

Total Resource Cost Test Example

Discussion with the Council
January 13, 2015

The Ins and Outs of the TRC Test

Table 1. Summary of Key Benefits and Costs Included in Different Tests

	Partic. Test	RIM Test	TRC Test	Societal Test	PACT Test
Benefits⁴					
Primary Fuel(s) Avoided Supply Costs		✓	✓	✓	✓
Secondary Fuel(s) Avoided Supply Costs			✓	✓	
Primary Fuel(s) Bill Savings (retail prices)	✓				
Secondary Fuel(s) Bill Savings (retail prices)	✓				
Other Resource Savings (e.g. water)	✓		✓	✓	
Environmental Benefits				✓	
Other Non-Energy Benefits			rarely ⁵	in theory only	
Costs⁶					
Program Administration ⁷		✓	✓	✓	✓
Measure Costs					
Program Financial Incentives		✓	✓	✓	✓
Customer Contributions	✓		✓	✓	
Utility Lost Revenues		✓			

From: *Is it Time to Ditch the TRC?: Examining Concerns with Current Practice in Benefit-Cost Analysis*
 Neme and Kushler, ACEEE Summer Study on Energy Efficiency in Buildings 2010, paper 5-299.

Discounted Benefit Stream

Year	Avoided electric cost (\$/kWh)	Benefits (\$)	Discounted Benefits (\$)
1	0.070	210,000	199,052
2	0.072	216,300	194,335
3	0.074	222,789	189,730
4	0.076	229,473	185,234
5	0.079	236,357	180,845
6	0.081	243,448	176,559
7	0.084	250,751	172,375
8	0.086	258,274	168,291
9	0.089	266,022	164,303
10	0.091	274,002	160,409
		2,407,415	1,791,134