

Manitoba Hydro Undertaking #94

Explain whether the participant cost for the Water and Energy Saver Program and the Low Income Energy Efficiency Program should be revised.

The Participant Cost Test (PCT) for the Water and Energy Savings Program and the Lower Income Energy Efficiency Program shown in the 2010 Power Smart Plan is correct.

The PCT measures the economic impact of the participating customer of adopting an energy efficiency measure, and the formula (i.e. used within the energy efficiency industry) for calculating this ratio is:

$$\text{Participating Customer Test} = \frac{\text{Customer Bill Reductions} + \text{Incentives}}{\text{Participant Cost}}$$

Where the Participant Cost is defined as the gross incremental product cost (before any incentives). The metric is used for determining the benefit/cost ratio for a customer without incentives and provides a generic indication for the economics of undertaking a measure without incentives.