

# Regional Portfolio Advisory Committee (RPAC)

## Summary Notes

Wednesday, August 22, 2018



### In Attendance:

Garrett Harris, Portland General Electric  
 Deb Young, Northwestern Energy  
 Larry Blaufus, Clark Public Utilities  
 Jeremy Stewart, Tacoma Power  
 Lori Moen, Seattle City Light  
 Jessica Mitchell, Snohomish PUD  
 Fred Gordon, Energy Trust of Oregon  
 Jeff Tripp, Puget Sound Energy

Charlie Grist, NW Power & Conservation Council  
 Brent Barclay, Bonneville Power Administration  
 Dave Nightingale, Washington Utilities and  
 Transportation Commission  
 Pete Pengilly, Idaho Power Company  
 Deb DePetris, Clark Public Utilities  
 Tom Lienhard, Avista

### By Phone:

Jim White, Chelan County PUD  
 Don Jones, Jr., Pacific Power  
 Roger Kainu, Oregon Department of Energy  
 Katie Pegan, Idaho Governor's Office of Energy & Mineral Resources

### Public Attendees:

None

### NEEA Staff:

BJ Moghadam, Susan Hermenet, Julia Harper, Stacy Blumberg, Jeff Mitchell, Mark Rehley, Jeremy Litow, Emily Moore, Melinda Eden (by phone)

## Welcome, Introductions and Announcements

### A. 2018 Work Plan

- a. BJ gave an update on changes to the 2018 Work Plan. Next Step Homes will move to Q4 of 2018 due to ongoing analysis of the cost effectiveness on a state by state basis. LLC will move to Q1 of 2019. Super-Efficient Dryers are now TBD. Stay tuned as the laundry market continues to take shape and we consider broadening the initiative to include washers, as they are often bought in pairs.

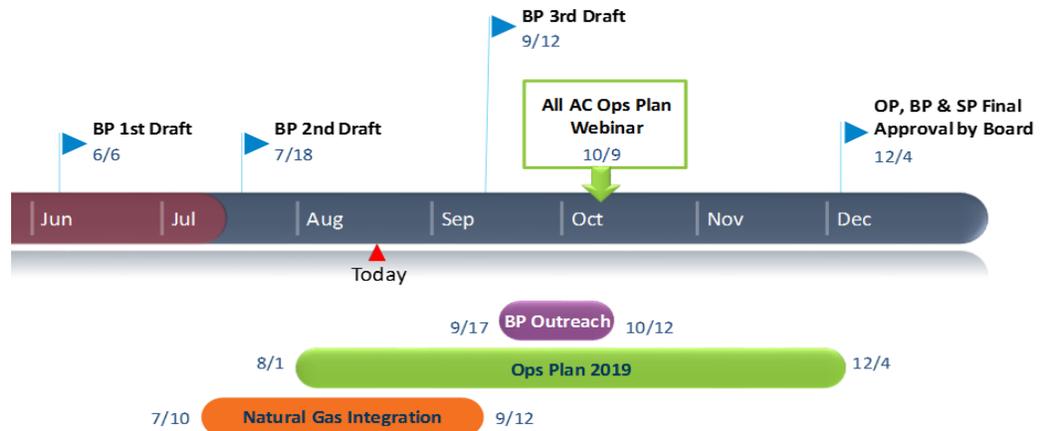
## RPAC 4-Quarter Work Plan

Q3 2018 Aug 22 - Portland	Q4 2018 Nov 8 - Portland	Q1 2019 Date/Location TBD	Q2 2019 Date/Location TBD
PORTFOLIO REVIEW		PORTFOLIO REVIEW	
PROGRAM REVIEWS			
Next Step Homes - SA VOTE	Next Step Homes - SA VOTE	Luminaire Level Lighting Controls - SA VOTE	
Super-Efficient Dryers - SA VOTE	Super-Efficient Dryers - SA VOTE	Reduced Wattage Lamp Replacement - Transition Complete	
REGIONAL MARKET STRATEGIES			
Consumer Products - Progress review - Status Update		Progress review	Progress Review
ANNUAL OPERATIONS PLANNING			
2019 Ops Plan - RPAC input/direction	2019 Ops Plan update on process - Review/input for RPAC/Board		
EMERGING TECH			
Emerging Tech updates	Emerging Tech updates	Emerging Tech updates	Emerging Tech updates
CODES & STANDARDS			
GOVERNANCE/OTHER			
Workplan update	Workplan update	Workplan update	Workplan update
RPAC Roundtable	RPAC Roundtable	RPAC Roundtable	RPAC Roundtable
Process Streamlining workshop	Confirm 2019 meeting dates	Annual RPAC Charter Review	
Marketing discussion			

