



Date: April 26, 2008
To: Don Jones Jr.
From: Brian Hedman
Re: Utah Cool Cash 2008 Cost Effectiveness Analysis

This report provides a cost-effectiveness analysis of PacifiCorp’s estimates for the 2008 Cool Cash Program in Utah. The analysis is based on the 2007 IRP decrement avoided costs and the 2007 Utah residential cooling load shape that was used in the creation of the 2007 IRP residential cooling 7% load factor decrement. The discount rate is the after-tax weighted cost of capital from PacifiCorp’s most recent Utah rate case, Docket 04-035-42. Cost effectiveness parameters for line losses and 2006 average retail rates were provided by PacifiCorp’s regulation department.

The following tables present the evaluation inputs, the per-unit costs and savings assumptions, the total program cost, and the IRP 7% residential cooling load factor decrement results. The IRP decrement values are derived from the Company’s IRP analysis and reflect the specific value of the program to Rocky Mountain Power’s Utah service territory.

Table 1 lists the program inputs cost effectiveness inputs.

Table 1: Cost Effectiveness Inputs

Parameter	Value
Discount Rate	7.126%
Line Loss	8.859%
Energy Rate (\$/kWh)	\$0.0748

Table 2 presents the program participation, incentive levels and per unit cost and savings estimates. Table 3 presents the total program costs and savings.

Table 2: Program Participation

Program Options	Savings Lifetime	Annual Participation	Net Annual Energy Savings (kWh/yr/unit)	Net Demand Savings (kW/unit)	Gross Incremental Customer Cost (\$/unit)	Customer Incentive (\$/unit)	Dealer Incentive (\$/unit)
Evaporative							
Replacement	15	412	303	0.53	(\$2,173)	\$100	
New	15	248	533	0.93	(\$2,173)	\$200	
Premium	15	4	909	1.58		\$750	\$275
Subtotal		664					
Central AC							
Sizing + TXV	15	1,166	82	0.05		\$50	\$25
Charge and Airflow	10	1,013	74	0.22		\$0	\$50
15+ SEER/12.5+ EER	15	1,193	144	0.21	\$957	\$150	
Subtotal		3,372					
Total		4,036					

Table 3: Costs and Savings

Program Year	Program Administration	Utility Administration	Incentives	Total Utility Cost	Net Participant Cost	Annual kWh Savings
2008	\$184,610	\$50,000	\$411,950	\$646,560	(\$27,090)	603,159

The program is cost effective from all perspectives. The participant cost ratio is not calculated due to negative participant costs.

Table 5: Cost Effectiveness

All Measures	AC: IRP 7% Load Factor				
	Levelized \$/kWh	Costs	Benefits	Net Benefit	Ratio
Total Resource Cost Test (TRC) + Conservation Adder	0.0538	\$269,234	\$921,399	\$652,165	3.422
Total Resource Cost Test (TRC) No Adder	0.0538	\$269,234	\$837,635	\$568,401	3.111
Utility Cost Test (UCT)	0.1206	\$603,551	\$837,635	\$234,084	1.388
Rate Impact Test		\$648,667	\$837,635	\$188,968	1.291
Participant Cost Test (PCT)		(\$334,317)	\$456,871	\$791,188	n/a
Lifecycle Revenue Impacts (\$/kWh)				(\$0.0000004885)	