2023
ANNUAL REPORT

INTERMOUNTAIN® GAS COMPANY
A Subsidiary of MDU Resources Group, Inc.
In the Community to Serve®

Energy Efficiency

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EXECUTIVE SUMMARY

The Intermountain Gas Company (Intermountain or Company) Energy Efficiency Portfolio continued to grow in customer participation in 2023. Together, the Residential Program and the Commercial Program make up the Energy Efficiency Portfolio. Any Program level discussion or reporting will specify Residential or Commercial Program. There were 8,496 rebates paid to residential customers, a 6.9% increase over the previous year. In 2023 the furnace rebate was the most redeemed rebate in the Residential Program with 3,280 rebates, as it has been since the inception of the program. The smart thermostat was the second most redeemed rebate by customers for the second year in a row, with 2,830 rebates. There were 1,509 Whole Home Tier II new construction rebates. The Tankless Water Heater Tier I rebate, and boiler rebate also increased year over year, but with lower rebate counts than space heating, at 818 and 10 rebates, respectively.

The Commercial Program could not be a more different story. The Commercial Program experienced continued low participation and awareness despite efforts to grow the program. High-efficiency fryers in the commercial kitchen equipment category was, once again, the most redeemed commercial rebate at 20 rebates, one more than 2022. High efficiency condensing boiler rebate had 2 rebates paid, down from a total of 7 the previous year. Contacting the decision makers or building operators continues to be one of the main challenges of the Commercial Program.

As a portfolio, residential and commercial together, there were 672,417 therms of total claimed savings: 660,919 for the Residential Program and 11,498 for the Commercial Program. The portfolio was cost-effective with a Utility Cost Test ratio (UCT) of 1.2. The Residential Program had a UCT of 1.2. The Commercial Program had a UCT of 0.9.

In compliance with Order No. 36245, Intermountain commissioned an Evaluation, Measurement and Verification (EM&V) study of the Residential Program, which included an impact evaluation and process evaluation. The impact evaluation resulted in an evaluated savings total of 422,683 for the residential program. Cost-effectiveness tests conducted with the evaluated savings resulted in a portfolio UCT of 0.8. The Residential Program UCT was also 0.8 and the Commercial Program UCT remained unchanged, with a UCT of 0.9.

The Company used the results of the impact evaluation to inform Program changes. To heed the recommendation of Idaho Public Utilities Commission (Commission) Staff comments in Order No. 35663, “Staff encourages the Company to explore other acceptable and vetted bases for deemed savings such as the Regional Technical Forum,” Intermountain commissioned the development of a technical reference manual (TRM) for the Residential Program. This TRM is the basis for the proposed Residential Program offerings for 2025, which are outlined in this report.

The process evaluation examined the Company’s customer experience; from how customers first learned about the Program to their level of satisfaction with services received. Participants and non-participants of the Program were surveyed. Evaluators found staffing and organization sufficient and appropriate to the design and budget of the Program, as well as found the quality assurance procedures, management, and implementation tools to be appropriate and effective. Evaluators provided four recommendations: boost the Program’s marketing and outreach, focus on saving on energy bills and money and improved comfort as the main motivators for engaging with the Program, increasing direct-to-contractor outreach, and simplifying the application and addressing the contractor’s belief that the upfront cost of equipment is preventing energy efficient adoption. Additional details, and the proposed action plan to address these recommendations, is provided in more detail in this report.

Figure 1 SEE Action Energy Efficiency Program Impact Evaluation Guide

In addition to EM&V and the cyclic planning-implementation-evaluation process, illustrated in Figure 1, the Company also commissioned a Conservation Potential Assessment in order to inform the 2023 Integrated Resource Plan and to identify savings potential for the Energy Efficiency Portfolio. The study results were presented to the Intermountain Gas Resource Advisory Committee and the full report was filed in Case No. INT-G-23-07. In conjunction with updating and identifying new savings potential, in accordance with the Order from Case No. INT-G-22-03, the Company also updated and filed avoided cost calculations as exhibits with the 2023 IRP filing and will "base cost-effectiveness testing off the avoided costs in place at the time of Program planning." Therefore, the avoided costs filed in Case No. INT-G-23-07 will be used for the Energy Efficiency Program years 2024 and 2025.

The Company continued to promote the Energy Efficiency Program and energy saving tips to all customers. To focus on reaching Intermountain customers specifically, in addition to conducting an annual customer engagement activity, the Company implemented regular, quarterly email communications to customers that have opted in to receiving energy saving topics. The email campaign provides metrics to gauge the customer engagement by tracking open rates, click-thru rates, and overall subscribership. The Building Contractor Association (BCA) remains an effective outreach strategy to raise awareness about energy efficiency with home builders and home building associates, such as HVAC companies and realtors. Similar to the BCA, membership with the professional organizations American Society of Heating, Refrigeration and Air-conditioning Engineers (ASHRAE) and the American Institute of Architects of Idaho (AIA) also served as outreach avenues for the Commercial Program and presented opportunities to connect with architects and engineers involved in the design process as well as vendors who implement building performance projects.

The Company's collaboration with the Energy Efficiency Stakeholder Committee (EESC) remained a vital partnership in the advancement of the Energy Efficiency Portfolio. The Company held two meetings in 2023. At the May meeting, the Company provided an overview of year over year, 2021 vs. 2022, rebate performance and outreach activities. At the fall meeting in November the Company proposed a "meeting makeover," to commit to a standardized meeting agenda and increased the meeting frequency to quarterly meetings instead of twice a year. This is intended to provide more regular Program updates on rebate performance, outreach activities, the rider balance, administrative updates, and special studies.

Committed to an energy efficient future, Intermountain continued its membership in the North American Gas Heat Pump Collaborative (Collaborative), and the Energy Solution Center Gas Heat Pump Consortium (Consortium). Both organizations are focused on the development and adoption of natural gas equipment with efficiencies over 100%. The Company also participated in the Emerging Technology Program (ETP), a member-driven collaboration facilitated by GTI Energy, to expand energy saving opportunities for Intermountain customers.

This report details the 2023 Energy Efficiency portfolio performance, cost-effectiveness testing, and outreach and education activities of the Residential and Commercial Energy Efficiency Programs.

INTRODUCTION

Intermountain Gas Company, a subsidiary of MDU Resources Group, is a natural gas distribution company serving over 420,000 residential, commercial, and industrial customers in 75 different communities across Southern Idaho since 1955.

In addition to reliably providing affordable and safe natural gas for home space and water heating, 2023 marked the sixth year of delivering money and energy saving opportunities through the Energy Efficiency Program at Intermountain. The Program's mission to secure cost-effective therm savings provides a two-fold benefit to customers. Individual customers benefit by reducing energy use and realizing long term savings through lower monthly bills by installing high-efficiency equipment. All customers benefit from the efficient use of natural gas by maximizing today's assets and delaying the need for expensive system upgrades.

The Residential Program was approved by the Commission and went into effect on October 1, 2017. All customers receiving natural gas through the Company's residential rate schedule were eligible to participate in the Program. The Program offers rebates for natural gas equipment meeting specific high-efficiency requirements and can be applied to replacement equipment, conversions from other fuel sources, and new construction. The Residential Program also offers rebates for the construction of residential homes that meet specific energy efficiency performance targets.

The Commercial Program was approved by the Commission on March 2021, and went into effect April 1 of the same year. All customers receiving natural gas through the Company's commercial rate schedule were eligible to participate in the Program. The Commercial Program offers three space heating rebates and three commercial kitchen equipment rebates.

To uphold the Company's commitment made in Case No. INT-G-17-03 to file an annual report to document Program performance, and include a summary of cost-effectiveness, expenditures, participation (number of rebates issued), and Program implementation methods for each of the incented measures, the Company filed an application request to designate 2021 energy efficiency expenses as prudently incurred on July 12, 2022. On January 13, 2023, Order No. 35663 determined 2021 energy efficiency expenses as prudently incurred. On October 6, 2023, the Company filed an application for an order designating the 2022 energy efficiency expenses as prudently incurred. On June 27, 2024, Order No. 36245 stated the Company's 2022 energy efficiency expenditures were prudently incurred. Although the Company files an annual report and an application requesting designation of prudent expenses every year, the time to prepare these reports and receive final orders is a formal process that requires much preparation, analysis, and consideration by both the Company and the Commission. For that reason, Commission Orders and subsequent Company actions do not always perfectly align with Program years. Therefore, due to timing, action required to comply with Orders may take place outside of the reported year.

The Company continues to comply with orders over the evolution of the Program. This report details Program activities, achievements, and progress made in 2023 as well as changes and updates implemented in 2024 to comply with Commission Orders. A complete and separate 2024 annual report will be submitted in 2025. Both the Residential and Commercial Program, which make up the entire Energy Efficiency Portfolio, will be discussed in detail in this report.

COST-EFFECTIVENESS TESTING METHODOLOGY

Intermountain's objective is for all rebates to have benefit/cost ratios equal to or greater than one when measured by the Utility Cost Test. The UCT measures cost-effectiveness from the utility company's perspective and takes into consideration avoided supply costs, Program administration costs, and incentives paid by the utility. Rebates undergo cost tests at several stages: preliminary design, implementation, annual review, and during the Evaluation, Measurement and Verification study (EM&V.) The cost-effectiveness of rebates is also evaluated based on the customer's perspective using avoided supply costs, Program administration costs, and net participant costs in a test commonly referred to as the Total Resource Cost Test (TRC.) The TRC is not the primary cost test used for decisions regarding the inclusion of rebate offerings. In calculating the UCT and TRC, Intermountain relies on the calculations outlined in the California Standard Practice Manual and the National Action Plan for Energy Efficiency (NAPEE), Understanding Cost-effectiveness of Energy Efficiency Programs: Best Practices, Technical Methods, and Emerging Issues for Policy-Makers.

To conduct cost-effectiveness testing for the respective Programs, the Company direct assigned expenses to the respective Programs. For example, any expense related to residential customer outreach, such as the customer engagement activity or participation in the Building Contractors Association (BCA) was charged to the Residential Program expense account. Likewise, all expenses related specifically to the Commercial Program activities, like the commercial customer survey development, were charged to the commercial expense account.

