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Attorney for the Commission Staff

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

**IN THE MATTER OF INTERMOUNTAIN GAS)
COMPANY'S APPLICATION FOR A) CASE NO. INT-G-20-06
DETERMINATION OF 2019 ENERGY)
EFFICIENCY EXPENSES AS PRUDENTLY) COMMENTS OF THE
INCURRED) COMMISSION STAFF
)
)
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The Staff of the Idaho Public Utilities Commission ("Staff") submits the following comments regarding the above referenced case.

BACKGROUND

On September 1, 2020, Intermountain Gas Company ("Company") applied to the Commission for an order finding the Company prudently incurred \$2,803,346 in Energy Efficiency Program ("EE Program") expenses during 2019. The Company stated it would not seek to adjust its Energy Efficiency Charge ("EEC") in 2020.¹

On October 2, 2020, the Commission issued a Notice of Application that set an October 23, 2020 deadline for interested persons to intervene. Order No. 34801. The Idaho Conservation League petitioned to intervene, and the Commission granted its petition. Order No. 34804.

¹ The EEC is a per therm charge that funds the EE Program. In Order No. 34454, Case No. INT-G-19-05, the Commission approved an EEC of \$0.02093 per therm.

On December 7, 2020, the Company supplemented its Application (“Supplemental Application”). Staff hereafter refers to the Company’s Application, as supplemented, as the “Amended Application.”

The Amended Application amends the original Application to include the results of the Company’s recent Evaluation, Measurement and Verification (“EM&V”) study and proposed changes to the Company’s EE Program based on the EM&V study’s results. Additionally, the Company seeks to revise its Residential Energy Efficiency Rebate Program tariff consistent with its proposed changes to the EE Program. Amended Application, Exhibit No. 9. The Company requested its proposed tariff changes take effect March 1, 2021. In Order No. 34908 the Commission suspended the effective date until April 1, 2021, or until the Commission enters and order accepting, rejecting, or modifying the proposed tariffs.

STAFF ANALYSIS

This is the second Demand-Side Management (“DSM”)/Energy Efficiency prudence filing made by the Company since the EE Program’s inception on October 1, 2017. Staff examined the Company’s Application, workpapers, 2019 Energy Efficiency Annual Report (“EE Report”), EE Report exhibits, Conservation Potential Assessment (“CPA”),² Amended Application and exhibits, EM&V study and report, and additional information provided by the Company through Production Request responses. The Company is seeking approval for EE Program expenses of \$2,803,346 for the period of January 1, 2019, through December 31, 2019, as prudently incurred. Based on its review, Staff recommends the Commission approve the Company’s EE Program expenses of \$2,803,346 as prudently incurred.

Staff comments address the Company’s program financials, program offerings, avoided cost, EM&V, CPA, program results, and other issues. Staff notes that the absence of any discussions on additional points should not be construed as Staff support for the Company’s position without a full evaluation in the future.

While Staff believes the EE Program expenses of \$2,803,346 were prudently incurred, Staff also believes that some of the initial assumptions about measure savings and incentive levels required evaluation and verification. In particular, Staff recommended in Case No. INT-G-19-04 that program savings be evaluated by an independent third-party EM&V

² The CPA was submitted in Case No. INT-G-19-07 as Exhibit 4.

evaluator and that the Company, with input from stakeholders, adjust its avoided cost methodology so it more accurately represents actual costs avoided through energy efficiency.

The Company presented EM&V results in an Energy Efficiency Stakeholder Committee (“EESC”) meeting on September 16, 2020. The EM&V was submitted as part of the Amended Application on December 7, 2020 and is described in greater detail below.

Financial Review

Staff audited the Company’s EE Program, which included a review of the Company’s EE incentives, marketing campaign, program administration, and labor expenses. Staff verified that expenses were well documented and that internal controls appeared to be in place to prevent improper payment of incentives and to properly record EE Program expenses. The Tariff Rider balance, labor expenses, and calculations are described in greater detail below.

Tariff Rider Balance

Table No. 1 shows Tariff Rider activity for the calendar year 2019.

