

Environmental Benefits and Economic Analysis for Energy Efficiency Programs: Background

Council Consultants

MA EE Advisory Council Meeting
April 14, 2009

DPU Order in 08-50-A

- The costs of complying with reasonably foreseeable environmental laws and regulations (i.e., those costs that are, or are expected to be, included in electricity or gas prices) should be included in the Total Resource Cost test.
- Environmental externalities (i.e., those costs associated with environmental damages that are not, and are not expected to be, included in electricity or gas prices) should not be included in the Total Resource Cost test.

Regional Avoided Cost Study

- Ongoing regional study, recently launched (avoided costs are updated every two years)
- Also called “AESC” (Avoided Energy Supply Component) study
- As part of the regional study, will be estimating the costs of compliance with environmental laws and regulations
- Also will be estimating environ. externalities
- Each state determines what it will use