If an activity or expense related to both the Residential and Commercial Program, Intermountain allocated the expenses between the Residential and Commercial Programs. For example, professional membership fees to the Association of Energy Service Professionals, which provided training on topics relevant to general energy efficiency program management, such as cost-effectiveness, rather than a topic specific to a particular program, were allocated between the Residential and Commercial Program. The allocation method was applied to other expenses such as promotional give away items used at both residential and commercial events, equipment cleaning of booth kit items used at both commercial and residential events, and expenses related to participation in industry groups like GTI Energy and the Collaborative that address both commercial and residential topics. This expense allocation remained the same as 2022, shared expenses were split by a 95% allocation to the Residential Program and 5% allocation to the Commercial Program. The allocation was based on the recorded service starts for the residential and commercial sector.

Program outreach and education activities for both the Residential and Commercial Energy Efficiency Programs are contained in this report. For simplicity, Program reporting is separated into two distinct sections, Residential Program and Commercial Program which will cover Program funding, Program cost-effectiveness, individual measure cost-effectiveness, as well as Program outreach, awareness, and education for both programs.

RESIDENTIAL ENERGY EFFICIENCY PROGRAM

The Residential Energy Efficiency Program is funded by the Energy Efficiency Charge (EEC-RS) rider, a monthly per therm charge to residential customers. As of June 30, 2024, the Company had an over-collected EEC-RS Program balance of $1,919,667. To more accurately match on-going revenues with expenses, the Company filed to decrease the residential EEC rate. On October 1, 2024, Idaho Public Utilities Commission issued Order No. 36337 and the EEC was reduced from $0.01564 per therm to $0.01149 per therm. The Company will continue to monitor fluctuations in the rider balance to keep rates as stable as possible and avoid excessive over or under collections balances. Table 1 provides detailed information on the 2023 Rider balance at December 31, 2023.

Table 1. 2023 Residential Rider Balance

Revenue	$	4,702,205
Program Expenses		
Residential Rebates		2,767,789
Labor		642,719
Program Delivery		43,242
Special Studies		218,747
Market Transformation		23,750
Direct Expenses		77,792
Total Program Expenses		3,774,039
2023 Rider Deferral		
Over/(Under) Collection		928,162
Prior Year Rider Balance		
Over/(Under) Collection		450,521
Rider Account Balance		
Over/(Under) Collection	$	1,378,687

RESIDENTIAL ENERGY EFFICIENCY PROGRAM

On June 17, 2024, Idaho Public Utilities Commission issued Order No. 36425 requiring that “the Company’s next prudency filing shall include an EM&V with a billing analysis covering Whole Home Tier I, Whole Home Tier II, Furnace and Smart Thermostat measures.” To comply with the Order, Intermountain contracted with a third- party evaluator (Evaluator) to perform an impact evaluation of these measures and conducted the first evaluation of all water heating measures: boiler, combination boiler, storage water heater and tankless water heater.

Evaluators conducted a billing analysis on the measures identified in the Order. A second evaluation methodology was also used to evaluate Intermountain in a way that is consistent with the evaluation methodologies employed by other Idaho utilities. This method used the Regional Technical Forum (RTF) and Illinois Technical Reference Manual (IL TRM) in a deemed savings methodology. This analysis evaluated the Intermountain Program using the deemed savings from the RTF and IL TRM workbooks. Evaluators compared these results to the billing analysis approach. Ultimately, the Evaluators recommended that “Intermountain Gas align evaluation methods with the utilities present in Idaho,” to “allow for programs to be evaluated and compared across utilities with the same measuring stick with results that are supported through peer reviewed and approved documentation.”[1] For each measure, Evaluators recommended Intermountain evaluate the program using the RTF or IL TRM 12.0. The complete impact evaluation report is provided in Supplement 1: Impact Evaluation Report.

This report will refer to both claimed savings and evaluated savings. Claimed savings are based on the therm saving estimates the Company used at the time of program planning. Evaluated savings are the savings determined by the Evaluators from the 2024 EM&V study.

[1] Supplement 1: Impact Evaluation Report, Section 5.1 Rebate-Level Findings and Recommendations

In order to inform program planning and use the evaluation study to identify improvements and enhancements to program design, the evaluated savings from the EM&V report were used for cost-effectiveness testing for the 2023 program year. This report outlines, by measure, the claimed savings, the evaluated savings, and cost-effectiveness testing using evaluated savings for the 2023 Residential Program.

Once the evaluation was complete, the Company turned to program planning and again sought to ensure the Program is in line with other Idaho utilities. The Company revisited Staff notes from Order No. 35663, "Staff encourages the Company to explore other acceptable and vetted bases for deemed savings such as the Regional Technical Forum." To put this recommendation into practice, Intermountain commissioned the Evaluators to develop a Technical Reference Manual (IGC TRM) for the Intermountain Energy Efficiency Program. The IGC TRM was based on the RTF gas measures. For measures not found in the RTF, Evaluators used the IL TRM. Current relevant research, recent impact evaluations, and Technical Reference Manuals developed for other states and/or regions are referenced in the IGC TRM where appropriate. Evaluators also incorporated into the IGC TRM billing analysis of natural gas heated homes participating in HVAC rebates between April 2021 and December 2023 to support savings reductions and to estimate equivalent full load heating hours.

The IGC TRM provides unit energy savings (UES or deemed savings) estimates of therms for the residential measures. The selection of measures for the IGC TRM was based on the following: rebate performance history planned incorporation of measures in the upcoming Program year, and an assessment of whether a measure is an appropriate candidate for deemed savings. The manual is "intended to facilitate the cost-effectiveness screening, planning, tracking, and energy savings reporting for the Residential Program. It is a living document in which the stipulated values are revised according to relevant industry research and impact evaluation findings." The complete IGC TRM is provided in Supplement 2: IGC TRM V. 1.0 Manual.[2]

The Company then used the IGC TRM to redesign the residential rebate offerings. For each rebate, the IGC TRM was used to update the following inputs: efficiency requirements, savings estimates, estimated useful life, and incremental costs. The Company then used the updated measure inputs, the 2023 Integrated Resource Plan (IRP) avoided costs, forecasted rebate participation, and forecasted 2025 budget, to conduct cost-effectiveness testing and set incentive amounts for each rebate.

It is important to note that based on Order No. 35663, the Company is to base program planning off the most recent IRP filing and to base cost-effectiveness testing off the avoided costs in place at the time of program planning. The program updates outlined in this report were performed using the avoided costs from the 2023 IRP. The 2023 IRP avoided costs increased from the 2021 IRP avoided costs and, as a result, the incentive amount for the furnace measure will remain the same, the smart thermostat incentive will decreas and all other incentive amounts will increase in the 2025 Program update.

The following section outlines the claimed savings, the evaluated savings, cost-effectiveness based on evaluated savings, evaluator recommendations, and the updated rebate based on the IGC TRM and 2023 IRP avoided costs for each measure.

[2] Supplement 2: IGC TRM V.1.0 Manual p.3

RESIDENTIAL REBATES

Whole Home Tier I Incentive

The Whole Home Tier I incentive provided residential customers a $900 rebate for new construction homes that met the following criteria:

- HERS rated
- Air sealing at or below 3 ACH at 50 Pa
- Ceiling insulation at or above R-49
- Ducts and air handler located inside conditioned space or duct leakage to outside of less than 4 CFM25/100 ft^2 CFA
- Furnace efficiency at or above 97% AFUE

The Company received 2 qualifying applications for this incentive during the 2023 Program Year and Intermountain claimed annual savings of 322 therms. The 2024 impact evaluation resulted in 183 therms per unit, or 367 annual therm savings. Based on the evaluated savings, the incentive was cost-effective under the UCT analysis, with a benefit-to-cost ratio of 1.4. The TRC ratio was 0.6.

Whole Home Tier II Incentive

The Whole Home Tier II incentive provided residential customers a $700 rebate for new construction homes that met the following criteria:

- HERS rated
- Air sealing at or below 4 ACH at 50 Pa
- Ducts and air handler located inside conditioned space or duct leakage to outside of less than 4 CFM25/100 ft^2 CFA
- Furnace efficiency at or above 95% AFUE

There were 1,509 Whole Home Tier II rebates paid. Intermountain claimed annual savings of 193,152 therms. The 2024 impact evaluation reported savings of 110 therms per unit, or 165,990 therms attributable to the Whole Home Tier II rebate. The evaluated savings were cost-effective under the UCT analysis with a benefit-to-cost ratio of 1.1. The TRC ratio was 0.4.

Recommendation: Evaluators compared the HERS rater modeling files to a User Defined Reference Home (UDRH) specific to Idaho's residential building code requirements and found this approach was in alignment with the Regional Technical Forum New Homes Protocol as well as the evaluation method used by other Idaho utilities.

Program changes: Based on the IGC TRM that was informed by the 2024 evaluation, the Whole Home rebate as designed was found to be in line with the RTF New Homes Protocol. There are no changes to the minimum efficiency requirements. All other measure inputs were updated to be in accordance with the IGC TRM workbook and the increased incentive was cost-tested using 2023 IRP avoided costs. A comparison of the 2023 Program and proposed changes to the 2025 Whole Home Tier I and Tier II rebates are outlined in Tables 2 and 3.

Table 2. Whole Home Tier I Incentive Changes

Measure Inputs	2023 Program	2025 Program Update
Efficiency Requirements	Energy Performance Targets with 97% AFUE furnace	Energy Performance Targets with 97% AFUE furnace*
Therm Savings Estimate	161	183
EUL (yrs.)	25	22
Incremental Cost	$2,117	$3,068
Incentive Amount	$900	$1,500

*no change

Table 3. Whole Home Tier II Incentive Changes

Measure Inputs	2023 Program	2025 Program Update
Efficiency Requirements	Energy Performance Targets with 97% AFUE furnace	Energy Performance Targets with 97% AFUE furnace*
Therm Savings Estimate	128	110
EUL (yrs.)	25	22
Incremental Cost	$2,117	$2,941
Incentive Amount	$700	$1,000

*no change

Furnace Incentive

The furnace incentive provided residential customers a $350 rebate for the installation of a high-efficient natural gas furnace with a minimum efficiency rating of 95% AFUE. A total of 3,280 furnace rebates were issued by the Company, an increase compared to 3,148 rebates the previous year. Intermountain claimed annual savings of 285,360 therms. The 2024 impact evaluation reported savings of 44 therms per unit, or 145,697 therms attributable to the Furnace rebate. The evaluated savings under the UCT analysis resulted in a benefit-to-cost ratio of 0.6. The TRC was 0.2.

Recommendation: Evaluators recommend utilizing RTF Gas Furnace workbook UES for claimed savings moving forward.