Table No. 1: Tariff Rider Reconciliation

Beginning Balance, as of January 1, 2019 (underfunded)	\$ (310,870)
Tariff Rider Revenue	\$ 2,671,829
EE Program Expenses	<u>\$ (2,803,346)</u>
Ending Balance, as of December 31, 2019 (Underfunded)	\$ (442,387)

In Order No. 34454, Case No. INT-G-19-05, the Commission approved an increase in the EEC from \$0.00367 per therm to \$0.02093 per therm, effective October 1, 2019. The increased EEC, intended to reduce the underfunded rider balance, was collected for only part of 2019. The underfunded balance increased by \$131,516 in 2019, as program expenses exceeded Tariff Rider revenue. The Company did not request a change to the EEC in this case. Staff supports maintaining the current EEC for residential customers at this time and will monitor the fund balance trends in the Company’s quarterly updates.

Labor Expenses

The Company's EE Program labor expense increased significantly to \$497,726 for the 12 months ending December 31, 2019 from \$189,962 for the 15 months ending on December 31, 2018. The Company increased the number of its employees that charge their time to the Tariff Rider in 2019, including eight Energy Service Representatives who allocate 25% of their work to the EE tariff. The Company also added a Conservation Policy Manager position in 2019. Staff believes the increase in staffing and labor expense was necessary to build up a relatively new program but expects increases in labor expenses in future years to be more in proportion with the growth of the whole EE Program. The total labor expense represented 17.75% of total program expenses in 2019, up from 12.7% of total program expenses over the previous 15 months.

DSM Cost-Effectiveness Test Results

The Company uses the Utility Cost Test ("UCT") as the primary test for determining the cost-effectiveness of each measure and for the entire EE Program. The measures listed in Table No. 2 are available to the Company's customers who receive service under the Residential Rate Schedule.

In the original Application, overall EE Program and individual measure assessments are shown as Pre-CPA and Post-CPA. Application at 9. Pre-CPA results reflect original EE Program design measure inputs and were used because the CPA was not completed until mid-year 2019. Post-CPA results reflect re-calculated therm savings and cost effectiveness based on the CPA measure inputs. EM&V study results were included in the Amended Application and cost-effectiveness tests were recalculated. *See* Table No. 2

In the original Application, the 2019 EE Program using Post-CPA results was not cost-effective with a UCT of 0.87. However, using results from the Amended Application, the program has a UCT of 1.3 as shown in Table No. 2. Amended Application, Exhibit No. 6.

Table No. 2: DSM Measures and Cost-Effectiveness:

Measure	Rebate Amount	Measures Installed	UCT Pre-CPA	UCT Post-CPA	UCT EM&V
Whole Home Program	\$1,200	1,079	0.99	0.80	1.2
95% AFUE Furnace	\$350	2,066	1.15	0.97	1.5
90% High E Combo System	\$1,000	11	1.58	0.56	0.6
70% Fireplace Insert	\$100	14	1.72	0.49	0.5
.67 EF Water Heater	\$50	8	1.30	1.34	1.7
.91 Condensing Tank-less Water Heater	\$150	159	1.30	1.58	1.9
Totals		3,337	1.06	0.87	1.3

EM&V

In Case No. INT-G-19-04, Staff stated its concerns about the amount of reported savings associated with the highest incented measure, the Whole Home Program. Staff recommended that the Company develop a plan for completing an EM&V study. In Commission Order No. 34536, the Company was directed to complete an EM&V study for all EE Program measures.

The EESC, which includes Staff members, provided insight into the scope of the Company's first EM&V study.

To get the most value from the study, it was determined the EM&V study would include both an impact evaluation and process evaluation. As a new program it was important to conduct a process evaluation to identify potential areas of improvement in program operations and delivery. The process evaluation reviewed the entire EE Program.

Amended Application at 5.

The EESC also determined that the initial EM&V study should require an impact evaluation on Furnace and Whole Home measures because those two measures provide the greatest therm savings opportunities and are the major drivers of overall program costs. Based on its CPA, the Company planned to revise or eliminate some rebates. The EESC recommended that these rebates not be included in the EM&V study, saving the Company undo expense and time.

The Company retained ADM Associates (“ADM”) to conduct the EM&V of its Residential DSM program. Amended Application at 4. Overall, Staff believes that ADM's EM&V provides a useful analysis that can be used to evaluate and improve elements of the Residential DSM program; however, Staff is concerned by the Company's use of ADM's simulation-based analysis, rather than its billing analysis, in its determination of the cost effectiveness of its Whole Home Program. See Amended Application at 6. ADM's simulation-based analysis inflated the energy savings estimates compared to the billing analysis. The Company uses the energy savings estimates to calculate program incentive levels and future program costs.

