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UTILITIES COMMISSION

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Attorney for Intervenor

**BEFORE THE  
IDAHO PUBLIC UTILITIES COMMISSION**

IN THE MATTER OF INTERMOUNTAIN GAS  
COMPANY'S APPLICATION FOR  
DETERMINATION OF 2020 ENERGY  
EFFICIENCY EXPENSES AS PRUDENTLY  
INCURRED

Case No. INT-G-21-03

**CITY OF BOISE CITY'S  
COMMENTS**

The city of Boise City ("Boise City") submits these formal comments on the application submitted by Intermountain Gas Company ("Company") for a determination of 2020 energy efficiency program expenses as prudently incurred. Boise City submits these formal comments pursuant to Rule 203 of the Commission's Rules of Procedure, IDAPA 31.01.01.203, and pursuant to the Notice of Modified Procedure, Order No. 35143, issued by the Commission on August 20, 2021.

1. Boise City commends the Company on continuing to develop and implement new energy efficiency programs, particularly with the challenges faced during the COVID-19 pandemic. Boise City recognizes the unique and important benefits that energy efficiency

delivers to all customers and supports the continuation of robust, accessible, and cost-effective energy efficiency measures. Boise City is encouraged by the Company's efforts to expand energy efficiency participation, resulting in a 36% increase in participation in 2020 compared to 2019. Application at 9.

2. Increased customer participation across the Company's rebate programs led to significant increased savings from the Company's simulation analysis compared to 2019. Additionally, both the simulation analysis and bill savings analysis show savings achieved in 2020 exceeded the estimated demand side management savings opportunity in the Company's Integrated Resource Plan. Boise City is concerned, however, about the significant discrepancy between the therm savings reported in the Company's simulation analysis and bill savings analysis. While the Company has implemented significant changes to the Whole Home rebate program in 2021 to improve cost-effectiveness, Boise City recommends the Commission continue to comprehensively evaluate the portfolio-wide and individual measure savings and provide the Company with clear direction on how to incorporate results from bill savings and simulation savings analyses going forward.
3. Boise City recommends the Company take a measured approach with its stated planned increase in program delivery expenses. *See* Application at 8. With the success of the Company's energy efficiency programs in 2020, attracting their highest participation level since inception, Boise City recommends the Company continue the digital marketing and targeted customer outreach that was effective and less costly than more traditional forms of in-person outreach. Additionally, Boise City recommends the Company begin assigning specific direct program costs to individual rebate programs now that many of the rebates

are more established to further facilitate evaluation of cost-effectiveness and targeted program outreach.


4. With the relatively low price of natural gas compared to other fuel costs, Boise City recommends the Company evaluate and present a targeted, behavioral energy efficiency program offering to its Energy Efficiency Savings Committee for implementation in 2022. With the demonstrated success of programs like Idaho Power and Avista's Home Energy Reports, there appears to be a significant savings opportunity for the Company, without the traditional overhead expenses or customer costs associated with current equipment replacement rebates.
5. In addition to new program offerings, Boise City recommends the Company evaluate and incorporate a risk premium in the avoided cost model. A specific value reflecting the risks of price volatility and uncertainty in the future pricing of wholesale energy would more comprehensively value the role that only energy efficiency can deliver in reducing the Company's and customers' exposure to rapidly changing market conditions. In INT-G-21-04, the Company's 2020 purchased gas cost adjustment case, the Commission approved the Company's application to update its rates to reflect the additional \$24.2 million needed to cover the variable costs of purchased gas. Order No. 35182. Price volatility is a risk that should be more comprehensively valued in the Company's avoided cost methodology. The American Council for an Energy Efficient Economy report "Sustaining Utility Natural Gas Efficiency Programs In a Time of Low Gas Prices" outlines different methodologies in use by natural gas utilities to accurately incorporate a risk premium. MARTIN KUSHLER & PATTIE WHITE, AMERICAN COUNCIL FOR AN ENERGY EFFICIENT ECONOMY, SUSTAINING UTILITY NATURAL GAS EFFICIENCY PROGRAMS IN A TIME OF LOW GAS PRICES p. 19 *available*

at

[https://www.aceee.org/sites/default/files/pdfs/sustaining\\_utility\\_natural\\_gas\\_efficiency\\_programs.pdf](https://www.aceee.org/sites/default/files/pdfs/sustaining_utility_natural_gas_efficiency_programs.pdf) (last visited November 29, 2021).

6. Boise City recommends the Commission find the Company's 2020 energy efficiency expenses prudent and, as in Order No. 34980 regarding the Company's 2019 energy efficiency expenses, order the Company to continuously monitor, evaluate, and update its energy efficiency program incentives with the best available data.

DATED this 30th day of November 2021.

  
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Ed Jewell  
Deputy City Attorney



**CERTIFICATE OF SERVICE**

I hereby certify that I have on this 30th day of November 2021, served the foregoing documents on all parties of counsel as follows:

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