Program changes: Based on the IGC TRM that was informed by the 2024 evaluation, there are no changes to the minimum efficiency requirements. All other measure inputs were updated to be in accordance with the IGC TRM workbook. Based on cost-testing using 2023 IRP avoided costs the $350 incentive amount remains unchanged. A comparison of the 2023 Furnace rebate and proposed changes to the 2025 furnace rebate is outlined in Table 4. To inform the TRM, evaluators used the 2022-2023 Intermountain population tracking data to analyze participation by heating zone and by furnace efficiency, 95% AFUE or greater and 97% AFUE or greater. The evaluators provided a UES for the 95% AFUE furnace, and the 97% AFUE furnace, 45 therms and 56 therms, respectively. A blended UES of 46 therms was also calculated based on the historical data of rebated furnaces from the population tracking data. To keep things simple for Intermountain customers, rather than offer two different furnace rebates, 95% AFUE or greater and 97% AFUE or greater, the proposed 2025 Program update uses the blended UES of 46 therms and will continue to use 95% AFUE as the minimum efficiency requirement for the furnace rebate. A comparison of the 2023 Program and proposed changes to the 2025 furnace rebate is outlined in Table 4.

Table 4. Furnace Incentive Changes

Measure Inputs	2023 Program	2025 Program Update
Efficiency Requirements	95% AFUE or greater	95% AFUE or greater*
Therm Savings Estimate	87	46
EUL (yrs.)	20	22
Incremental Cost	$1,307	$278
Incentive Amount	$350	$350*

*no change

Boiler – 95% AFUE Incentive

The boiler incentive provided residential customers an $800 rebate for the installation of a high-efficient boiler with a minimum efficiency rating of 95% AFUE. There were 10 rebates issued in 2023 compared to 5 in 2022. Intermountain claimed annual savings of 1,590 therms. The 2024 impact evaluation reported savings of 103 therms per unit, or 1,030 therms attributable to the Boiler rebate. The evaluated savings under the UCT analysis resulted in a benefit-to-cost ratio of 0.9. The TRC was 0.6.

Recommendation: Evaluators recommended utilizing the Illinois Technical Reference Manual boiler UES for claimed savings moving forward.

Program changes: Based on the IGC TRM that was informed by the 2024 evaluation, there are no changes to the minimum efficiency requirements. All other measure inputs were updated to be in accordance with the IGC TRM workbook, and a UES of 107 therms will be used. Based on cost-testing using 2023 IRP avoided costs the incentive amount will increase from $800 to $1,000. A comparison of the 2023 Program and proposed changes to the 2025 boiler rebate is outlined in Table 5.

Table 5. Boiler Incentive Changes

Measure Inputs	2023 Program	2025 Program Update
Efficiency Requirements	95% AFUE or greater	95% AFUE or greater*
Therm Savings Estimate	159	107
EUL (yrs.)	25	25*
Incremental Cost	$1,166	$2,135
Incentive Amount	$800	$1,000

*no change

Combination Boiler – 95% AFUE Incentive

The combination boiler incentive provided residential customers an $800 rebate for the installation of a high-efficient combination boiler with a minimum efficiency rating of 95% AFUE. There were 7 rebates issued in 2023 compared to 6 in 2022. Intermountain claimed annual savings of 1,085 therms. The 2024 impact evaluation reported savings of

168 therms per unit, or 1,176 therms attributable to the Combination Boiler rebate in 2023. The evaluated savings were cost-effective under the UCT analysis with a benefit-to-cost ratio of 1.3. The TRC was 0.3.

Recommendation: Evaluators recommend utilizing the Illinois Technical Reference Manual V12.0 UES for the combination boiler claimed savings moving forward.

Program changes: Based on the IGC TRM that was informed by the 2024 evaluation, there are no changes to the minimum efficiency requirements. All other measure inputs were updated to be in accordance with the IGC TRM workbook. Based on cost-testing using 2023 IRP avoided costs the incentive amount will increase from $800 to $1,500. A comparison of the 2023 rebate and proposed changes to the 2025 combination boiler rebate is outlined in Table 6.

Table 6. Combination Boiler Incentive Changes

Measure Inputs	2023 Program	2025 Program Update
Efficiency Requirements	95% AFUE or greater	95% AFUE or greater*
Therm Savings Estimate	155	168
EUL (yrs.)	22	25
Incremental Cost	$3,522	$2,412
Incentive Amount	$800	$1,500

*no change

Smart Thermostat Incentive

The smart thermostat incentive provided residential customers up to a $100 rebate for the installation of an Energy Star Certified thermostat. Program Terms and Conditions do not allow for incentive payments to exceed the amount paid for equipment. In 2023 a total of 2,830 thermostat rebates were issued by the Company, an increase compared to 2,769 rebates the previous year. Intermountain claimed annual savings of 124,520 therms for this measure. The 2024 impact evaluation reported savings of 21 therms per unit, or 59,090 therms attributable to the Smart Thermostat rebate. The evaluated savings under the UCT analysis resulted in a benefit-to-cost ratio of 0.4. The TRC was 0.3.

Recommendation: Evaluators recommend utilizing RTF Gas Furnace workbook UES for claimed savings moving forward.

Program changes: Based on the IGC TRM that was informed by the 2024 evaluation, several additional requirements will be added to the Energy Star Certified requirement in the proposed 2025 offering: the thermostat must have a learning based schedule, must be wi-fi enabled, must include on-board motion occupancy, must have automatic HVAC reduction when home is unoccupied, and it must replace a non-qualifying thermostat. Due to the additional requirements for the smart thermostat from the RTF workbook, a UES of 26 therms will be used for the 2025 program update, rather than the evaluated savings of 21 therms. Based on cost-testing using 2023 IRP avoided costs the $100 incentive amount will be reduced to $50. These updated inputs also address Order No. 36245 which required the Company to provide justified and estimated useful life (EUL) for the thermostat measure. A comparison of the 2023 Program and changes to the proposed 2025 smart thermostat rebate is outlined in Table 7.

Table 7. Smart Thermostat Incentive Changes

Measure Inputs	2023 Program	2025 Program Update
Efficiency Requirements	Energy Star Certified	Energy Star Certified with additional requirements
Therm Savings Estimate	44	26
EUL (yrs.)	11	7
Incremental Cost	$208	$165
Incentive Amount	$100	$50

Storage Water Heater Incentive

The storage water heater incentive provided residential customers a $115 rebate for the installation of storage water heater with a minimum efficiency rating of 0.68 UEF. A total of 30 water heater rebates were issued by the Company, compared to 32 rebates the previous year. Intermountain claimed annual savings of 1,140 therms. The Company did not differentiate the water heater incentive by tank size. In order to evaluate savings, rebated water heaters were sorted by tank size: greater than 55 gallons and equal to or less than 55 gallons. The 2024 impact evaluation reported savings of 25 therms per unit for water heaters equal to or less than 55 gallons, and 2 therms for water heaters with tank size greater than 55 gallons. This 55+ gallon size storage water heater resulted in low savings due to the fact that the

federal standard for these storage water heaters is more stringent than for storage water heaters in the less than 55 gallon size category. Together, the evaluated savings for storage water heaters was 525 therms. The evaluated savings under the UCT analysis resulted in a benefit-to-cost ratio of 0.5. The TRC was 0.2.

Recommendation: Evaluators recommend utilizing RTF water heater workbook UES for claimed savings moving forward.

Program changes: Based on the IGC TRM that was informed by the 2024 evaluation, the incentive requirements should be specifically for condensing storage water heaters based on Energy Star Qualified Version 4.0 or Version 5.0, which would translate to a minimum efficiency of 0.81 UEF. The current offering with a minimum efficiency of 0.68 UEF and a $115 incentive experienced low participation; 30 rebates in 2023 and 32 rebates in 2022. Based on cost-testing using 2023 IRP avoided costs the maximum incentive would be $200. The Company anticipates that due to the significant increase in the efficiency requirement and minimal increase in the incentive, from $115 to $200, this incentive will continue to underperform, and plans to retire this offering. A comparison of the existing measure requirements and updated requirements are provided in Table 8.

Table 8. Storage Water Heater Incentive Changes

Measure Inputs	2023 Program	2025 Program DO NOT OFFER
Efficiency Requirements	0.68 UEF	Energy Star Qualified V.5 (UEF of 0.81 or greater)
Therm Savings Estimate	38	34
EUL (yrs.)	13	15
Incremental Cost	$390	$1,808
Incentive Amount	$115	$200

Tankless Water Heater Incentive

The Tankless Water Heater Tier I incentive provided residential customers a $325 rebate for the installation of a condensing tankless water heater with a minimum efficiency of 0.91 UEF. There were 818 rebates paid in 2023, compared to 570 incentives paid in 2022, and the Company claimed 53,170 therms. The 2024 impact evaluation reported savings of 59 therms per unit, resulting in 48,295 therms of evaluated savings. The evaluated savings were cost-effective under the UCT analysis with a benefit-to-cost ratio of 1.0. The TRC was 0.2.

The Tankless Water Heater Tier II incentive provided residential customers a $300 rebate for the installation of a condensing water heater with a minimum efficiency of 0.87 UEF. There were 10 rebates paid in 2023 and claimed savings of 580 therms. The 2024 impact evaluation reported savings of 48 therms for the Tier II tankless water heater, or a total of 476 therms attributable to the rebate. The evaluated savings under the UCT analysis resulted in benefit-to-cost ratio of 0.9. The TRC was 0.3.

Recommendation: Evaluators recommend utilizing RTF water heating workbook UES for claimed savings moving forward.

Program changes: Based on the IGC TRM that was informed by the 2024 evaluation, the tankless water heater incentive should be based on Energy Star Qualified and non-Energy Star Qualified tankless water heaters, rather than the simple minimum efficiency requirement for the current incentive.

Historically, the Tier II Tankless Water Heater incentive, which requires a lower minimum efficiency, has experienced very low uptake, 10 rebates in 2023 and 15 rebates in 2022. Evaluators recommended offering a tiered tankless water heater offering based on ENERGY STAR and Non-ENERGY STAR certified requirements. Since the Non-ENERGY STAR requirement is essentially the same as the current Tankless Tier II incentive, a 0.87 UEF, the Company will only offer incentives for ENERGY STAR Version 5.0 tankless water heaters. This will simplify this offering by leveraging the expertise and brand awareness of Energy Star Certified products and the online resource, the Energy Star Certified products finder. Based on cost-testing using 2023 IRP avoided costs the incentive amount for will be $400 for the ENERGY STAR qualified water heater.

The Company will offer a single ENERGY STAR qualified tankless water heater rebate and will retire the Tier II Tankless Water Heater. Because the 2025 Program update does change the requirements for the Tier I tankless water heater, a savings estimate of 51 UES will be used instead of the 59 UES of evaluated savings from the study based on the 2023 program requirements. A comparison of the 2023 Program and proposed changes to the 2025 rebate is outlined in Tables 9 and 10.

