In response to a question referred to the Regional Technical Forum of the Power Planning Council by Bonneville. August 30, 2007.

Presentation & Discussion on Treatment of Productivity and other Non-Energy Benefits in Total Resource Cost-effectiveness Determinations –

Reid Hart (EWEB), Dave Hewitt (NBI) & Theddi Chappell (BetterBricks)

Problem Statement

- Following the regional advice for integrating energy efficiency into quality design means:
  - Total cost may be higher (not all integrated design is "free" or minimal cost)
  - Cost for "energy portion" of project is difficult, if not impossible, to separate from other benefits
  - For certain measures, there are benefits beyond energy savings that will be received by building occupants; adding value to building or creating annual benefit.
- To be "total" TRC must accommodate other benefits on the savings side or split certain measure costs between energy savings and other reasons.
- Analysis of other benefits should be at the appropriate level required for TRC test; not the same level as kWh savings – and should not require verification.

Today's Request by Utilities:

1. The TRC method for new construction or retrofit projects that have energy measures with positive impacts on productivity or real estate value **should allow** reasonable cost reductions or annual productivity savings to be included. (An affirmative answer to this request does not specify the method of determining savings or cost.)
2. Immediately allow a reasonable estimation of benefits, based on projection of similar studied benefit rates, to be included in O&M savings of the TRC.
3. Establish a committee to determine a list of <u>certain</u> energy saving <u>measures</u> that have value or productivity benefits in addition to energy savings and find a simplified method of adjusting measure costs or O&M savings to adjust TRC calculation.

Utilities/Programs Participating in this request

- Eugene Water & Electric Board
- Seattle City Light
- Energy Trust of Oregon
- Tacoma Public Utilities
- Springfield Utility Board
- Snohomish Public Utility District
- Idaho Power

Attached References:

- Article by Scott Muldavin, to be published in Pension Real Estate Association Quarterly. Note productivity discussion on page 36.
- Building Investment Decision Support (BIDS™) Study by Carnegie Mellon University Center for Building Performance and Diagnostics.
- Original letter from EWEB to Bonneville providing productivity documentation.