

1 Q. **Reference: Exhibit 9 page 17.**

2 Please provide the economic tests applied in determining whether to proceed with
3 an industrial CDM opportunity. In particular, does Hydro apply the Total or
4 Marginal Resource Cost test, the Rate Impact Measure test, or other economic
5 tests?

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8 A. Hydro uses the Total Resource Cost (TRC) test to determine whether to proceed
9 with an industrial CDM opportunity. This cost-benefit ratio TRC test is in
10 accordance with the California Standard Practice Manual developed by the
11 California Public Utility Commission (CPUC) and the California Energy Commission
12 (CEC).

13
14 The Participant Test, Utility Test and Rate Impact Measure test, are run as a
15 component of the TRC analysis but the TRC is the measure to determine whether to
16 proceed.