Table 9. Tankless Water Heater Tier I Incentive Changes

	TANKLESS WATER HEATER TIER I	TANKLESS WATER HEATER ENERGY STAR
Measure Inputs	**2023 Program**	**2025 Program Update**
Efficiency Requirements	0.91 UEF	ENERGY STAR Certified
Therm Savings Estimate	65	51
EUL (yrs.)	25	20
Incremental Cost	$1,800	$895
Incentive Amount	$325	$400

Table 10. Tankless Water Heater Tier II Incentive Changes

	TANKLESS WATER HEATER TIER II	TANKLESS WATER HEATER ENERGY STAR
Measure Inputs	**2023 Program**	**2025 Program Update** DO NOT OFFER
Efficiency Requirements	0.87 UEF	Meets Federal Minimum Standards
Therm Savings Estimate	58	36
EUL (yrs.)	25	20
Incremental Cost	$1,152	$260
Incentive Amount	$300	$250

IMPACT EVALUATION RECOMMENDATIONS

In addition to the evaluation of savings, the Evaluators provided recommendations by measure. These recommendations are outlined in the full report.[3] This section provides a summary of recommendations by measure, and the Company's response to each recommendation. There was one overarching recommendation which was repeated for each measure, the below excerpt is about furnaces, but the recommendation also applied to Whole Home, tankless water heaters, and smart thermostats:

> The Evaluators recommend that Intermountain Gas align evaluation methods with the utilities present in Idaho with gas furnace measures. This allows for programs to be evaluated and compared across utilities with the same measuring stick with results that are supported through peer reviewed and approved documentation. Therefore, the Evaluators recommend that Intermountain Gas evaluate their natural gas furnace rebates using the RTF Gas Furnace UES Workbook.[4]

In the case where the measure was not a work product of the RTF workbook, specifically boilers and combination boilers, Evaluators recommended using the Illinois TRM V12.0, with RTF inputs. Going forward, the Company will be in alignment with these recommendations since 2025 program planning will be based on the IGC TRM, which is based on the RTF, or IL TRM with RTF inputs, and the future savings will be evaluated based on the IGC TRM, allowing the Program to be evaluated and compared across utilities with the same measuring stick. The following outlines additional recommendations for each measure.

Whole Home

Recommendation: The Evaluators recommend Intermountain staff thoroughly review the model efficiencies in the applications before dispersing incentives to the customers, and more clearly communicate the tiered requirements.

This recommendation stems from the fact one of the Whole Home Tier I rebates paid in this evaluation period did not meet the minimum AFUE requirement of the incentive. A Tier I rebate was paid for a home with a 96.5% AFUE furnace installed, instead of the required 97% AFUE furnace, all other energy performance targets were met for the rebate in question. Upon further review of this error, the Company determined that the error was made when all rebate tracking was being recorded in an Excel spreadsheet and was due to erroneously recording the furnace model and AFUE information on the wrong line of the spreadsheet prior to payout.

[3] Supplement 1: Impact Evaluation Report, p. 57
[4] Ibid. p. 58

Action: When the Company implemented ERA for rebate processing and recording, the excel spreadsheet previously used for processing was retired, eliminating the possibility of this error being repeated in the future.

Smart Thermostat:

Recommendations:

- Although the current rebate application already asks the customer to define the previous thermostat type, the Evaluators recommend Intermountain clarify the question currently posed to improve clarity. If the replaced thermostat also meets RTF qualifications, the project does not qualify for claimed savings.
- The Evaluators recommend that Intermountain require the rebated product to be RTF-qualified before applying incentive, verify qualification before providing incentive for rebates and document model number, and document qualification in database. With this method, only products that meet the RTF specifications of a connected thermostat may receive savings through the RTF workbook.

Action: These recommendations for the smart thermostat are most applicable to the smart thermostat incentive going forward. In order to meet the requirements of the IGC TRM, the Company will plan to clarify the efficiency of the previous equipment and will not rebate thermostats that are replacing the same efficiency as the incentivized thermostat. Previously, the only requirement for the smart thermostat rebate was ENERGY STAR certification. To meet the Evaluators recommendation, and based on IGC TRM guidance, the Company will verify smart thermostats meet 6 of the 7 additional requirements before providing incentive rebates, one condition applies to electric resistant heat and therefore is not applicable to gas savings.

Tankless Water Heater

Recommendation:

- The Evaluators recommend that Intermountain update storage tank water heater program requirements to require the equipment is ENERGY STAR certified. With this requirement, efficient equipment will qualify for RTF savings even though the ENERGY STAR requirements themselves are updated.
- The Evaluators recommend that Intermountain remove Tier II incentives. Participation for this measure is reduced; therefore, continuing incentives for the Tier I, or higher efficiency equipment, will encourage customers to follow the natural market shift that is already occurring.
- The Evaluators also recommend Intermountain consider offering tiered incentives for ENERGY STAR-qualified and non-ENERGY STAR-qualified tankless water heaters to account for differing savings estimates.

Action: The Company will update the tankless water heater incentive to require ENERGY STAR certification, which is also in line with the IGC TRM. Intermountain will remove the Tier II Tankless incentive at 0.87 UEF and will retire this lower efficiency tier of the tankless water heater offering to encourage customers to follow the natural market shift to higher efficiency. Although Evaluators recommend a tiered tankless offering based on ENERGY STAR vs. Non-ENERGY STAR certified, rather than by minimum efficiency, the Company does not plan to offer an incentive for Non-ENERGY STAR certified tankless water heaters. The Company will instead leverage the expertise and brand awareness of ENERGY STAR, as well as the ENERGY STAR product finder to simplify things for the customer.

PROGRAM ADMINISTRATION

In 2023 the Company participated in a major project to develop a rebate processing application (rebate app). Rather than purchase a third-party product with a potentially expensive and likely on-going subscription use fee, the Company worked with its in-house Enterprise Information Technology (EIT) department to develop a rebate app, called the Enterprise Rebate App (ERA.) This user interface allows the Company to validate customers within the application, eliminating the need to switch between applications to validate customer information. ERA functionality also builds and maintains customized libraries of equipment brands and models, efficiencies, builders, contractors, and home raters which are frequently seen by the Company, eliminating repetitive data entry and opportunities for data entry errors. The customized equipment library allows for the efficiency of models to be collected, and to designate whether a model is approved for the rebate, reducing the possibility that a rebate will be paid out for non-qualifying equipment. To eliminate the need for labor-consuming data entry, ERA was also designed to accept batch imports from builders applying for multiple rebates at one time. With the utilization of application programming interfaces (API) new construction rebates can be imported directly into ERA. Static data inputs that change infrequently and need minimal updates, were incorporated in the system. Since account coding and rebate amounts are embedded in ERA coding, rebates cannot be assigned to the wrong workorder (furnace rebate charged to the workorder for water heaters) and rules out a rebate being paid for the incorrect amount (furnace paid as $300 instead of the correct amount of $350.) While these types of errors pre-ERA implementation were few, the Company remains steadfast in its effort to adhere to Commission directives to maintain internal controls and catch redundancies and inefficiencies. ERA aids in both of these efforts. The record keeping of rebate payments and storage of support documents, such as the rebate application, invoices, pictures, and notes is also captured within ERA.

Once rebate applications are entered and validated in ERA, this application streamlines payment approval and payment processing. Approved rebate payments are submitted automatically by the system overnight to be processed by accounts payable, eliminating the manual process of creating individual payment requests and the need for uploading records to multiple systems. This newly automated process has allowed for the greatest efficiency gains.

ERA phase I, which primarily focused on the back-office process of the rebate app, was completed in 2023. The Company started working on Phase II of ERA in late 2023 to develop a customer facing component (customer webapp.) This customer webapp will enable customers to apply for rebates from their online customer account, eliminating two manual processes: customer validation, this is accomplished by the customer signing-in to their unique customer account, and data entry, since customers enter all rebate information and upload supporting documents into the customer webapp. The online rebate application also switched from a 3rd party form software to an in-house software application further securing transmission of sensitive customer information. Customer webapp applications will be imported into the back-office process of the rebate app, further reducing the number of applications that require manual data entry. Though the customer webapp removes the need to enter the data into ERA, all rebates, regardless of the method they are submitted, still undergo manual review to ensure proper support documents were received and eligibility requirements are met.

Select customer webapp information will also be available to the customer experience team (CXT). When customers call the Company with simple questions about their rebate application, such as rebate payment status or confirmation of receipt of the application, CXT agents will be able to look up customer rebates and view basic information. This reduces the need for the CXT to transfer calls or messages to the energy efficiency department regarding these customer inquiries, and ultimately reduces the number of call backs required by the EE department. This provides for a better customer experience and saves time for all: the customer, CXT agents and EE Department team members. The Company will “continuously explore ways to reduce labor costs,” as directed by the Commission.

ENERGY EFFICIENCY OUTREACH AND EDUCATION ACTIVITIES

The Company continued its efforts to promote the Program's incentives and energy saving resources among residential customers using both established methods and new avenues of outreach in 2023. This included methods of customer communication from the Company as well as using lanes of communication outside the company to reach customers digitally, through printed publications, and in person at community events.

Customers

As in previous years, Program information was provided to each new residential customer that starts service with Intermountain. Customers receive a new customer letter in the mail that contains information about how to manage their gas service, as well as an Energy Efficiency bill insert that lists available rebates. The front and back of this bill insert can be seen in Figure 2. In 2023, there were 30,408 new customer letters sent containing EE program brochures.

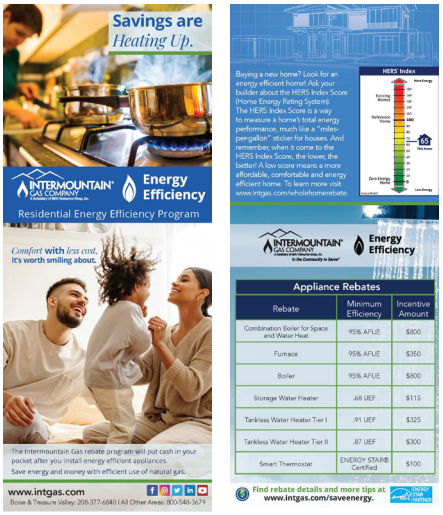


Figure 2 Residential Program Brochure

The Company provided regular, quarterly energy efficiency themed communications to customers that opt in to receiving energy efficiency messages. These communications promoted available rebates, energy savings tips and directed customers to resources that are available on the Program website. To measure the effectiveness of these communications the Company tracked data related to the performance of each email such as the number of emails sent, open rates, and click-through rates (CTR) for links provided in the email. It is important to note that EE emails are only sent to customers that opt-in to receiving notifications from the EE department. These results are provided in Table 11.