IS = Initiative Start Milestone  
 SA = Scale-up Approval Milestone

## B. 2020-2024 Strategic & Business Planning Updates

- a. BJ shared the timeline for strategic, business and operations planning.
- b. Upcoming dates:
  - 9/12/18 – 3<sup>rd</sup> Draft of BP Reviewed by Board at BP Workshop
  - 9/13/18 – Q3 NEEA Board Meeting
  - 10/9/18 – All AC Ops Plan Webinar



## C. Smart Thermostats

- a. Jeff Tripp gave an update on the consumer products regional strategy work. The work group convened to figure out the barriers to achieving success and reported back to the Steering Committee. The top barrier was found to be regionally agreed upon savings. The recommendation to the steering committee is that more research is needed, and in conjunction with the RTF, determining the best methodology and baselines. A strategy document is being prepared for the steering committee to review. Next steps would be to pool funding from utilities and put out an RFP for the research.

## D. Leadership in Energy Efficiency Awards

- a. Nominations for individuals or teams for their excellence in energy efficiency due by 9/14.
- b. Categories are innovation, collaboration and lifetime achievement.
- c. Awards ceremony will be at NEEA Board Meeting on 12/4.

## Marketing's Role in Market Transformation

### A. Review of NEEA's Marketing efforts

1. Stacy Blumberg, NEEA staff, discussed the role of marketing in market transformation and clarified where NEEA gets involved in the process and where it doesn't. She walked RPAC through a heat pump water heater (HPWH) example, where NEEA was able to engage with the manufacturers early on and build awareness with consumers to transform the NW market. NEEA creates non-branded websites and targeted media campaigns, in coordination with funder staff, to educate and direct traffic to utility websites, installers and retailers. For HPWH's, NEEA helped to target specific customers who were searching for a new water heater. Marketing workgroups are convened for large projects, when necessary. NEEA does not undertake mass market downstream campaigns (general broadcast, newspaper ads or non-targeted media).

NEEA branding is not used for downstream marketing, instead partner brands are leveraged and market facing brands are created.

2. The group discussed the topics of awareness and interventions to address that barrier.
  - NWPCC pointed out that there is a whole ecosystem of marketing that exists for consumers – NEEA and utility marketing are a small part of the messy ecosystem.
  - PSE added that it is all the more important to coordinate so that we are all pushing, as opposed to pushing and pulling, in the same direction, and also expressed concern over customer awareness of who is providing the services.
  - Avista suggested that NEEA be mindful of indicating if a product is for a gas customer or electric customer in ads, as this could cause customer confusion if not specified.
  - WUTC pointed out that utilities often broadcast TV ads across the whole region which could be viewed by customers outside their territory and questioned if one brand is more important than another brand.
  - PSE added that their concern is the direct connection to their consumers and the outreach. If there is a call to action in something NEEA puts out, it can be confusing to customers. PSE wants to provide a message to their customers that they believe they should be providing and they want it to be coordinated with other PSE marketing plans for the year.
- B. Real-time ductless heat pump marketing campaign concerns
  1. NEEA staff ask for input/resolution on the ductless heat pump campaign that is currently on hold due to concerns from Avista and PSE. NEEA staff is bringing the issue to RPAC for guidance and as a real-time example of how we may need to consider improvements to our governance structures so that we can execute regional marketing strategies that support successful market transformation for the NW.
  2. Background info: NEEA is testing a new targeting mechanism and hoping to do direct mail to owner-occupied homes that are likely candidates for purchasing a DHP. Utilities can include their logo on the mailer. Stacy Blumberg and her team have been vetting this with the DHP workgroup members (DHP workgroup typically consists of utility DHP lead and marketing contact.)
  3. This sparked some initial discussion on effectiveness of workgroups. NWPCC expressed that NEEA needs more integrated plans for deployment of new technologies. It is bigger than a marketing issue and the whole arc of deployment could use some improvement. Getting the right mix of folks is important. ETO added that NEEA has a role to play after the initial phase of market transformation (to help be sure coherent work is happening with the distributors) and that it is critical for utilities to work with NEEA for integrated market design.
  4. Feedback from Avista and PSE
    - Avista did not feel like they could make a decision on the spot to advise the NEEA Marketing group. More information and discussion with Avista staff would be needed. They are interested in learning how NEEA did the targeting. (Tacoma added they would be interested in learning this, as well.)
    - PSE expressed they would prefer to send consumer information out directly and have the chance to put their marketing look/feel on it.

