

**INTERPRETATION IC 90.1-2004-27 OF  
ANSI/ASHRAE/IESNA STANDARD 90.1-2004  
Energy Standard for Buildings Except Low-Rise Residential Buildings**

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**Reference:** This request for interpretation refers to the requirements presented in ANSI/ASHRAE/IESNA Standard 90.1-2004, Section G3.1 and Table G3.1, regarding purchased chilled water.

**Background:** Informative Appendix G does not address how to model a purchased chilled water utility. Purchased chilled water plants often have source energy savings. For a comparison of source energy consumption between a purchased system and a baseline system, separate utility rates should be allowed.

Purchased chilled water rates are not always representative of source energy consumption. A purchased chilled water rate often includes two fees, a capacity charge and a consumption charge. The capacity charge is typically the utilities cost for equipment amortization, maintenance, and overhead while the consumption charge represents the cost of production and distribution of chilled water. For a comparison of source energy efficiency savings, the capacity charge should be excluded and only the consumption charge used.

**Interpretation:** When modeling a purchased chilled water system, separate utility rates may be used for source energy comparison.

For purchased utilities, only charges for energy consumption should be used. Charges representing items such as equipment, maintenance and overhead should not be considered.

**Question:** Is this interpretation correct?

**Answer:** No

**Comment:** Appendix G requires the use of actual purchased energy rates. Purchased chilled water is not the only purchased energy with costs that do not reflect the source energy consumption. Another example is electricity purchased from a utility that relies on hydroelectric power generation.