Table 11. Customer Email Metrics

		EMAILS SENT TO RESIDENTIAL CUSOMTERS			
		Date	Number Sent	Open Rate	CTR
2023	Q1	Feb. 14	207,283	57%	1%
	Q2	May 23	200,870	61%	3%
	Q3	Aug. 29	218, 957	46%	3%
	Q3	Nov. 28	210,166	59%	22%

The company saw the highest rate of interaction among residential customers with the Q4 email, which generated a 22% click rate. This created a spike in the Appliance Rebate page traffic for the month of November, as seen here in Table 12. The Program also noticed a spike in web traffic in May on the Energy Savings Calculator page when the quarterly email highlighted this tool, as seen in Table 13. Higher click rates and web traffic are likely due to targeted content of the email based on time of year, specific rebates and tools available on the website, and experimenting with different subject lines that more effectively hook the reader's attention.

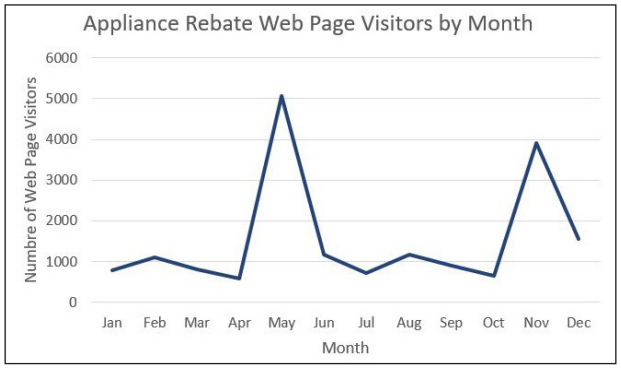


Table 12 Energy Efficiency Appliance Page Web Page Visits

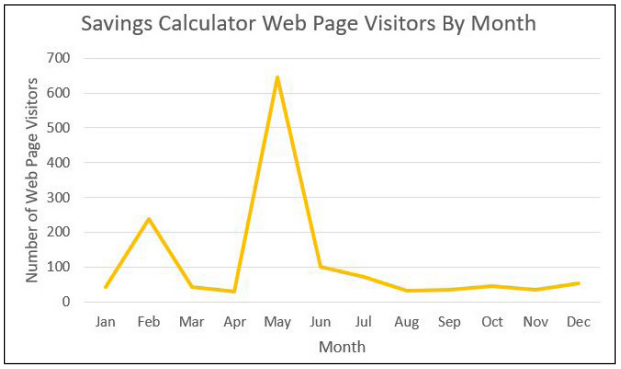


Table 13 Savings Calculator Web Page Visits

The Company also continued to promote energy efficiency tips, updates about Program activities, and available rebates over multiple social media platforms including Facebook, Instagram, X (formerly Twitter), and LinkedIn. These monthly posts were also used to celebrate certain holidays and participate in other social media drives/events celebrating energy efficiency awareness such as Earth Day and Energy Star Day. An example of a monthly post can be seen in Figure 3.

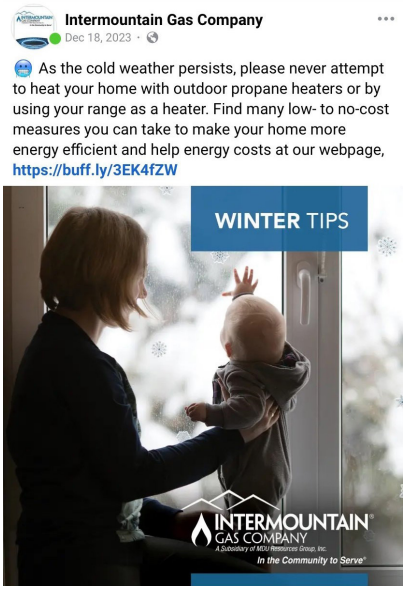


Figure 3 Energy Efficiency Social Media Post

Energy Efficiency conducted a month-long annual customer campaign to raise awareness and promote energy efficiency education in August. The 2023, “Easy Savings Kit” campaign focused on raising awareness about easy, low-cost, energy saving actions for the home. For this customer engagement activity, the Company hosted a sweepstakes giveaway of 100 Energy Saving Kits. The kits contained do-it-yourself home weatherization products such as window film insulation, rope caulk, and foam weatherstripping along with an instruction sheet explaining how to install the products included in the kit. The theme of easy savings was combined with an easy entry form. Customers were required to complete an entry form with their name and contact information.

The Easy Saving Kit promotion was mailed as a bill insert to all customers either by traditional snail mail or provided as a digital bill insert to customers receiving e-bills This bill insert can be seen in Figure 4. Along with the bill insert, the Company sent 218,957 emails to customers who opted in to receive Intermountain EE email updates and promoted the sweepstakes via social media. The sweepstakes generated 5,570 entries. While the campaign raises awareness about low-cost ways to save energy at home, participation in the sweepstakes was likely dependent on customers attitudes about doing a Do-it-yourself project, living in a newer home that doesn’t require weatherizing, or not needing a kit if the home had already been weatherized.

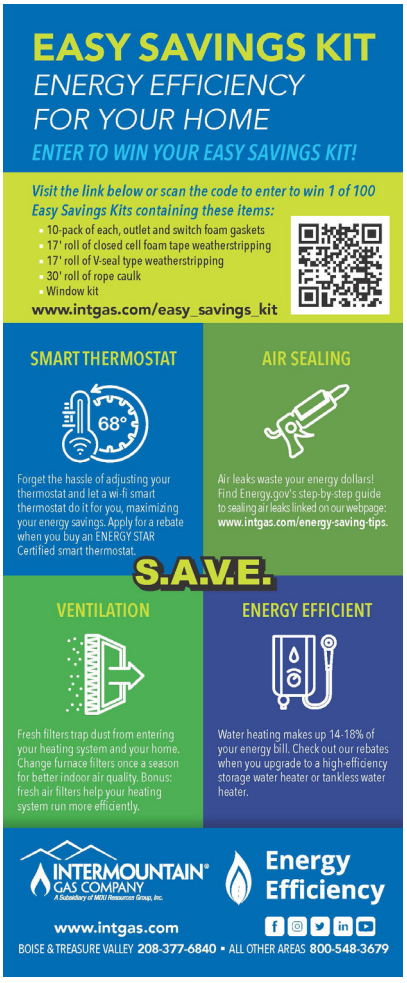


Figure 4 Easy Savings Bill Insert

Following the distribution of the kits to the winning customers, the Company surveyed the kit recipients about their experience installing their products. The survey yielded a 12% response rate from the 100 winners that were sent the survey. When asked to rate their overall satisfaction with the survey entry process based on a 5-point scale, survey respondents on average rated their overall satisfaction with the application process a 4.33 out of 5. The survey was also helpful in learning about which products were more likely to be utilized than others. All survey respondents indicated they installed the foam tape weatherstripping from the kit and 91% indicated they installed the V seal weatherstripping. Alternately, the window film insulation had the lowest installation rate among survey respondents with about 66% indicating they installed the product. The survey also included an option to provide open-ended feedback. One respondent expressed their gratitude in the following statement:

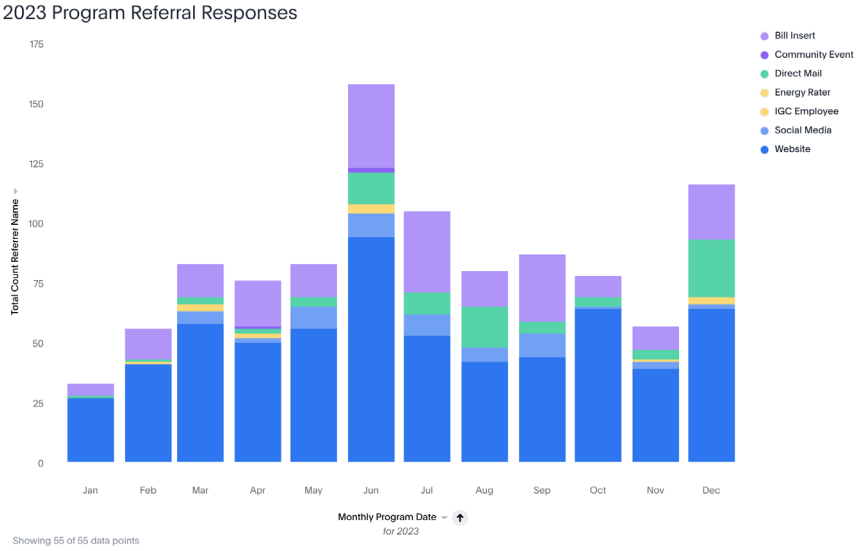
“The v-seal was a life saver to seal a gap in our sliding glass door. I hadn’t done anything about it because I wasn’t sure what to get. Having a variety of products in hand was great. I also used the foam strips to seal the windows in the room. It made a huge difference… I was so grateful I had that kit!”

The Company uses a number of metrics in an attempt to measure the effectiveness of the customer engagement activity, such as sweepstakes

entries, web page visits, and ultimately rebate performance. In September immediately following the customer engagement activity, the Company had an increase in the number of rebates submitted that indicated the bill insert as their source of program awareness. This information is collected on the rebate application asking the rebate applicant "How did you hear about the program." There was also another increase in December, which could be a delayed response to customers learning about the program in the August insert, installing equipment and applying in December. A summary of the responses to this question on the rebate application is shown in Table 14.

The Company will explore annual customer engagement topics and activities to raise awareness about energy saving opportunities and available rebates.

Table 14. "How did you hear about the Program" Responses



Builders and the home buying community

With the easiest time to implement EE measures being at the time of construction, the Company continued efforts to bring messaging to home builders and the home buying community. Partnerships with local and state Building Contractor Associations (BCA) throughout the service territory continued to be a preferred method of communicating with builders throughout the year. The Company conducted outreach by sponsoring BCA events such as the Parade of Homes (POH), associate showcase and builder expos, and annual golf tournaments as well as other opportunities such as membership and associate's council meetings and board of directors' meetings for the statewide BCA.

