

## Steam Energy Efficiency Work Paper

Line No.: *Basis for calculating annual consumption savings & annual PBR losses:*

1	Estimated annual consumption savings from 9 site specific reports:	9.5%
2	2006 Steam Sales:	23,250 MMlb
3	% of annual consumption that will agree to participate:	10%
4	<b>Total Annual Steam Consumption Savings:</b>	<b>220,042 Mlb</b>
5	Unit Annual PBR:	10.5 \$/Mlb saved
6	<b>Total Estimated Annual PBR Losses Due to Conservation:</b>	<b>2,310,441 \$/year</b>

*Basis for calculating incentive payment to customers & other costs:*

7	Estimated installation cost (average from 9 site specific reports)	47 \$/Annual Mlb saved
8	% of Con Edison's share of the cost	50%
9	<b>Con Edison's Installation Cost Limit</b>	<b>24 \$/Annual Mlb saved</b>
10	<b>Total Incentives Paid to Customers (Line 9 x Line 4)</b>	<b>5,281,008 \$</b>
11	<b>Total Monitoring &amp; Verification Cost (7% of Line 10)</b>	<b>369,671 \$</b>
12	<b>Total Administration Cost (2% of Line 10)</b>	<b>105,620 \$</b>

*Basis for estimating the number of sites and the facility cap*

13	Average Annual Steam Savings per Site (from 9 site specific audit reports)	3500 Mlbs/Year
14	<b>Estimated no. of sites, assuming average annual consumption reduction per site shown in Line 13, that are needed to reach the total annual steam consumption savings.</b>	<b>60</b>
15	<b>Facility Cap was determined by taking the ratio of the total incentives paid to customers (Line 10) to the estimated number of sites (Line 14). The figure is rounded down to nearest 10000.</b>	<b>80,000 \$</b>

16 The NPV of the resource costs and benefits was calculated using a present worth factor of 7% and an annual escalation rate of 3%.