Staff's comments will discuss the following areas of ADM's EM&V study:

1. Billing analysis using the Impact Evaluation approach shows that annual Whole Home Program savings are 57 therms per home, or about 28% of the value determined by the Company's Conservation Potential Assessment ("CPA"). Exhibit No. 5, Table 4-1.
2. Billing analysis using the Impact Evaluation approach shows that annual Furnace Rebate Program savings are 56 therms per rebate, or about 49% of the value determined by the Company's CPA. Exhibit No. 5, Table 3-1.
3. Simulation analysis found that Whole Home Program savings are 274 therms per home relative to a User Defined Reference Home ("UDRH") based on minimum Federal Energy Conservation Standards.
4. Two additional analyses of the Furnace Rebate Program showed very different results. A pre-post analysis of the same customers reflected savings to be 29.4 therms per rebate recipient, whereas application of the Equivalent Full Load Heating hours ("EFLHh") method to new homes estimates savings to be 134 therms per rebate participant.
5. Therm consumption of Energy Star certified homes is greater than the energy consumption of homes which received the Whole Home rebate ("Program Homes"). Exhibit No. 5, Table Nos. 4-33 and 4-34.

Conservation Potential Assessment

The purpose of a CPA is to estimate the amount of energy savings in a utility's service territory that can potentially be acquired. In 2018, the Company selected Dunsy Energy

Consultants to complete a CPA. The Company's CPA was completed in 2019 and submitted with the 2019 IRP in Case No. INT-G-19-07. The CPA included revised program measure assumptions for therm savings, costs, and estimated useful lives. Applying the revised assumptions resulted in changes to cost effectiveness of all measures as shown in Table No. 2 above. Assumptions used prior to CPA completion are noted as Pre-CPA and assumptions post CPA completion are noted as Post-CPA.

In Commission Order No. 34536, the Company was directed to immediately and continuously monitor, evaluate, and update its EE Program incentives with the best available data. Staff believes the use of revised (Post-CPA) data as shown in Table No. 2 was one method the Company used to incorporate relevant and available data into its energy efficiency program.

DSM Program Measure Assessments

Whole Home Program

The Company is proposing to modify the incentives for the Whole Home Program from \$1,200 per qualifying home to a two-tier incentive level, \$900 for Tier I and \$700 for Tier II. The Company's proposed incentive amounts were calculated using the savings estimates from ADM's engineering analysis. By not using billing data to estimate Whole Home Program savings, the Company is not in compliance with the Commission's final order in the Company's last Residential DSM Prudency case, INT-G-19-04. The Commission wrote, "The deemed savings value should be based on a comparison of actual billing data from similar new homes constructed which received the rebate and ones that did not receive the rebate." Order No. 34536 at 5.

ADM's EM&V included a thorough and statistically sound comparison of billing data from Program Homes and similarly constructed homes that did not receive the rebate ("Control Group Homes"). ADM refers to this method as the Impact Evaluation approach. ADM applied a technique called Propensity Score Matching ("PSM") to the data in order to select Control Group Homes that, aside from their participation in the Whole Home Program, were as similar as possible to Program Homes. T-tests and Chi-squared tests found no statistically significant difference between the Program Homes and the PSM-matched Control Group Homes. Billing data from these two groups were then used to create a regression model of billed therm consumption that included predictor variables such as Heating Degree Days ("HDD") and a variable that indicated whether or not a particular home was a Program Home or a Control Group

Home. Using the Impact Evaluation approach, ADM concluded that Program Homes saved an average of 57.5 therms annually when compared to Control Group Homes, or about 28% of the 204 therm value determined by the Company's CPA, used to establish the current \$1,200 Whole Home incentive. Amended Application, Exhibit No. 5, Table 4-1.

ADM also performed a simulation analysis of its Whole Home Program referred to as an "engineering analysis" in the Company's Amended Application. Amended Application at 6-7. Unlike its Impact Evaluation, which was based on billing data, ADM's simulation analysis compared the simulated consumption of 59 Program Homes to a hypothetical UDRH. Response to Production Request No. 19. Staff believes that the choice of parameters used in the UDRH is inappropriate. Staff believes that basing the UDRH on minimum Federal Energy Efficiency Standards rather than actual construction techniques used in the Company's service territory overestimates savings and is inconsistent with Commission Order No. 34536's requirement that savings estimates be based on a comparison of actual billing data from similar new homes. According to the Company, "...the average non-program home in Intermountain's service territory exceeds amended IECC 2012 Idaho building code standards." Amended Application at 6. Using the simulation analysis, ADM concluded that the Program Homes saved an annual average of 274 therms per Program Home, or about five times the savings determined by the Impact Evaluation's billing analysis.

