

Table 6
The Lack of Participant Benefits in the CPUC’s TRC Calculation Lowers Cost-Effectiveness for Efficiency Programs That Install Equipment

Sample Calculation (Hypothetical)	Electric Water Heater Installation Program	
	WITHOUT PARTICIPANT BENEFITS	WITH PARTICIPANT BENEFITS
Program non-participant costs	\$10,000	\$10,000
Program participant costs	5,000	5,000
Program non-participant benefits	14,000	14,000
Participant benefit*	CPUC does not include	2,100
TRC (Benefits/Costs)	0.93	1.07

Source: Auditor generated.

= Indicates that the program is not cost effective.

* We estimated participant benefits using a conservative 15 percent of non-participant benefits, which is the method the state of Vermont uses to estimate these benefits for efficiency programs.