

Table 3-1. Summary of Benefits and Costs Included in Each Cost-Effectiveness Test

Test	Benefits	Costs
PCT	<i>Benefits and costs from the perspective of the customer installing the measure</i>	
	<ul style="list-style-type: none"> <li>▪ Incentive payments</li> <li>▪ Bill savings</li> <li>▪ Applicable tax credits or incentives</li> </ul>	<ul style="list-style-type: none"> <li>▪ Incremental equipment costs</li> <li>▪ Incremental installation costs</li> </ul>
PACT	<i>Perspective of utility, government agency, or third party implementing the program</i>	
	<ul style="list-style-type: none"> <li>▪ Energy-related costs avoided by the utility</li> <li>▪ Capacity-related costs avoided by the utility, including generation, transmission, and distribution</li> </ul>	<ul style="list-style-type: none"> <li>▪ Program overhead costs</li> <li>▪ Utility/program administrator incentive costs</li> <li>▪ Utility/program administrator installation costs</li> </ul>
RIM	<i>Impact of efficiency measure on non-participating ratepayers overall</i>	
	<ul style="list-style-type: none"> <li>▪ Energy-related costs avoided by the utility</li> <li>▪ Capacity-related costs avoided by the utility, including generation, transmission, and distribution</li> </ul>	<ul style="list-style-type: none"> <li>▪ Program overhead costs</li> <li>▪ Utility/program administrator incentive costs</li> <li>▪ Utility/program administrator installation costs</li> <li>▪ Lost revenue due to reduced energy bills</li> </ul>
TRC	<i>Benefits and costs from the perspective of all utility customers (participants and non-participants) in the utility service territory</i>	
	<ul style="list-style-type: none"> <li>▪ Energy-related costs avoided by the utility</li> <li>▪ Capacity-related costs avoided by the utility, including generation, transmission, and distribution</li> <li>▪ Additional resource savings (i.e., gas and water if utility is electric)</li> <li>▪ Monetized environmental and non-energy benefits (see Section 4.9)</li> <li>▪ Applicable tax credits (see Section 6.4)</li> </ul>	<ul style="list-style-type: none"> <li>▪ Program overhead costs</li> <li>▪ Program installation costs</li> <li>▪ Incremental measure costs (whether paid by the customer or utility)</li> </ul>
SCT	<i>Benefits and costs to all in the utility service territory, state, or nation as a whole</i>	
	<ul style="list-style-type: none"> <li>▪ Energy-related costs avoided by the utility</li> <li>▪ Capacity-related costs avoided by the utility, including generation, transmission, and distribution</li> <li>▪ Additional resource savings (i.e., gas and water if utility is electric)</li> <li>▪ Non-monetized benefits (and costs) such as cleaner air or health impacts</li> </ul>	<ul style="list-style-type: none"> <li>▪ Program overhead costs</li> <li>▪ Program installation costs</li> <li>▪ Incremental measure costs (whether paid by the customer or utility)</li> </ul>

Source: Standard Practice Manual: Economic Analysis of Demand-Side Programs and Projects.