Board Decision
Authorizing a Three-Year Funding Agreement with Northwest Power and Conservation Council to Co-Fund the Regional Technical Forum

March 7, 2012

Summary

Authorize the Executive Director to sign a contract with the Northwest Power and Conservation Council to co-fund the Regional Technical Forum (RTF), committing Energy Trust to pay up to $874,652 over the 2012-2014 period.

Background

- The Regional Technical Forum (RTF) is a group of energy efficiency experts chartered and chaired by the Northwest Conservation and Power Council. The RTF has been Energy Trust's most useful external resource for estimates of electric efficiency measure cost, savings, measure life, and load shape.
- The RTF conducts and coordinates technical research to improve these estimates, does essential regional surveys and baseline analysis work, and validates the credibility of savings estimates that Energy Trust uses.
- The RTF is funded primarily by Energy Trust, BPA, and electric utilities that deliver energy efficiency programs in the Northwest.
- Energy Trust staff (Nick O'Neill, senior planning engineer) participates as a member of the RTF, helps guide its work, and helps develop the RTF's detailed one-year and broader three-year research and analysis priorities.
- Fred Gordon, Director of Planning and Evaluation, is on the RTF Policy Advisory Committee, which consists of senior managers at funding entities and other key stakeholders. The Committee recommended that funders make a three-year funding commitment in order to stabilize RTF staff, allow for orderly work planning, and reduce time spent in annual funding negotiations.
- Funding shares are established in proportion to the funder's share of the region's customers and load, consistent with that used to fund the NW Energy Efficiency Alliance. Energy Trust's share is 20.5333%, making it the second largest funder, after BPA.

Discussion

- The RTF initially began in the late 1990's as a forum to validate savings estimates for efficiency measures that were used by public utilities. Over the last decade, engagement by Energy Trust and investor-owned utilities increased, and the RTF work plans now include our particular interests.
- In response to the increased focus on efficiency in the Northwest, the RTF in 2010 set goals for enhanced review of the empirical basis and defensibility of savings estimates. This enhanced review includes older savings estimates as well as new measures.
- Staff is negotiating a draft contract with NPCC. The draft agreement includes, among others, the following terms:

- Energy Trust's funding obligations would be subject to several contingencies relating to changes in law, regulation, the RTF charter, termination of the OPUC grant agreement, or if Energy Trust does not receive adequate assurance of funds from its funding utilities.
- At the board Policy Committee's suggestion, the contract would allow Energy Trust to withdraw funding, after appropriate notice and consultation, if the RTF does not make due progress toward its goals or other funders withdraw support such that Energy Trust's funding burden would significantly increase.
- Subject to these contingencies, Energy Trust payments would be as follows::
  - 2012: $258,652 ($7,575 more than the RTF estimated in November and Energy Trust incorporated in the 2012 budget; this can readily be made up from the 2012 planning budget)
  - 2013: up to $308,000
  - 2014: up to $308,000

- For procedural reasons having to do with other funders, RTF does not roll over funding from one year to the next. Thus, for 2012, the budget is for $308,000, but Energy Trust is credited for $49,348 unspent in 2011, resulting in a net payment of $258,652. For 2013 and 2014, $308,000 is the maximum amount to be funded each year. Credits are expected to be less in 2013 and 2014.
- The budget amounts compare to $287,400 paid in 2011. The enhanced funding reflects the need to both review older efficiency measure savings estimates while incorporating new measures.

Recommendation

Authorize the Executive Director to sign a contract with Northwest Power and Conservation Council to co-fund the RTF, committing Energy Trust to pay up to $874,652 over the 2012-2014 period, subject to the conditions outlined above, by adopting resolution 622, below.

RESOLUTION 622

AUTHORIZING A THREE-YEAR FUNDING AGREEMENT WITH THE NORTHWEST POWER AND CONSERVATION COUNCIL FOR CO-FUNDING OF THE REGIONAL TECHNICAL FORUM

WHEREAS:

1. **The Regional Technical Forum (RTF), has been Energy Trust's most useful external resource for estimates of electric efficiency measure cost, savings, measure life, and load shape.**
2. **It is in Energy Trust's interest to provide RTF with a stable and predictable source of funding.**
3. **Staff may negotiate a contract with Northwest Power and Conservation Council to co-fund the RTF. The agreement will include, among others, the following terms:**
   - **Energy Trust's funding obligations would be subject to several contingencies relating to changes in law, regulation, the RTF charter, termination of the OPUC grant agreement, or if Energy Trust does not receive adequate assurance of funds from its funding utilities.**
   - **Energy Trust may withdraw funding, after appropriate notice and consultation, if the RTF does not make due progress toward its goals or other funders withdraw support such that Energy Trust's funding burden would significantly increase.**
   - **Subject to these contingencies, Energy Trust payments would be:**
     - **2012: $258,652**
     - **2013: up to $308,000**
     - **2014: up to $308,000**

It is therefore RESOLVED:

The Executive Director is authorized to sign a contract with the Northwest Power and Conservation Council committing Energy Trust to pay up to $874,652 over the 2012-2014 period for co-funding of the Regional Technical Forum, subject to the conditions outlined above.

Moved by: Seconded by:

Vote: In favor: Abstained:

Opposed: [list name(s) and, if requested, reason for "no" vote]