

DCEO Approach Approved by the ICC	Latest Neme/Mosenthal Approach
<p>Step 1:</p> <ul style="list-style-type: none"> • Calculate the source Btus savings taking into account the added amount of natural gas use at the site. • Well documented and utilized source of calculation • Approved by the ICC in the DCEO order • NRDC and AG opposed since day 1 	<p>Step 1:</p> <ul style="list-style-type: none"> • Throw out the source Btu savings calculation entirely (this is what the NRDC and AG office lobbied for and were rejected by the ICC during the proceedings) • Do not utilize Btus or energy savings at all (in an EEPS program) but rather calculate CO2 emission savings from the CHP system.
<p>Step 2:</p> <ul style="list-style-type: none"> • Take the total source Btus saved and ratio to the displaced source electric and gas energy. • Rational approach that provides the relative split of the source Btus between the electric and gas utilities. • The relative results (% split between the electric and gas companies) are satisfactory to all – including the NRDC and AG – they like the numbers, did not like the approach 	<p>Step 2:</p> <ul style="list-style-type: none"> • Establish an arbitrary “baseline” CHP system to determine the split between electric and gas savings. • It is arbitrary on two counts. They are assuming you can purchase a 65% efficient CHP system “off the shelf” like you do for a heat pump system. There are many factors that can affect the efficiency of a CHP system in operation that makes this approach very suspect. • It is arbitrary also because they selected a 65% efficient system (versus a 60% or 70% system) simply because the resulting split between electric and gas “seemed” correct and closely matched the DCEO step 2 results.
<p>Step 3:</p> <ul style="list-style-type: none"> • Take the source Btus saved that are allocated to the electric utility and put them back into the CHP system installed at the site to calculate the kWhs the CHP system would produce with the saved Btus and these are the allowed kWhs saved and credited to the electric utility. • Convert the gas Btus saved to therms 	<p>Step 3:</p> <ul style="list-style-type: none"> • Convert the CO2 emission savings in metric tons to kWhs saved rather than utilize the Btu savings. • They site this as being good for a 111(d) program. They may be correct for a 111(d) program. However, we are implementing an Energy Efficiency Portfolio Standard Program.