5. Conclusion: NEEA staff will follow up with Avista and PSE. If the proposed approaches create a negative impact on regional marketing and market transformation, NEEA staff will bring this topic back to RPAC for further discussion.

C. RPAC input on ways to improve NEEA marketing efforts

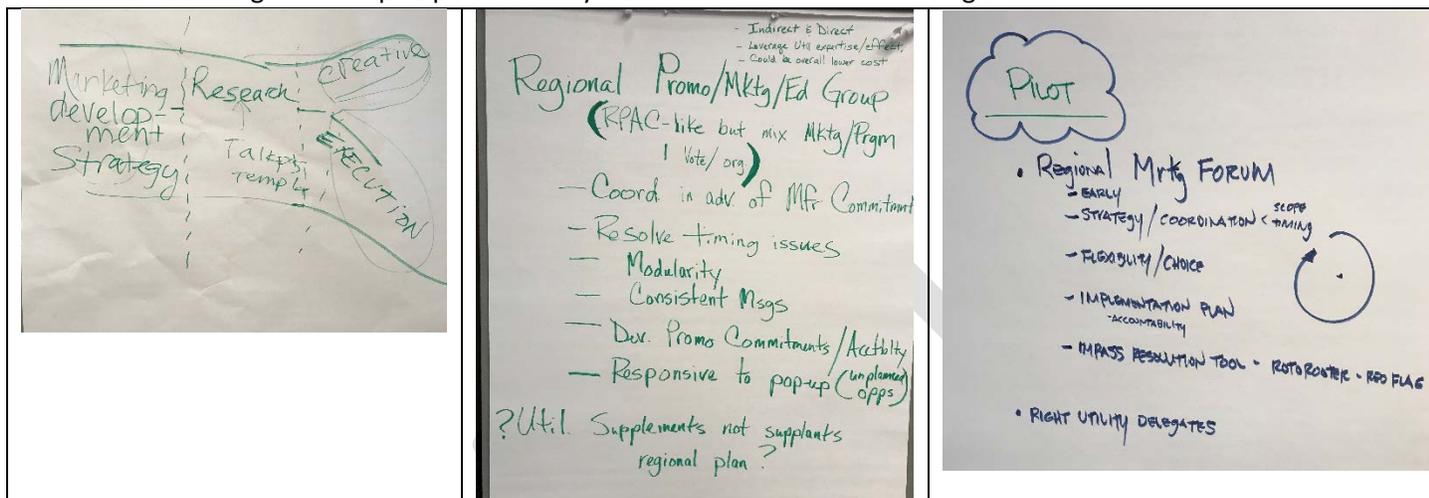
1. After some discussion, there was consensus that NEEA marketing efforts should be more integrated and coordinated with utility planning for the year. There was also agreement about ensuring the right people from each organization are involved in the right conversations at the right time.
  - NorthWestern expressed that problems seem to occur when NEEA brings opportunities forward that are unexpected and acknowledged the struggle to be nimble.
  - Avista conveyed that it is hard when policy decisions don't match up with market driven activities – this is where concern about messaging plays out.
  - ETO added that planning is tricky – they plan things and then the legislature can make a decision and clear the deck. There may be ways we can do it better with pre-planning and pre-thinking, but in other cases NEEA might have to try – even if they end up being wrong or have to adapt.
  - WUTC added that marketing issues are systematically control issues, but there needs to be better check valves and screens. There should be an organizational goal with marketing sensitivities to place. There should be planning in two places – initially to create a marketing game plan and then again when the messaging piece is ready to go. If you don't do it upfront you are wasting time and if you don't do it in the end, there are misses.
  - Pacific Power added that they appreciate NEEA marketing and it is just the coordination piece that needs some work.
  - Snohomish added that more collaboration is fantastic, but also expressed concern of micromanaging NEEA activity. When there are issues with marketing, maybe RPAC is the right place and right group to work out the kinks.
  - Clark added that it is on each RPAC member to check in with their own teams.
  - Idaho Power expressed that there have been some growing pains, but NEEA has been working really closely with their marketing team (including monthly calls) and coordination has much better.
  - NWPCC added that concerns with marketing are often one-offs. Maybe a process could be devised that is more specific to each initiative, but without being more burdensome.
  - ETO reiterated that the utilities need to have the right people showing up to make decisions. It may take some up leveling, where necessary.
  - PSE added that it is not in favor or more coordination, but better coordination and the right coordination. Get in early and find the synergies.