The average per-home consumption established during the Company's last rate case was 698 therms per year. This figure is based on consumption of all housing within the Company's service territory, including new homes and vintage housing stock. By contrast, ADM's hypothetical UDRH consumes 923.9 therms, or 32% more energy than existing homes within the Company's service territory. Amended Application, Exhibit No. 5, Table No. 5-3. In response to Production Request No. 18, the Company attributed this difference to an increase in the size of homes being constructed within its territory: According to the Company, the average size of homes currently being constructed within its territory is 2,388 square feet, versus an average of 1,932 square feet for existing housing stock. Given that ADM's UDRH is based on relatively recent Federal Standards and Building codes, we would expect per square foot consumption of the UDRH to be less than that of existing housing stock; however, this is not the case: Per-square foot consumption for the UDRH is actually 7% greater than that consumption of existing housing stock.

The use of ADM's simulation, instead a billing analysis, to establish incentive levels is inconsistent with Commission Order No. 34536. Using the 57.5 therm savings determined by ADM's billing analysis, Staff calculated an incentive level of \$206 compared to the proposed incentives of \$900 and \$700 based on the savings estimates from the ADM simulation. The Company did not adequately document why it did not use the filing data to update incentive levels.

Furnace Rebate Program

ADM used its Impact Evaluation approach to perform a billing analysis of its Furnace Rebate Program and found that actual annual savings were 56 therms, or about half of the 112 therm savings determined by the Company's CPA used to establish the current \$350 incentive for this program. Amended Application, Exhibit No. 5, Table 3-1. Staff believes that the methodology used in this analysis was rigorous and statistically sound.

ADM also conducted two alternative analyses of the Furnace Rebate Program. Because the Furnace Rebate Program provides incentives to replace existing furnaces, it is possible to compare the consumption of a residence prior to its receipt of the rebate to its consumption after receipt of the rebate. This analysis differs from the previously described Furnace Rebate Program analysis in that it only analyzes the change in consumption of program participants and does not compare their consumption with the consumption of similarly situated non-participants. Using this pre-post billing comparison, ADM determined that Furnace Rebate Program recipients realized an average savings of 29.4 therms per year relative to their consumption prior to receiving the rebate. This value is substantially less than the 56 therm obtained by comparing participants with non-participants, and it is 26% of the 112 therm savings CPA value used to determine the current \$350 incentive level. Neither ADM nor the Company provided an explanation for this discrepancy. The results of both analysis methods were corrected for the effects of weather, eliminating weather as a cause for the discrepancy.

Billing analysis of replacement measures can include changes in household behavior, equipment, or occupancy and therefore may include factors other than the impact of improved equipment efficiency. For example, a billing analysis of the Furnace Rebate Program in 2020 could potentially indicate that a new 95% Annual Fuel Utilization Efficiency ("AFUE") furnace uses more therms than the furnace it replaced, simply because the occupants of the home were

working from home during the winter months and heating the home throughout the day. This would result in a billing analysis that would be counter intuitive.

The second alternative method used to evaluate the Furnace Rebate Program used the EFLHh methodology. Amended Application, Exhibit No. 5 at 70-75. Using the EFLHh methodology, ADM estimated Furnace Rebate Program savings at 134 therms per participant per year, or about 118% of the CPA value used by the Company to develop its incentive levels. *Id.* at Table 5-11. This methodology is straightforward, but it is also extremely sensitive to assumptions about the efficiencies of both the replacement furnace and the furnace being replaced. Given that this program is intended to incent replacement of furnaces in existing housing stock, Staff disagrees with ADM's decision to include only new home construction in its analysis of the Furnace Rebate Program. ADM explained that the characteristics of existing homes were not considered in its EFLHh analysis because of "snapback," by which owners of existing homes who receive a new furnace change their behavior in a way that increases consumption. *Id.* at 72. The effects of behavioral changes such as snapback are not factored into engineering simulations, but will be included, whether implicitly or explicitly, in a billing analysis.

Using the 56 therm savings determined by ADM's Impact Evaluation approach, Staff calculated an incentive level of \$88 for a 95% AFUE furnace, instead of the \$350 proposed by the Company. For comparison, Avista Utilities offers an incentive of \$450 for a less efficient AFUE 90% furnace. The Company should continue to monitor the cost-effectiveness of the Furnace Rebate Program and modify its incentive levels following the next EM&V.

