’s. Although we realized we needed to send a clearer market signal on TLED’s incentives, the process evolved naturally and worked very well. There was real value in the collaborative approach.



Updated approach for 2018 after lessons learned from 2017 with improved clarity around what problems we are trying to solve and determining solutions.



Fred Gordon reported on 2018 priority strategies including increased adoption of advanced lighting control systems and informing program planning for commodity lamps (TLED, HID-LED, CFL-LED, ect.) The work of the year will be having conversations around the questions listed below under “2018 Focus.” The answers to these questions may be different for every utility, but we hope it will be beneficial to have coordination and collectively make better decisions.

Advanced Controls	Commodity Lamps
<p>Proposed Priority Strategy Increase adoption of advanced lighting control systems</p> <p>2018 Focus</p> <ol style="list-style-type: none"> 1. What are the key barriers keeping advanced controls from being installed (or going through programs) in the NW? <ul style="list-style-type: none"> - What can programs do to address these barriers? - What do customers and market partners need to support adoption? 2. What motivates customers to purchase (or not)? How can programs leverage these to increase adoption? 	<p>Proposed Priority Strategy Inform program planning for commodity lamps</p> <p>2018 Focus</p> <ol style="list-style-type: none"> 1. Accepting that many customers will choose replacement lamps over fixtures, what lamp characteristics or specifications should our programs/region promote? 2. How can available data be utilized to inform incentives & program strategy so that we stay ahead of the curve?

Discussion/Feedback

Avista – The web scraping pricing data and the “Good, better, best” guide will be useful to funders.

Snohomish – A valuable addition here could be help our planners are having trouble seeing the connection between commercial lighting and peak reduction and it is going to get smaller in our portfolio over time. If there are data points that the work group finds on this, it might change how we value this.

NWPCC – Our capacity benefits project could be helpful. Aligning incentives across state lines is important.

Wrap Up

Public Comment – None

Thoughts on changing conference room? – PSE likes the Beijing, ETO says reverb is a little heavy

Thoughts on Candy? Although we all love the candy, there were some requests for healthy snack options

Next meeting: Wednesday August 22, 2018 in Portland.