D. Review of August 16<sup>th</sup> Marketing Meeting Summary and August 21<sup>st</sup> Business Planning Workshop

1. NEEA Staff meet with a subset of Board members and representatives from Avista, Idaho Power, NorthWestern Energy, Puget Sound Energy and Tacoma Power to discuss perspectives on alliance regional marketing to retail customers. NEEA staff shared the [summary](#) of that discussion:
  - BPA commented that the ideas and thoughts are somewhat vague.
  - WUTC asked for clarification on how marketing affects organizational goals.

- Northwestern answered that if there is confusion about gas vs. electric it can lead to a poor customer experience or that sometimes a communication to customers on safety might have to be prioritized over EE.
- Avista added that there can be confusion about technologies working in climate zones for their customers.

2. Larry Blaufus and Deb Young shared the notes below that came out of the 8/21/18 Business Planning Workshop as potential ways to restructure NEEA marketing efforts.



3. This led to a discussion amongst RPAC members about the idea of forming an additional marketing group vs. having an RPAC Plus.

- ETO weighed in to say that we have a good process with RPAC and we have empowered this group to be the stop. As RPAC members, it is important to go back to our organizations and do the homework.
- Avista agreed that RPAC could be used to make marketing decisions.
- Snohomish added that we want to allow our staff/AC members to do the work they are assigned to do, but an RPAC Plus scenario could allow help in places where we get stuck. If we don't have the right people at the table, then we need to switch them or have them get the training they need to be able to make decisions at the sector level.
- PSE added that it could be part of a checklist for utility marketing staff to make sure their RPAC member is involved and up to speed.
- Clark added that operations planning could be more inclusive of marketing. A huge issue here is timing, so if utilities are planning for the year in the fall and NEEA is as well, there could be better communication and coordination here.
- NEEA staff offered that it is possible to add some granularity to Ops planning and do a deeper dive with RPAC on Ops Plan approval.
- ETO reiterated that the planning isn't always perfect, but it's worth doing.
- NWPCC reminded the group that there is a timing element to market transformation. We shouldn't get bogged down by timing and planning, but we can have a more efficient way to include checks and balances along the way.

4. There was consensus that marketing issues between NEEA and funders can be solved by: improving existing forums, updating our processes to increase coordination, and accountability to get the right people at the table.

