

# NON-ENERGY BENEFITS IN OTHER JURISDICTIONS

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# Issue

- Should NEBS be included in the Illinois TRC calculation? If so, how should they be quantified?

# NRDC Proposal

1. 15% Default Non-Low Income Benefits Adder
2. 30% Default Low Income Benefits Adder
3. 50% Whole House Retrofit Program Benefits Adder
4. Other program specific adders can be developed to replace default values
5. Begin conducting some IL NEBs studies
  - Could be added to existing evaluations at modest cost.

# Research Questions

- Which jurisdictions include NEBs in the TRC calculation?
- How are NEBs quantified, and what is the magnitude?
- What adder(s) are currently used in Illinois?

# Research Findings

- NEBs are not widely incorporated in calculating energy efficiency program cost-effectiveness. However, the trend appears to be a slow but steady movement toward broader incorporation of NEBs.
- NEB adders in jurisdictions that utilize them range from 10-25%, with 10% or 15% being the most commonly used adder.
- Two states use a NEBs adder above 15%. Colorado uses 25% for low-income (with 10% as a general adder); Vermont uses 30% for low-income (with 15% as a general adder)

# Current Practice - Illinois

- **Ameren IL:** 7.5% gas; 10% electric
- **ComEd:** No NEBs added; CO2 costs at \$0.0139/kWh (C/E Report, EPY5)
- **DCEO:** 10% (DCEO reports TRC results with and without NEBs, assuming a 10% adder, not distinguishing between gas/electric NEBs); see additional detail in Table 1
- **Nicor Gas:** 7.5% gas
- **Peoples Gas – North Shore Gas:** 7.5% gas

## Other methods:

- Include NEBs benefits in the IL-TRM (water savings for the following measures: clothes washer, showerhead, aerator, thermostatic restrictor valve; dishwasher; ozone laundry, and HE pre-rinse spray valve).
- Include carbon in TRC analysis.

# NEBs Adders in Other Jurisdictions

- **British Columbia:** 15%
- **Colorado:** 10%; 25% low-income
- **Iowa:** 7.5% gas; 10% electric
- **MidAmerican Energy:** 7.5% gas; 10% electric
- **New Hampshire:** 15%
- **Oregon:** 10%; carbon at \$15/ton
- **Vermont:** 15%; additional 15% for low-income (totaling 30%)
- **Washington:** 10%

# Examples of Other Approaches\*

- **California:** NEBs are included in a special low-income C/E test. Participant-perspective NEBs include: water and sewer savings; fewer shutoffs; fewer calls to the utility; fewer reconnects; property value benefits; fewer fires; reduced moving costs; fewer illnesses and lost days from work or school; net benefits for comfort and noise; and net benefits for additional hardship.
- **Massachusetts:** NEBs are incorporated at the measure level. In 2011 a study was prepared for the Massachusetts PAs assessing and monetizing the NEBs applicable to the residential and low-income programs in the state. The results of this study have been incorporated into the Massachusetts TRM.
- **Northwest Regional Technical Forum (RTF):** 10% adder (EE premium), as required by statute.
- **Pacificorp (CA, OR, WA, ID, UT, WY):** Environmental adder of 10% for low-income C/E, if the regulators allow.

\*See Table 2 for additional examples.

# Next Steps

## **SAG questions:**

- 1. What studies support the NEBs values that NRDC recommends?
- 2. How should NEBs be calculated, at the measure, program, or portfolio level?
- 3. Can NEBs be negative? If so, how to deal with this?
- 4. Is there a difference including NEBs on electric vs. gas portfolios?
- 5. Should IL have a “blended” adder?
- 6. Should carbon and environmental benefits (SO<sub>x</sub>, NO<sub>x</sub>, microparticles) be calculated separately?
- 7. Find out how IPA will treat NEBs in upcoming procurement.

## **Discussion points:**

- NRDC Proposal – do SAG participants agree or disagree with values?
- Narrow the issues; discuss consensus resolution