**Summary of**

**Micro Combined Heat & Power (Micro CHP) 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 | TRM Order, page 14 |
| Electric Avoided Cost | See Attached | Staff Analysis (attached) |
| Natural Gas Avoided Cost | See Attached | Staff Analysis (attached)[[2]](#footnote-2) |
| Measure Cost | $18,000 | Manufacturer |
| Electricity Usage Change | -4928 kWh/ -1.2 kW | See spreadsheet entitled Micro CHP Calculations (attached) |
| Natural Gas Usage Change | +5.84 Mcf | See spreadsheet entitled Micro CHP Calculations (attached) |
| Incentive | $18,000 | Company |
| Net-to-Gross Ratio | 1.0 | TRM Order, page 17 |
| Participation | 1[[3]](#footnote-3) | Company |
|  | | |
| **Results** | | |
| Test[[4]](#footnote-4) | Net Benefit | Benefit/Cost Ratio |
| Total Resource Cost Test | -$8,051 | 0.57 |
| Participant Test | $9,949 | 1.53 |
| Rate Impact Measure Test | -$17,320[[5]](#footnote-5) | 0.40 |
| Program Administrator Cost Test | -$8,0517 | 0.57 |
| Total Energy Savings | 53,060,135 Btus[[6]](#footnote-6) | - |

1. From the staff avoided cost spreadsheet; the escalation rate assumed for natural gas distribution costs. [↑](#footnote-ref-1)
2. See my escalation in out-years to accommodate a 15-year measure life. [↑](#footnote-ref-2)
3. 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-3)
4. Test result details attached as spreadsheet “Micro CHP Evaluation.” [↑](#footnote-ref-4)
5. Assumes that the avoided cost is equal to the retail rate. [↑](#footnote-ref-5)
6. See calculations attached in the spreadsheets “source-to-site” and “Energy Savings.” [↑](#footnote-ref-6)