Intermountain placed an energy efficiency themed full-page ad in each POH magazine with each of the 5 BCA's. An example of this ad is shown in Figure 5. These magazines are distributed throughout the respective association regions. By placing an ad in these magazines, visitors who view the ad get information on the Company and energy efficient homes while they are looking at examples of high-efficiency building. Each BCA provided the following distribution counts for POH magazines during their individual events (data present where available):

- BCA of Southwest Idaho Spring (Boise): 110,000
- BCA of Southwest Idaho Fall (Boise): 106,000
- Snake River Valley BCA Fall: 34,000
- Eastern Idaho Home Builders Association: 10,000
- Magic Valley Builders Association: 8,000

Figure 5 Residential Program Print Ad

The associates showcase and builder's expo, which go by different names in each BCA but function in similar fashion, is a required event for builders who enter homes in the Parade of Homes. Builders must attend to sign POH contracts. These events provide the opportunity to interact face-to-face with builders, promote available rebates, and encourage builders to integrate and promote the high-efficiency aspects of their parade homes. As more builders join the BCA and showcase their homes in the parade of homes, these events provide an opportunity to continue interacting with BCA builders who are new to the Program alongside builders who were already familiar with the Program. Figure 6 shows the booth the Company set up at the Idaho Falls Builder Expo with help from the Idaho Falls Energy Service Representatives.

Figure 6 Eastern Idaho Building Contractor Parade of Homes Kickoff

One of the most popular events for the BCA is the annual golf tournament held by each BCA. Hosting a golf hole provides a good opportunity to connect with builders in each BCA. As teams progress through the tournament, Intermountain has an opportunity to interact with every tournament player at the tee box. The Company provided a booth with information about available rebates, snacks, refreshments, and branded swag items to attract participants. Branded swag items for these events included carpenter pencils, multi-tool pens, plastic cups, golf ball marking tools and notebooks. An energy efficiency-related game is also used to engage with players by offering a prize at the "efficiency hole." Golf teams compete to complete the hole most efficiently, or in the shortest amount of time. These events provided outreach opportunities to BCA builders who do not participate in the Parade of Homes as well as adjacent industries such as HVAC contractors, lenders, and real estate agents. At one tournament, after learning about the Energy Efficiency Program for the first time, a group of realtors requested energy efficiency brochures to place in their office for visitors to receive more information about the Program. A sample of the branded swag items can be seen in Figure 7, and an example of the booth setup used at golf tournaments can be seen in Figure 8.

Figure 7 Sample of Intermountain EE Branded Give Away Items

Figure 8 BCA of Southeast Idaho Golf Tournament

Intermountain also leveraged a first-time opportunity as the featured speaker at the monthly lunch meeting of the Snake River Valley BCA's Professional Women in Building Council (PWB). This group is primarily composed of women members of the BCA in a variety of home building adjacent industries including home builders, real estate agents, and design companies among others. EE staff and the Canyon County ESR, partnered to present an informational session about the Energy Efficiency Program and builder issues related to gas service. A picture of this event can be seen in Figure 9.

Figure 9 Snake River Valley BCA Professional Women in Building

The Company also partnered with the Company's Business Development department to sponsor the SRVBCA Economic Summit, an event where over 300 BCA members attended a presentation on future economic forecasts and housing trends. The Company received recognition as a major sponsor throughout the event, distributed Program materials at the event, and received podium time to address the audience.

In 2023, there were 66 builders who received a whole home rebate, an increase of 5 from the 61 builders who received one in 2022. In order to maximize savings opportunities, Intermountain provides a stack on option which allows builders to stack on water heating and smart thermostat rebates to the Whole Home rebate. In 2023, there were 56 builders participating in the Program who also stacked-on a rebate in addition to their Whole Home rebate, up 7 from 49 in 2022.

Contractors

Contractors are valuable partners in helping our shared customers understand the available energy efficiency incentives. As such, developing and maintaining relationships with contractors in the service territory continued to be a priority in the outreach efforts. According to responses to "how did you hear about the Program," on rebate applications, the equipment dealer/installer continued to be the most common source of Company information for residential rebate recipients. The Company continued to conduct outreach with contractors at in person events, by utilizing direct messaging to contractors, and by working with the ESR team to gather contractor feedback received from the field.

Intermountain Energy Efficiency staff were also invited to join a contractor training event coordinated by Rocky Mountain Power. The event was held at an equipment dealer in Idaho Falls. Local contractors were invited to an informational presentation about equipment. Intermountain, Idaho Falls Power and Rocky Mountain Power shared the expense of providing lunch and each presented an overview of their respective energy efficiency programs.

Water heating, particularly the storage water heater rebate, has been a low performing rebate since inception of the Program. Of the applications that were received for the storage water heater, the most common reason the application is rejected is because the equipment did not meet the minimum efficiency required for the rebate. To help contractors, and ultimately customers, better understand the rebate requirements, the Company sent a postcard focused solely on water heating rebates and the minimum efficiency requirements. The postcard was sent to 651 contractors in September and highlighted available water heating incentives. In 2023, a total of 858 water heater rebates were paid, an increase from the 617 water heater rebates paid in 2022. An example of this post card is shown in Figure 10.

Figure 10 Water Heating Contractor Postcard

In 2023, there were 196 contractors identified on a rebate, an increase of 32 from 164 participating contractors in 2022. Of these 196 participating contractors in 2023, 103 were new contractors for this year, while 93 were returning contractors.

Community

While raising awareness with customers remains the highest priority, the Company also leverages community-wide opportunities to build Program awareness and energy efficiency in general.

Intermountain placed ads in local publications where community members may be looking for local community news or business services. An ad was placed with the Pocatello/Chubbuck Chamber magazine, which distributed 5,000 copies around various local service areas for Pocatello and Chubbuck (including hospital and healthcare facilities, the local airport, hotels, and real estate offices), Chamber conventions and conferences, and to Chamber office sites. Another ad was placed with the Sun Valley/Wood River Valley Real Estate Guide, where 20,000 copies are available through a network of community pick-up sites in the Wood River Valley Area. The guide was also sent to over 1,400 local homeowners and an online copy was available through the Idaho Mountain Express website.

In person events allowed the Company to interact face to face with members of the community and provide Program information. At the Portneuf Valley Environmental Fair in Pocatello, community members gathered for an Earth Day celebration with food, music, and various local vendors supporting more sustainable practices in their community. Intermountain hosted an information booth with handouts, snacks, and information about the Energy Efficiency Program which can be seen in Figure 11. In Twin Falls, the Company sponsored the South Central Community Action Plan's (SCCAP) 100th Home Celebration. During this celebratory event, members of the community as well as partners to SCCAP came together to celebrate their milestone of building 100 homes through the Self-Help Housing Program. The SCCAP Program gives pre-qualified participants the opportunity to build alongside experienced, professional home builders to help lower the cost of home construction and achieve the goal of affordable home ownership. In recognition of the role of energy efficiency in keeping home operations affordable, homes built through SCCAP's Self-Help Housing Program include high-efficiency natural gas water heaters and furnaces. During this event, visitors were able to tour homes in the neighborhood where the 100th home was built to see what SCCAP's Program had accomplished. As a sponsor, Intermountain EE hosted an information table at one of the homes on the tour. Figures 12 and 13 show the event banner and information table that the Company received as an event sponsor.

Figure 11 Portneuf Environmental Fair Information Table

Figure 12 Information Table at SSCAP 100th Home Celebration

Figure 13 SSCAP 10tth Home Celebration Event Banner

Since customers are often exposed to many different forms of advertising during their days, the Company continued exploring new ways of giving customers consistent reminders of available resources. The Company worked with the Idaho Business Review (IBR) to carry out an online retargeting advertising campaign. In this retargeting campaign, visitors to the Intermountain EE residential web page from July 1st through October 15th received an Intermountain EE themed ad on the next website they visited within the Google ad network utilized by IBR. This was a "drip-drip-drip" campaign as the Company ads followed digital readers through their electronic journey. This campaign was designed to generate 25,000 impressions via the Intermountain EE themed ads over the course of the campaign. An 'impression' is a single occurrence of an ad being displayed on a user's screen, and a single user could generate multiple impressions over a period of time by seeing the ad on different websites. Over the course of this campaign there were 26,971 impressions generated and 37 clicks on these ads, which resulted in a 0.14% click through rate. Samples of the ads used in this online campaign can be seen in Figure 14.

Figure 14 IBR Online Ads

Since this was the first time the Company used online advertising performance, benchmarks for this advertising campaign were difficult to establish. As per IBR, ads placed directly on the IBR website average a 0.11% CTR, though this is a slightly different setting than the ads placed in the Google ad network. For this reason, the Company has taken extra measures to collect data internally on the performance of its various promotional campaigns. This will provide Company-specific benchmarks to compare to future campaigns where appropriate.

The Company continues to look for ways to promote awareness at the community level and support organizations that share the goal of providing ways to lower energy consumption and cost through energy efficiency.

PROCESS EVALUATION

In addition to the impact evaluation, a process evaluation was conducted with both participants (customers who received a rebate) and non-participants (customers who did not receive a rebate). Evaluators attempted to determine how customers learn about the Program and the best channels to reach them, points of entry, barriers to participation, levels of satisfaction and suggestions for improvement. The full report is available in Supplement 3: Process Evaluation Report.

Overall, Evaluators had four recommendations for the Company. The abbreviated recommendations are presented here as well as the Company's proposed follow up actions regarding the recommendations. Complete study findings and recommendations by the Evaluators can be found in Section 5.1 of the report, page 31.

RECOMMENDATION 1

Program staff should consider boosting the program's marketing and outreach campaigns. Based on respondents' communication preferences, program staff should also focus on more targeted email and mailer/ bill insert marketing campaigns, as well as website banners and announcements.

Action: The Company will continue to leverage email, mailers, and the website to provide energy efficiency information to customers. Due to Company email opt-in policies, email communications can only be sent to customers who opt-in to receiving energy efficiency themed email. The EE Program will continue to work within Company policies and encourage customers to subscribe to email communications. The Company will explore cost-effective marketing and outreach campaigns to continue to raise overall program awareness.

RECOMMENDATION 2

Intermountain should focus on the motivators of saving money on energy bills and improving the comfort of homes when promoting the program to customers, focusing on the energy-saving potential of equipment upgrades.

Action: It is helpful to know that in the numerous motivations for taking an energy efficiency action, saving money and comfort are top of mind with Intermountain's customers. The Company website does have a page dedicated to energy saving tips. An energy saving calculator is provided on the website to help customers estimate how much they could save by comparing standard equipment to high-efficiency equipment. The Company will continue to raise awareness about these tools to assist and motivate customers to engage in the program and use energy efficient equipment.