## Streamlining the Initiative Life Cycle Process

- A. Background info: The NEEA Board is considering a \$750K cut (over 5 years) to the category of “convene and collaborate” from the core budget. This was a suggested cut to meet the current budget target. The idea is being brought to RPAC as an opportunity to discuss streamlining, to consider current operations, and to determine if RPAC would support the 750K cut.
- B. RPAC Discussion
- WUTC gave a gentle reminder that WA state has a statute that says utilities that are large must pursue all energy efficiency that is cost effective, reliable and feasible. If we are cutting NEEA back to the bone, WA utilities will have to make that up in their own expenditures.
  - ETO reminded that several years ago NEEA funding was cut and grenades were thrown by advocacy groups. We should make sure we are fulling engaging advocacy groups from the start, so we don't have problems down the road this time.
  - Avista expressed that we will need to meet sometimes to be effective.
  - NorthWestern added that the two-way communication that comes from meeting in person is really important.
  - PSE recounted that the structure exists the way it is today, because of problems in the past. A consultant had to be brought in to improve the NEEA processes. If we are going to back off the current system, it will be a tradeoff and will be a question of if we have learned enough over the past several years. Can we migrate to a smaller structure, but maintain the gains we have made?
  - NWPCC - There is some fluff across all AC's. Maybe meet less frequently.
  - ETO – Residential AC forum is important. Industrial and commercial could be a bit more ad hoc or less frequent. Workgroups for initiatives could be ad hoc.
  - Idaho Power- Lots of value in AC's. Ad hoc is tough for scheduling. Work groups are low cost and low commitment. Don't find value in conduit or NEEL.
  - Snohomish – Eliminating sectors might be a mistake, but rolling work group activity into sectors could be an option. Could agree to have only a limited number of workgroups at any given time, which would help to prioritize importance and timeliness.
  - Seattle City Light- Convene and collaborate has brought a lot of value to NEEA and it allows utilities to have more understanding. Packets are very helpful. More status reports in packets could help. Governance is better. Value in RAC, but maybe meet too often. More virtual meetings could help, but also sees the value in personal dialogue. One or two in person meetings and the rest as webinars?
  - BPA - There is room for improvement and we can drive cost down, but this is an essential function of doing this business in the Alliance framework. Let's look elsewhere.
  - PGE – Value in dialogue and information sharing. In the same forum or different, it is valuable to continue.
  - Tacoma- Cut AC meetings down to two per year. Combine commercial and industrial. Work groups could be ad hoc. Keep two-way dialogue. Not a big conduit user, but could increase efforts as a way to dialogue.
  - Clark – Redundant topics and staff between sector AC's and work groups. Commercial work groups are more valuable than CAC. IAC is unique because there are not too many opportunities for this group to convene. Would not combine IAC and CAC.

- NorthWestern – The progress NEEA has made is noticeable. Concern for losing two-way communication, but it is also large time commitment. There may be some redundancy. Cut carefully to solve these problems.
- WUTC- It would be counterproductive to take away a good thing. Workgroups could be reevaluated. Questioned right size of NEEA staff for AC and workgroup meetings.
- Avista- NEEA does things that my organization cannot do. Implementation is big for us, but market transformation is a separate priority. Would like to see old work groups end and new ones created, if necessary. Less meeting time for staff would be helpful.
- Pacific Power- Could combine C&I sector AC's, 3 AC meetings a year instead of 4. Do a relevance assessment and streamlining of workgroups.
- Chelan – Likelihood of success for any initiative depends on cost effectiveness, market acceptance, technical feasibility, manufacturing/distribution. We should factor these categories in and allow RPAC to help make judgement calls for NEEA's involvement of time and money.
- NWPCC – We should be cautious of the pendulum effect – maybe over corrected, but now we have to find the sweet spot. We may be able to reduce the bill, but keep the success. Consider meeting in different ways. The important thing is getting the right people to the right meetings and teeing up decisions the right way. Another thing to think about is that staff time is not in the NEEA budget, so are we thinking of shifting the cost to the utility? This could be shortsighted.

#### C. Recommendation to Board

1. There was consensus around minimizing the number of work groups, ensuring clear charter/purpose for work groups, confirming the right people participate in AC's and work groups, decreasing the frequency of meetings, and potential for combining sector committees. RPAC felt comfortable agreeing that a 25% of the proposed budget savings could be reached through the creation of a task force comprised of funder and NEEA staff to explore alternatives and recommend opportunities for streamlining.

#### Wrap Up

Public Comment – None

Next Meeting: Tuesday November 6, 2018