**Summary of**

**Electric to Natural Gas Clothes Dryer Conversion Program**

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| **Assumptions** |
| Description | Value | Source |
| Inflation Rate | 3.0% | Staff Analysis[[1]](#footnote-1) |
| Cost of Capital/ Discount Rate | 9.0% | Staff Analysis |
| Measure Life | 15 Years[[2]](#footnote-2) | http://www.consumerenergycenter.org/home/appliances/dryers.html |
| Electric Avoided Cost | See Attached | Staff Analysis (attached)[[3]](#footnote-3) |
| Natural Gas Avoided Cost | See Attached | Staff Analysis (attached)[[4]](#footnote-4) |
| Measure Cost | $830 | See “equipment” tab in spreadsheet “CD Calculations” |
| Avoided Cost Alternate Fuel Eq. | $600 | See “equipment” tab in spreadsheet “CD Calculations” |
| Electricity Usage Change | -1,075 kWh | See “usage” tab in spreadsheet “CD Calculations” |
| Natural Gas Usage Change | +6.528 Mcf | See “usage” tab in spreadsheet “CD Calculations” |
| Incentive | $830[[5]](#footnote-5) | Company |
| Net-to-Gross Ratio | 1.0 | TRM Order, page 17 |
| Participation | 1[[6]](#footnote-6) | Company |
|  |
| **Results** |
| Test[[7]](#footnote-7) | Net Benefit | Benefit/Cost Ratio |
| Total Resource Cost Test | $1,282 | 1.82 |
| Participant Test | $2,112 | 2.35 |
| Rate Impact Measure Test | $-94[[8]](#footnote-8) | 0.97 |
| Program Administrator Cost Test | $6829 | 1.44 |
| Total Energy Savings | 12,225,607 Btus[[9]](#footnote-9) | - |

1. From the staff avoided cost spreadsheet; the escalation rate assumed for natural gas distribution costs. [↑](#footnote-ref-1)
2. 18-year useful life constrained to 15 per the Commission’s TRM Order. [↑](#footnote-ref-2)
3. I assume a 100% load factor for clothes drying (Staff’s calculation assumes 53%), but I think this is reasonable for this particular evaluation and obviates the need to make a separate estimate of demand savings from the measure. [↑](#footnote-ref-3)
4. See my escalation in out-years to accommodate a 15-year measure life. [↑](#footnote-ref-4)
5. Assumed to be equal to the cost of the measure ($830) to minimize free-ridership. [↑](#footnote-ref-5)
6. Evaluated 1 participant, on the assumption that we are focused on the TRC ratio and that ratio will remain unchanged whether we have 1 or 1,000,000 participants. [↑](#footnote-ref-6)
7. Test result details attached as spreadsheet “CD Conversion Evaluation.” [↑](#footnote-ref-7)
8. Assumes that the avoided cost is equal to the retail rate. [↑](#footnote-ref-8)
9. See calculations attached in the spreadsheets “source-to-site” and “Energy Savings.” [↑](#footnote-ref-9)