RECOMMENDATION 3

Intermountain should consider increasing its direct-to-contractor outreach, promoting the program to contractors, and educating them about the programs' offerings.

Action: The Company will continue to explore outreach direct to contractors and raise awareness about the Program with contractors. Other programs and utilities have leveraged contractor membership organizations like trade ally organizations to build more robust communications and partnerships with contractors. The Company intends to explore this option, taking into consideration the resources required to administer such a program.

RECOMMENDATION 4

Intermountain should consider updating the rebate application, so that it is shorter and clearer, and can be submitted through an online portal. Intermountain should consider alternative payment plans and bill structures that encourage efficient equipment purchases while minimizing the large upfront investment.

Action: The Company has given the rebate application great consideration with each iteration of the application. The balance between simplicity and getting the required information is a challenge. The current paper application is one page, front and back. With the proposed 2025 program change, the Company will give extra attention to communicating clearly and simply regarding the required inputs for rebates. An online application has been available since 2019. In 2024, the Company moved to an online portal, but because it is only accessible once customers sign in to their customer account this would not have been visible to the Evaluators. While other utilities and energy efficiency programs have found success in offering alternative payment plans such as on-bill financing, the Company will not be pursuing this option due to the resources that would be required for such a program.

ADDITIONAL RESEARCH QUESTIONS

While developing the final evaluation research plan, evaluators explored the additional research questions regarding staffing, quality assurance and barriers to participation for this study. They found the staffing/ organization relative to the budget to be appropriate and quality assurance procedures to be appropriate and effective. Evaluators also found Intermountain should consider additional marketing techniques and strategies to reach non-participating customers. Non-participant survey results suggest more information about the Program and the benefits of energy efficient equipment is needed. Finally, some participants expressed difficulty communicating with Intermountain. Evaluators also believe the Company and participating contractors would benefit from additional trade ally efforts. A brief table of these results are available on page 2 of the report while full details can be found in the body of the report.

Action: As mentioned in recommendations 1, 2, and 3, the Company will explore additional marketing techniques and strategies and focus messaging on Program benefits such as saving money and energy. The Company strives to provide a superior customer experience by responding to inquiries in a timely manner, meeting the stated response times of 1-2 business days for all phone calls and emails. The implementation of ERA and the customer web app will provide the Customer Experience Team at the call center with visibility to the status of customer's rebates and will allow for a more immediate response to questions about their specific rebate as well as general energy efficiency questions. Finally, the Company will explore the benefits and plausibility of implementing and administering a contractor trade ally program.

COMMERCIAL ENERGY EFFICIENCY PROGRAM

The Commercial Program was approved by the Commission and went into effect as of April 1, 2021. All customers receiving natural gas through the Company's GS-1 rate class are eligible to participate in the Program. The Commercial Program offers rebates on natural gas equipment meeting specific high-efficiency requirements and can be applied to replacement equipment, conversion from other fuel sources, and new construction.

The Commercial Program is funded by the Energy Efficiency Charge (EEC-GS) rider, a monthly per therm charge to commercial customers. As of June 30, 2024, the Company had an over-collected EEC-GS Program balance of $1,029,904. Because of the low uptake of the Commercial Program, the Company filed to decrease the EEC-GS rate. On October 1, 2024, the EEC-GS was reduced from $0.00320 to $0.00 per therm. In 2023, the Company paid out $26,505 directly to customers in the form of incentive rebates. Table 15 provides full details of the December 31, 2023 commercial rider balance.

In this section, 2023 performance, cost-effectiveness, and lessons learned will be covered for each rebate. Commercial Program outreach, promotion, and education activities are also included.

COMMERCIAL ENERGY EFFICIENCY PROGRAM

The UCT for the Commercial Program was 0.9, with a TRC ratio of 1.

Rebates

Condensing Unit Heater Incentive

The Condensing Unit Heater incentive offers customers a $1,500 rebate for the installation of a high-efficient unit heater with a minimum efficiency rating of 90% AFUE. The Company received no applications for the installation of this piece of equipment in 2023.

Boiler Reset Control Incentive

The Boiler Reset Control incentive offers customers a $350 rebate for the installation of a boiler reset control. The Company received no applications for the installation of this piece of equipment in 2023.

High Efficiency Condensing Boiler Incentive

The High Efficiency Condensing Boiler incentive offers customers a $4.50/kBTUh incentive for the installation of a high-efficient condensing boiler with a minimum efficiency rating of 90% Thermal Efficiency (TE) and a minimum input of 300,000 BTU. The Company issued 2 rebates in 2023.

The incentive was cost-effective under the UCT analysis, with a cost-effectiveness ratio of 1.5. The TRC ratio was 0.9.

Table 15. 2023 Commercial Rider Balance

Revenue	$	474,181
Program Expenses		
Commercial Rebates		26,505
Labor		33,641
Program Delivery		2,276
Special Studies		11,513
Market Transformation		1,250
Direct Expenses		(2,866)
Total Program Expenses		72,318
2023 Rider Deferral		
Over/(Under) Collection		401,563
Prior Year Rider Balance		
Over/(Under) Collection		463,938
Rider Account Balance		
Over/(Under) Collection	$	865,801

Fryer – ENERGY STAR Certified Incentive
The Fryer incentive offers customers an $800 incentive for the installation of an ENERGY STAR Certified Fryer. The Company issued 20 rebates during 2023, an increase of one rebate over 2022.

The UCT for the fryer was 0.8 and the TRC was 1.1.

Steamer – ENERGY STAR Certified Incentive
The Steamer incentive offers customers a $1,100 incentive for the installation of an ENERGY STAR Certified Steamer. The Company received no applications for the installation of this piece of equipment in 2023.

Griddle – ENERGY STAR Certified Incentive
The Griddle incentive offers customers a $200 incentive for the installation of an ENERGY STAR Certified Griddle. The Company received no applications for the installation of this piece of equipment in 2023.

COMMERCIAL PROGRAM OUTREACH, AWARENESS AND EDUCATON

In 2023, the Company continued to leverage previously utilized methods of outreach to commercial customers as well as new lanes of customer communication. The Company continued to prioritize building Program awareness among the commercial customer base and establishing relationships with valuable industry partners such as architects, engineers, and HVAC/plumbing contractors.

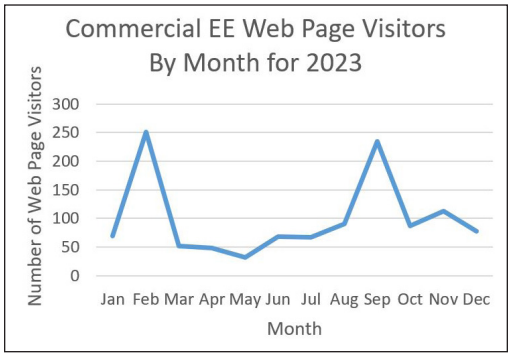


Table 16 Commercial Web Page Visits 2023

Similar to the Residential Program, the Company instituted regular, quarterly communications to commercial customers. In 2023, both email and bill inserts were used for these communications. Commercial customers that have opted to receive email updates from the Program, about 9,000 subscribers, received an energy efficiency themed email 3 times in 2023. For the second quarter communication a bill insert was sent to all commercial customers. The Company noticed a spike in web traffic during the months of February and September as a result of the emails sent at this time, as seen in Table 16.

To reach professionals in commercial construction and design with energy efficiency messaging, ads were placed in several IBR publications. A full-page ad was placed in the IBR Book of Lists, an annual guide to the top businesses in Idaho, providing valuable insight into the companies that make up Idaho's dynamic marketplace. The Book of Lists is a directory of contacts for businesses in a variety of industries. The Commercial Program advertisement was strategically placed in the construction section with the top rankings of builders and HVAC contractors. The Company also placed a full-page ad in the IBR Top Projects Edition of their magazine, a publication featuring detailed information about the top construction projects completed in Idaho. Examples of these ads are provided in Figures 15 and 16.

Figure 15 Commercial Print Ad

Figure 16 Commercial Ad IBR

In addition to the annual publications, Intermountain leveraged an advertising campaign offered by IBR which included an add on the IBR website, a print ad in the magazine and an ad in a weekly business e-newsletter. An example of the ad is provided in Figure 17. The Commercial digital ad was visible on the Idaho Business Review website along with a quarter page ad in the print magazine. IBR reported the online ad received 22,064 impressions and 21 clicks, for a 0.10% click through rate. The print ad went to an estimated 4,824 print readers. An ad was also placed in the IBR Development Newsletter which focused on the topics of construction, development, and real estate. The Intermountain Commercial EE ad ran for five consecutive weeks in the e-newsletter sent to IBR subscribers. This ad which linked the reader to the commercial web page generated 3,780 impressions, 9 clicks, and a 0.24% click rate, above the industry average 0.15%.

Figure 17 Commercial Ad in IBR

To keep energy efficiency top of mind in the preliminary stages of building planning and design, Intermountain aimed to foster relationships with industry organizations such as the Idaho chapters of the American Society of Heating, Refrigeration, and Air Conditioning Engineers (ASHRAE) and the American Institute of Architects (AIA). In a similar fashion to Building Contractor Associations, these associations host annual golf tournaments for the association membership which includes HVAC and plumbing contractors, engineering firms and equipment dealers among other commercial construction adjacent industry members. The Company sponsored a booth at the ASHRAE tournament to raise awareness about the Commercial Program with ASHRAE members. To continue to focus on reaching businesses, EE participated in events with local chambers of commerce. The Company hosted information booths at both the Boise Metro Chamber of Commerce annual golf tournament and, for the first time ever the Eagle Chamber of Commerce. This provided an opportunity to reach out to fellow chamber members who are also Intermountain commercial customers as well as development companies, real estate agents and business owners. An example of the booth set up at these events can be seen in Figure 18.

Figure 18 Boise Chamber of Commerce Golf Tournament

Figure 19 AIA Design Awards Information Table

Like the Residential Program, contractors and installers play a key role in promoting energy efficient options. And, like the Residential Program, while savings opportunities exist in the equipment replacement market, considerations regarding energy efficiency are also important in the design phase. For this reason, the Company also implemented several outreach efforts to engineers and architects in the commercial sector.

In order to maximize outreach efforts, Intermountain was a sponsor of the biennial signature event, the AIA Idaho Design Awards conference. This is a 2-day event where AIA members from around the state converge for informational seminars and award presentations. The event provided an opportunity to raise awareness with architects and building design professionals. On both event days, Intermountain provided an information table to share Commercial Program brochures and promotional items as seen in Figure 19. Additionally, Intermountain was recognized as a sponsor throughout the event and was also provided ad space in the event agenda and brochure shown in Figure 20.