Energy Star Certification, HERS Scores, and Energy Savings

Using a simulation analysis, ADM concluded that Whole Home Program participants save, on average, 76 therms more than similar Energy Star certified homes. ADM attributes the increased savings to the more rigorous duct sealing requirements of the Whole Home Program. Amended Application, Exhibit No. 5 at 54.

ADM's simulation compared the energy savings of 68 homes modeled using Whole Home criteria with the same homes modeled under Energy Star criteria. *Id.* This analysis is similar to the simulation analysis conducted on the Whole Home Program, and it may overstate the difference between consumption of a Program Home and a similar Energy Star home. Nevertheless, because this analysis avoided the use of the UDRH, it is possible that Program

Homes are more energy efficient than their Energy Star counterparts. Staff supports the Company's proposal to eliminate the Energy Star component of the Whole Home Program.

In its discussion in Order No. 34536, the Commission wrote, "After the EM&V study is completed, we encourage the Company to consider modifying the HERS threshold of 75 for the Whole Home Program." ADM performed several different analyses in attempts to find an appropriate HERS score but was unable to do so. Amended Application, Exhibit No. 5 at 52. ADM wrote, "It is expected that the lower the HERS Index score, the higher the energy savings. However, the Evaluators found the savings normalized by square footage remains relatively constant across a 20-point HERS Index range."

Fireplace Insert Measures

Initially, the Company offered two fireplace insert measures. The first measure was a \$200 rebate for installation of an 80% AFUE or greater natural gas fireplace insert, which was discontinued in 2020. *See* Order No. 34536.

The second measure is the current \$100 rebate for installation of a 70% efficient or greater Fireplace Efficiency natural gas fireplace insert. The Company reported that this rebate has had very low participation and provides minimal therm savings and proposes to retire this rebate.

Staff has reviewed the 70% fireplace rebate and believes the Company's recommendation to retire it is reasonable and should be approved.

Water Heating Measures

The Company currently offers two measures in its Water Heater Program. The first measure is a \$50 rebate for installation of a 0.67 Energy Factor ("EF")³ or greater natural gas water heater. The second measure is \$150 rebate for installation of a 0.91 EF or greater condensing tankless water heater. The Company proposes two changes to its water heating measures.

³ Beginning June 12, 2017 EF ratings were replaced by UEF ratings, a new industry standard for measuring energy efficiency in water heaters.

First, the Company proposes to change the existing 0.67 EF storage water heater to 0.68 UEF to align with current DOE industry standards and to increase the rebate from \$50 to \$115. The increased rebate is driven by greater therm savings and is intended to promote participation.

Second, the Company proposes to modify tankless water rebates and establish a two-tiered system based on the UEF rating of the unit. The proposed two-tiered rebates are \$325 for Tier 1, which is the installation of a 0.91 UEF tankless water heater, and \$300 for Tier II installation of a 0.87 UEF tankless water heater. *See* Table No. 3. The Tier II addition is based on a recommendation from the EM&V study to add a lower priced tankless water heater.

Staff has reviewed the water heating EM&V analysis, ADM's recommendations, and believes the Company's proposed rebates are reasonable and should be approved.

Thermostat Measure

The Company proposes to add smart thermostats to its rebate list, offering a rebate of \$100 for the installation of a Wi-Fi enabled, Energy Star certified smart thermostat. "The smart thermostat has consistently been the most frequently requested appliance rebate by HVAC contractors, customers, and members of the EESC." Amended Application, Exhibit No. 7 at 2. Customers can install a thermostat without needing a professional contractor, which can be a barrier to adoption for price-sensitive customers.

Staff has reviewed the smart thermostat assumptions and EM&V analysis and believes the Company's proposed new smart thermostat rebate is reasonable and should be approved. Other utilities in Idaho have similar efficiency measures, with Avista Utilities offering customers a \$125 rebate and Idaho Power offering customers a \$75 rebate. Given that the Company would only see efficiency savings from reduced gas used for heating, and not for reduced electricity for cooling, Staff encourages the Company to monitor the popularity and cost-effectiveness of the smart thermostat measure and adjust the incentive amount as needed.

