



August 23, 2005

MEMORANDUM

TO: John Pyrch, Fred Gordon, Annie Black, Bruce Folsom and Cal Shirley

FROM: Tom Eckman

SUBJECT: RTF Funding and Work Plan for FY06

During FY06 I anticipate that the RTF will undertake several new activities in support of the region's efforts to acquire conservation resources consistent with the Council's 5th Plan and recently updated Integrated Resource Plans. We will also continue to review measures for potential addition to the list that are eligible for credit under Bonneville's revised Conservation Rate Discount Program and reimbursement under its new Conservation Acquisition Agreements.

The RTF's ongoing efforts to refine and improve energy savings estimates this coming fiscal year will focus on energy efficiency technologies that are being or are being considered for implementation across the region. These include commercial roof top packaged air conditioners, pre-rinse spray heads used in commercial food services and an array of technologies aimed at improving the efficiency of refrigerated cases in grocery and convenience stores such as evaporator fan controls. Our intent is to develop specific scopes of work for evaluating the cost and savings of these measures (and others that are identified by efficiency program operators in the region). Where appropriate, these evaluations (and/or other research) can then be jointly funded by multiple parties in the region in order to gain some economies of scale.

A second new activity will be a comprehensive review of the recently enacted National Energy Act of 2005 and state appliance efficiency standards in Oregon and Washington to assess their impact on program specifications and "baseline" efficiency assumptions. For example, the federal legislation sets equipment efficiency standards on 16 products—exit signs, traffic lights, building transformers, torchiere lighting fixtures, compact fluorescent lamps, commercial unit heaters, residential dehumidifiers, commercial refrigerators and freezers, large commercial air conditioners, commercial ice makers, commercial clothes washers, pedestrian signals, mercury vapor lamp ballasts, fluorescent lamp ballasts, pre-rinse spray valves (used in restaurants), and residential ceiling fan light kits. Many of these products are the focus of regional conservation programs (e.g., conversion to LED traffic signals) that may no longer be needed or may need to be re-designed if the new federal or state standards capture all regionally cost-effective savings. We hope that this review will result in a clear timeline for future adjustments to measure savings assumptions, program specifications and program designs.

A third focus of the RTF will be to work with the Alliance and others in the region to develop baseline efficiency assumptions for new commercial and residential construction. The Council's 5th Plan calls for increased efforts to capture savings from lost opportunity conservation measures. If the RTF is able to arrive at a set of consistent baseline efficiency assumptions and/or recommended measurement and verification protocols we believe it will reduce the cost and uncertainty associated with developing estimates of energy savings from programs aimed at improving the efficiency of new construction where no historical energy use record exists.

The table below shows the projected RTF budget for FY06.

| Task/Work Element | Budget |
|---|-------------------|
| Commercial Packaged Roof Top AC | \$ 25,000 |
| Evaporator Fan Control - M&V Protocol Development and Field Testing | \$ 15,000 |
| Energy Smart Grocer Program Evaluation SOW Development | \$ 10,000 |
| New Commercial Construction Baseline and M&V Protocol Development | \$ 50,000 |
| Pre-Rinse Spray Head Measure Savings Evaluation SOW Development | \$ 10,000 |
| Federal Energy Act Implications for Measure Savings/Program Design | \$ 10,000 |
| Review Savings Estimates for Regional Utility/SBA Program Initiatives | \$ 50,000 |
| New Technology Reviews/Evaluations | \$ 50,000 |
| Member Special Project Support | \$ 40,000 |
| Regional Conservation Progress Tracking | \$ 25,000 |
| Meetings | \$ 15,000 |
| | |
| Total | \$ 300,000 |

To date Puget Sound Energy has provided \$100,000 in support of the RTF FY06 activities. All of you have funded the activities of the RTF in the past or have indicated a willingness to contribute. I am therefore, requesting \$125,000 from Bonneville and \$25,000 each from Idaho Power Company, Avista Utilities and the Energy Trust of Oregon to support the RTF work in FY06. Thank you in advance for your consideration of this request.

Feel free to call me (503.222.5161) if you have any questions.