Figure 20 AIA Design Awards Program Book 2023

Finding ways to educate and inform building operators for Intermountain commercial customers and developers during the design phase of a new commercial building continues to be a top priority for increasing participation in the Commercial Program. The Company will continue to explore ways of reaching key decision makers such as building operators so they can integrate the Program's resources at the appropriate time in their equipment replacement or construction process. Continuing to engage contractors who work with commercial customers also remains a crucial factor in helping commercial customers obtain the Program's resources.

Lessons – Commercial Program

The Company is still learning about its customers, their interest in energy efficiency and more importantly getting energy efficiency messaging to the right audience. Unlike the Residential Program where it is relatively easy to reach the decision maker, the homeowner, it is not as easy in the commercial sector. Although Intermountain has a customer contact on file, the commercial customer contact on record isn't necessarily the person who manages equipment for the company or is familiar with building equipment. This sentiment was echoed in EESC feedback indicating commercial customers aren't always familiar with the equipment they have on site or what equipment might be eligible for an energy efficiency upgrade.

To learn more about commercial customers Intermountain contracted with the Integrated Design Lab to help develop a comprehensive commercial customer survey. The survey will be sent to commercial customers through several methods: snail mail postcard, email, and bill insert. One of the goals of the survey is to identify the building operator or facilities manager for the account, which will allow Intermountain to build a database of building operators and communicate directly with personnel who are familiar with building equipment, rather than administrative or accounting people responsible for paying the gas bill. There is also a question to inquire if the building operator holds a building operator certification (BOC), as BOC was identified as a high savings opportunity in the last Conservation Potential Assessment. This will allow the Company to explore the potential of offering certification as part of the commercial offering. The remainder of the survey asks about specific gas equipment in the building as well as interest in learning about energy saving opportunities and upcoming projects or equipment upgrades. To encourage participation in the survey, the Company will offer a $10 gift card for completed surveys. Survey participants will receive a link to Tango rewards and will be able to select a $10 e-gift card from the vendor of their choice. The survey is applicable to commercial customers and will be available for the foreseeable future as the Company continues to learn about commercial customers.

To implement additional savings opportunities identified in the 2023 CPA into the Commercial offering, the Company plans to have a Commercial TRM developed in order to apply a deemed savings approach like the Residential Program. The Company will also explore adding a full time Energy Efficiency Outreach Analyst for the Commercial Program.

ENERGY EFFICIENCY STAKEHOLDER COMMITTEE

Intermountain conducted two meetings with the EESC. The EESC met on May 5 and November 2, 2023. The May meeting provided an update on the rider balance for the residential and commercial programs, as well as a detailed review of 2022 promotional activities and rebate performance.

At the November meeting, the Company proposed a meeting "makeover." The Company proposed implementing a standard agenda for the EESC committee meeting. Standard agenda items would provide updates on the following: a safety moment, rider balance, rebate performance, promotion and outreach update, Program administration, special studies, and special topics. The remainder of the meeting followed this precise agenda. Building Code Specialist Ty Jennings was the speaker for the special topics agenda item and provided an update on the proposed rule chapter for Idaho Commercial and Residential building code. EESC meeting transcripts are provided in Supplement 4.

SECURING AN ENERGY EFFICIENT FUTURE

Intermountain is continually exploring cost-effective energy saving solutions that can be implemented today, in addition to seeking the energy saving measures of tomorrow. The Company participated in several member driven groups, each focused on different stages and efforts of bringing new innovative energy saving products to market:

- The Emerging Technology Program (ETP) is a membership-based utility collaboration governed by GTI Energy. The collaboration works to "accelerate the commercialization and adoption of energy efficient technologies," and "provides expertise for program planning, implementation and assessment as well as tailoring initiatives to meet regional needs, support pilots and custom programs."[5]
- The Company continued its membership in the North American Natural Gas Heat Pump Collaborative (Collaborative) since joining as a charter member in 2019. The Collaborative is comprised of sixteen dual fuel utilities and energy efficiency program administrators and represents 37% of all U.S. and Canadian households using gas.[6]
- MDU Resources Group is a corporate member of the Energy Solutions Center (ESC). ESC is a non-profit organization that promotes energy-efficiency natural gas solutions for use by residential, commercial, and industrial energy users. ESC also creates educational and marketing materials, case studies and training manuals to "enhance the success of those utility customer service professionals responsible for enhancing customer productivity, efficiency, reliability and comfort."[7] Through corporate membership, the Energy Efficiency team is an active member of the Gas Heat Pump Consortium, a member driven group whose objective is to "prepare communication and marketing outreach materials as well as studies and tools to alert and educate end users, engineers architects, consultants, installers, contractors and trade allies about higher efficiency, lower carbon HVAC options."

The Intermountain Energy Efficiency team participated in the Spring and Fall ETP meetings. These sessions are dedicated to updates on the market readiness of emerging technologies, as well as the status and outcomes of equipment pilot assessments and demonstrations for residential and commercial HVAC, water heating and commercial food service.

[5] Emerging Technology Program • GTI Energy
[6] North American Gas Heat Pump Collaborative | Technology for a Cleaner Future
[7] Energy Solutions Center | Accelerating Gas Fuel Technologies

The Collaborative continued to work to extend its reach and support from industry participants. With the structure of the organization well established, and support documents such as installation considerations, opportunity briefs and value propositions in place, the Collaborative turned to external outreach. In addition to strategically growing their presence on social media, specifically LinkedIn, the Collaborative also identified industry conferences and events where they could host an information table to both share information about gas heat pumps as well as recruit new Collaborative members. The Collaborative leveraged outreach at the Midwest Energy Solutions conference by utilizing the booth space of a Collaborative member to provide gas heat pump informational materials to conference attendees. A sample of the Collaborative information card is provided in Figure 21.

Figure 21 NAGHPC Informational Postcard

The Collaborative also partnered with the Energy Solutions Center's Technology and Market Assessment Forum. Forum attendees and Collaborative members participated in a 4-hour meeting with gas heat pump manufacturers to get an update on the status of the gas heat pump production pipeline. The Collaborative also advocated to reject ENERGY STAR's proposed phasing out of residential natural gas furnaces as well as rejecting the sunsetting of ENERGY STAR natural gas boilers. The Collaborative will work to support the creation of an ENERGY STAR certification pathway for gas heat pumps.

The Collaborative was also instrumental in securing an article in the Association of Energy Services Professionals 2023 Energy Intel quarterly magazine, titled, "Gas Heat Pumps Key to Decarbonization Puzzle." There were two working committees, the Res HVAC Committee and the Gas Heat Pump Water Heater Committee. After studying the water heating market and the slow development of the gas heat pump water heater, the Collaborative decided to sunset the Water Heater Committee and instead approved the creation of the Commercial Gas Heat Pumps Committee.

Participation in the Collaborative provided a valuable network of industry partners working together to bring gas heat pumps to market, work the Company could not achieve as a solo effort. As the committees embark on specific projects, like an adoption forecast modeling tool, and additional resources are required to do the work, investment beyond the membership fee, $25,000 for the 2023 membership, will be required. While valuable and important work, it is unlikely the Intermountain Program can cost-effectively support any additional investments in the Collaborative. The Company will carefully consider further involvement in the Collaborative in 2024.

The EE team is an active member of the ESC Gas Heat Pump Consortium (Consortium). Participation in the Consortium is free and available to EE staff through the MDU Resources corporate membership. Participation in the Consortium provides the Company access to member-only resources, like updates from gas heat pump manufacturers, case studies and reports, and member utility success stories. In 2023, the Consortium produced materials for members to use to raise awareness and provide education about gas heat pumps; such as the Gas Heat Pump Solutions magazine, currently featured on the Intermountain EE website, and gas heat pump marketing materials and infographics that can be co-branded and customized to Intermountain's customers. In 2023, the Consortium created a free, 70 minute, "Introduction to Gas Heat Pumps" on demand webinar for commercial businesses, contractors, engineers, installers, consultants, plumbers, or anyone involved in HVAC installations. The webinar can be accessed anytime and will help Intermountain raise awareness and education around gas heat pumps. The Company promoted the webinar with contractors. Following the webinar, ESC provided a post-webinar survey which allowed participants to indicate if they were interested in learning more about gas heat pumps. The Company followed up with these participants and sent gas heat pump resources including links to the web page for the North American Gas Heat Pump Collaborative, a digital copy of the 2023 Gas Heat Pump Solutions Magazine from ESC, and links to the Intermountain Commercial Energy Efficiency website and the Company's pages dedicated to gas heat pump information.

ENERGY EFFICIENCY: NEXT STEPS

The Company strives for continual improvement and opportunities to increase cost-effective savings for Intermountain customers in the ever-evolving environment of energy efficiency. Industry partners, collaborative efforts and an engaged and robust EESC continue to be joint partners in this shared mission.

In Order No. 36245, issued in case No. INT-G-23-06, the Idaho Public Utilities Commission deemed the 2022 Program expenses as prudently incurred. In accordance with the Order, in 2023 the Company conducted a billing analysis of the Whole Home Tier I and Tier II and the furnace and smart thermostat measures. And in so doing, addressed the smart thermostat EUL as ordered. Likewise, the Company will continue to strive for proficiency in delivering the energy efficiency program and securing cost-effective savings by seeking ways to reduce labor expenses. The final item of Order No. 36425 instructed the Company to develop and follow a schedule for regular internal audits. The 2025 audit plan in currently in development and will be approved by the MDUR Board of Directors in February 2025.

In addition to the impact evaluation completed in compliance with Order No. 36245, an impact evaluation was also conducted on water heating measures to inform future program changes. The Company also commissioned a process evaluation which will help inform outreach and awareness strategies for energy efficiency. By applying the IGC TRM and the 2023 IRP Avoided costs, these studies will be implemented into the proposed program in 2025 to continue to secure cost-effective savings.

The Company will continue to raise awareness about the Commercial Program and will use the commercial customer survey to learn more about the needs of these customers. In addition, identifying the correct contacts at commercial customers will allow the Company to target outreach where it will provide the biggest return. The Company plans to commission the development of a commercial TRM in order to offer a more robust listing of energy saving prescriptive measures for commercial customers.

The Company continues to strive to secure cost-effective savings for Intermountain residential and commercial customers, through traditional methods of resource acquisition; rebate programs; as well as working towards an energy efficient future through market acceleration of energy efficient technologies and equipment.

INTERMOUNTAIN® GAS COMPANY
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