Table No. 3: Proposed Measures

Rebate	Rebate Type	Minimum Efficiency Rating	Rebate Amount
Whole Home Tier I	New Construction	Tier I Requirements: <ul style="list-style-type: none"> • 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 <i>or</i> duct leakage to outside of less than 4 CFM25/100 ft2 CFA • Furnace efficiency at or above 97% AFUE 	\$900
Whole Home Tier II	New Construction	Tier II Requirements: <ul style="list-style-type: none"> • HERS rated • Air sealing at or below 4 ACH at 50 Pa • Ducts and air handler located inside conditioned space <i>or</i> duct leakage to outside of less than 4 CFM25/100 ft2 CFA • Furnace efficiency at or above 95% AFUE 	\$700
Combination Boiler for Space and Water Heat	Space Heating	95% AFUE	\$800
Furnace	Space Heating	95% AFUE	\$350
Boiler	Space Heating	95% AFUE	\$800
Storage Water Heater	Water Heating	0.68 UEF	\$115
Tankless Water Heater Tier I	Water Heating	0.91 UEF	\$325
Tankless Water Heater Tier II	Water Heating	0.87 UEF	\$300
Smart Thermostat	Thermostat	Wi-Fi enabled; Energy Star certified	\$100

Staff reviewed each measure listed in Table No. 3 and believes the Company’s proposed modifications are consistent with accepted methods to determine savings, are reasonable, and should be approved. The Company should continue to monitor and adjust incentive levels when the EM&V study verifies measure savings.

Avoided Cost

DSM avoided costs are those costs that the Company avoids by implementing a DSM measure or program and not having to acquire and distribute natural gas therms to the end-use customer. For example, a measure that incents customers to replace a low efficiency furnace with a high efficiency furnace allows the Company to avoid the cost of gas saved by the high efficiency furnace, as well as some of the costs of transporting that gas from the producer to the Company's distribution system. However, no energy efficiency measure can reduce the fixed costs that are already embedded in the Company's base rate.

In Order No. 34536, Case No. INT-G-19-04, the Commission ordered the Company to review avoided costs and update its avoided cost calculations. The Company created an Avoided Cost subcommittee within the EESC to address issues identified in Order No. 34536. The subcommittee reached consensus on calculation of the commodity and transportation cost components of an avoided cost model as described in Exhibit No. 3 of the Company's Application. However, the Avoided Cost Subcommittee has agreed that additional discussion of a distribution cost component is needed.

It is possible for energy efficiency measures to enable the Company to avoid future capacity costs that have not yet been embedded in rates. Energy efficiency measures might decrease load growth sufficiently to allow the Company to delay capacity upgrades, or to use smaller pipes when extending new service; however, the Company provided no evidence that it takes its EE Program into account when planning or designing its distribution system.

Marketing and Outreach

The Company's marketing, education, and outreach efforts focused on residential customers, contractors, and home builders. The Company published multiple electronic and paper bill inserts and used digital and social media to promote their EE Program. The Company's marketing campaigns also included digital and radio ads.

To increase outreach and promotion, in June of 2019, the Company added energy efficiency into the services provided by its Energy Service Representatives ("ESRs"). The Company's energy efficiency program funds 25% of eight ESR positions, equivalent to two full time ESRs. Staff believes this approach to expanding outreach and promotion of the Company's energy efficiency program is both efficient and an effective use of personnel.


In its EM&V report, ADM suggested the Company provide more marketing materials for builders, real estate agents, and homeowners. The report also suggested that the Company show examples of actual homeowner cost savings.

STAFF RECOMMENDATIONS

Based on Staff's audit and analysis, Staff recommends the Commission issue an order:

1. Approving the Company's 2019 EE Program Expenses of \$2,803,346 as prudently incurred.
2. Approving the Company's proposed and modified measures as written in Tariff Rate Schedule EE-RS, included as Exhibit No. 9 in the Amended Application.
3. Approving the Company's proposed retirement of the 70% fireplace rebate.
4. Directing the Company to address and document the use of billing analysis when establishing incentive levels.
5. Directing the Company, in cooperation with its EESC, to continue efforts to improve its avoided cost methodology, address distribution costs which are avoided through its EE Program, and present those results to the Commission.
6. Directing the Company to implement program and measure adjustments, as soon as possible and on an ongoing basis, using the best data currently available including, but not limited to, billing analysis and the results of the EM&V.

Respectfully submitted this 28th day of February 2021.



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CERTIFICATE OF SERVICE

I HEREBY CERTIFY THAT I HAVE THIS 25th DAY OF FEBRUARY 2021, SERVED THE FOREGOING **COMMENTS OF THE COMMISSION STAFF**, IN CASE NO. INT-G-20-06, BY E-MAILING A COPY THEREOF, TO THE FOLLOWING:

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