
NH Energy Efficiency Resource Standard

Three-Year Program Plan





The Societal Cost Test and Non-Energy Impacts:

The Approach Used in Vermont

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Societal Test in Vermont

- Established as primary cost-effectiveness test for efficiency investments made by utilities with ratepayer funds in Public Service Board Docket 5270 (1990)
 - Adopted 10% adjustment to costs to reflect "comparative risk and flexibility" advantages of demand-side resources
 - Reaffirmed in PSB Docket 5980 (1999 – Establishing Energy Efficiency Utility)
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What Costs are included in Screening?

- Incremental installed cost of measure
 - Net operation and maintenance costs (may be positive or negative cost)
 - Deferral credit for early retirement retrofit (negative cost)
 - Program delivery and administrative costs
 - For initiative and portfolio screening only
 - Risk discount (10% reduction in positive costs)
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What Benefits are included in Screening?

- Direct resource savings
 - Electric energy, generation capacity, and transmission and distribution avoided costs
 - Fossil fuel and wood avoided costs (penalties counted as costs)
 - Water avoided costs
 - Non Energy Benefits
 - Electric and fuel externalities
 - 15% Non-energy benefit adder
 - 15% Low-income benefit adder
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Non-Energy Benefits

- "any real or perceived, financial or intangible benefit accrued by a project and not reflected in energy savings."
 - Examples include:
 - Customer: increased comfort, convenience, and health
 - Utility: reduction in the number of utility shut-offs and bill complaints
 - Societal: increased community health and improved aesthetics related to the decreased need for generation and associated transmission infrastructure
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15% Non-Energy Benefits Adder

- Vermont PSB order of 2/7/2012 adopted 15% non-energy-benefits adder to the energy benefits in cost-effectiveness screening in Vermont to account for the hard-to-quantify benefits that factor into participant decision-making.
 - “While there is a high degree of uncertainty surrounding the magnitude of non-energy benefits, it is clear that the current value of zero is incorrect, and that 15 percent is on the lower end of the range of estimates.”
 - 15% value adopted as rebuttable presumption, to be revisited in biennial avoided-cost proceedings
 - Water and O&M savings continue to be directly quantified where appropriate
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15% Low-Income Benefits Adder

- Vermont PSB order of 2/7/2012 adopted 15% low-income benefits adder in addition to the NEB adder.
 - “energy savings that accrue to the low-income sector have a greater benefit to that sector because its energy-bill-to-income ratio is higher relative to other sectors”
 - “there appear to be greater non-energy benefits from energy efficiency investments accruing to participants in the low-income sector (both single-family and multifamily housing), particularly with regard to comfort, health and safety”
 - 15% value adopted as rebuttable presumption, to be revisited in biennial avoided-cost proceedings
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