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IDAHO PUBLIC
UTILITIES COMMISSION

Attorneys for Intermountain Gas Company

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

**IN THE MATTER OF
INTERMOUNTAIN GAS
COMPANY'S APPLICATION FOR
AUTHORITY TO IMPLEMENT A
COMMERCIAL ENERGY
EFFICIENCY PROGRAM AND
FUNDING MECHANISM**

CASE NO. INT-G-20-04

**INTERMOUNTAIN GAS COMPANY'S
REPLY COMMENTS**

Intermountain Gas Company ("Intermountain" or "Company") respectfully submits the following Reply Comments in response to Comments filed by the Idaho Public Utilities Commission Staff ("Staff").

BACKGROUND

Intermountain filed an application on August 3, 2020 requesting authority to implement a Commercial Energy Efficiency ("Commercial EE") Program that would be funded by a \$0.00320 per therm surcharge collected from its General Service ("GS-1") customers. Application at 8.

On January 26, 2021, Staff filed Comments in the case. Pursuant to the Notice of Modified Procedure issued by the Commission in Order No. 34869, Intermountain submits its Reply Comments.

REPLY TO STAFF COMMENTS

Intermountain appreciates Staff's comments in this case and the ideas outlined that will

provide the necessary foundation upon which to build a successful Commercial EE Program. The Company agrees that reporting is an important component of any energy efficiency program and is committed to providing an accurate Annual Commercial EE Program report that includes the rider reconciliation; evaluation plan; Evaluation, Measurement and Verification (“EM&V”) results (CY 2023 report); and the use of EM&V results to adjust program savings and incentive levels as outlined by Staff.

While Intermountain also agrees that cost effectiveness is an important component of the Annual Commercial EE Program report, the Company believes the method for determining the cost effectiveness of a measure should be based on the advice of its EM&V consultant and discussions with the Energy Efficiency Stakeholder Committee (“EESC”) rather than the prescriptive approach of using “billing data, when available, to measure the cost effectiveness of each measure” included as Staff Recommendation 1.c. Staff Comments at 7.

Intermountain has found through its recent EM&V study on the Residential EE Program that while using billing data can be an important metric in measuring cost effectiveness, it may not be the best method for evaluating the cost effectiveness for a particular rebate and is not always industry best practice. As the Company’s Evaluator stated in its Residential Program Impact Evaluation, “billing analyses include any changes in household behavior, equipment, or occupancy and therefore may include factors other than the impact of improved equipment efficiency”. INT-G-20-06 Supplement to Application at 6. While this was an evaluation of residential rebates, the theory is applicable to commercial appliances as well. The Company requests that the Commission not prescribe a method of conducting EM&V in its final Order in this case, but rather allow the Company to work with its EM&V consultant and EESC to determine the most appropriate method of calculating the cost effectiveness for each individual

measure based on industry best practice.

The Company agrees with Staff that there are many unknowns regarding its proposed Energy Savings Kit (“ESK”) measure. Staff’s suggestion of operating the ESK as a pilot measure of 350 kits for the first year is a reasonable approach. The initial 350 kits will provide valuable information the Company can use to refine the program with Staff and the EESC.

Intermountain also recognizes the importance of including representatives from the GS-1 rate class on the EESC. The residential representatives on Intermountain’s current EESC have been invaluable in providing feedback that has helped improve the current Residential EE Program. If the Commercial EE Program is approved, the Company plans to recruit individuals with similar expertise that will be helpful in growing the Commercial EE Program.

CONCLUSION

In summary, Intermountain appreciates the reporting framework outlined by Staff and agrees with the recommendations of implementing the ESK measure as a pilot program and including GS-1 representatives on its EESC. However, the Company requests that the Commission not prescribe a specific method for determining cost effectiveness, such as the use of billing data. Instead, the Company believes relying on industry best practices recommended by its EM&V consultant and consultation with Staff and the EESC will result in a method of determining cost effectiveness that is most appropriate for each measure.

Dated: February 9, 2021

GIVENS PURSLEY LLP



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CERTIFICATE OF SERVICE

I certify that on February 9, 2021, a true and correct copy of INTERMOUNTAIN GAS COMPANY'S REPLY COMMENTS was served upon all parties of record in this proceeding via the manner indicated below:

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