

- 1 Q. Reference: Pre-Filed Testimony of Patrick Bowman, page 3, lines 7-14, InterGroup  
2 explains that the TRC/mTRC test measures the impact on the utility and  
3 participating customers collectively, and a positive TRC/mTRC can still lead to any  
4 of the utility, participating customers, or non-participating customers being  
5 materially worse off from the CDM program which is why a complementary utility-  
6 specific and customer-specific test are typically required.
- 7 a) Please confirm that the PAC test is an appropriate utility-focused test to be  
8 used in measuring the cost effectiveness of electrification programs. If not, please  
9 explain why and what other tests should be considered.
- 10 b) What customer-specific tests are used in other jurisdictions, and does  
11 InterGroup have a recommendation for the appropriate customer-specific test to  
12 be used by the Utilities in measuring the cost effectiveness of electrification  
13 programs?
- 14 A.
- 15 (a) PAC is an appropriate, but not comprehensive, utility-focused test to measure the  
16 cost-effectiveness of ECDM programs. PAC is limited by the fact it is a ratio so  
17 does not give absolute values for the scale of benefits. For this reason, as noted  
18 in TC-PUB-IC-001(a), PAC should be used in combination with NPV Analysis.
- 19 PAC/NPV Analysis should also be used in conjunction with rate impact  
20 assessment, as set out in TC-PUB-IC-001(a) and TC-PUB-IC-002(a), including  
21 NPV analysis that considers revenue impacts.
- 22 (b) Customer-specific tests are not typically used as a screening to determine cost-  
23 effectiveness in Mr. Bowman's experience. The typical focus of customer-specific  
24 tests is to determine the scale of incentives that may be required to get customers  
25 to participate. However, as customers have complicated and overlapping interests  
26 (for example, convenience, comfort, environmental priorities, affordability limits),  
27 cost-effectiveness assessments from the customer side are only a small part of  
28 determining program design.
- 29 With this purpose in mind, the Participant Cost (PC) assessment is typically used.