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**BEFORE THE
IDAHO PUBLIC UTILITIES COMMISSION**

IN THE MATTER OF THE APPLICATION OF
INTERMOUNTAIN GAS COMPANY FOR A
DETERMINATION OF 2022 ENERGY
EFFICIENCY EXPENSES AS PRUDENTLY
INCURRED

Case No. INT-G-23-06

**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 2022 energy efficiency program expenses as prudently incurred. Boise City, 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. 36058, issued by the Commission on January 12, 2024, hereby submits its formal written comments and states as follows:

SUMMARY

Boise City commends the Company on continuing to develop and implement new energy efficiency programs and increasing program participation in its existing offerings. 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 program participation, resulting in a 43% increase in rebates to customers from 2021 to 2022. Application at 10. Boise City specifically recognizes the Company's efforts to reach commercial customers through its energy savings kit pilot program and continued outreach to encourage additional participation in commercial energy efficiency programs.

BILLING ANALYSIS & IMPACT OF NEW CONSTRUCTION PROJECTS

Boise City looks forward to reviewing the results of the third-party Evaluation, Measurement and Verification ("EM&V") study the Commission directed the Company to complete in compliance with Order No. 35663. It is imperative that accurate savings information and an evaluation of the modifications the Company made to its Whole Home rebate programs be completed. While Boise City appreciates the Company's progress on its EM&V RFP, Boise City remains concerned that Company has not implemented a billing analysis for the Whole Home and Furnace measures as directed by Order No. 35663. Accurate savings for the Whole Home and Furnace measures are particularly critical in determining cost-effectiveness and appropriate incentive levels as they account for more than 73% of the Company's claimed residential savings in 2022.

A comprehensive billing analysis is needed to evaluate the Company's residential energy efficiency measures at this time because of the significant impact the underlying assumptions may have on determining the appropriate therm savings and incentive levels. In 2022, the Company's residential energy efficiency offerings are dominated by new construction projects. As reported in the Company's 2022 Annual Report, 50% of furnace rebates and 57% of Smart Thermostats were

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claimed on new construction homes. Combining the proportion of new construction costs for furnace rebates and smart thermostats with the Whole Home measures, more than 63% of all UCT costs in the residential program are attributable to new construction with only 37% of costs supporting increased energy efficiency in the Company's existing residential customer base. While higher natural gas efficiency, regardless of the source, benefits all customers, Boise City believes the Commission should provide assurance that existing rate payer funds are not over-incentivizing efficient appliance adoption in new construction. The Commission's review of the Company's residential energy efficiency offerings should ensure rate payer funds are paying for cost-effective energy efficiency programs that meaningfully impact new construction building practices.

Reasonable savings assumptions can vary and, at this time, without an accurate billing analysis it is not clear that the savings assigned to Company's furnace measure, as an example, appropriately reflect the impact of significant new construction participation on the measure's delivered savings. As an example of the range of potential savings, the Northwest Power & Conservation Council's analysis of therm savings and baseline construction practices through its Regional Technical Forum ("RTF") differ significantly from the Company's. The RTF's Residential Gas Furnace workbook identifies current baseline practice for gas furnaces in Idaho at an average 90% AFUE gas furnace installation based on the 2019 Idaho Residential Energy Code Field study conducted by Pacific Northwest National Laboratory. RTF Residential Gas Furnaces Version 2.1 workbook *available at* <https://nwcouncil.app.box.com/v/resesgasfurnance2-1> (last visited February 2, 2024). In heating zone 3, the coldest RTF identified heating zone, the RTF manual estimates a 90% AFUE rated furnace in a single-family home uses 624 therms per year compared to a 95% AFUE rated furnace using 591 therms, an annual therm savings of 33. The Company's identified 87 therm savings for the same measure is significantly higher. Boise City

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acknowledges Intermountain Gas considered many of these factors when revising its rebates following the EM&V completed by ADM Associates, filed as Exhibit No. 5 INT-G-20-06. As reported in the Company's 2019 Annual Report, new construction projects, however, only accounted for 17% of furnace rebates in 2019 and 7% of furnace rebates in 2018. The therm savings analysis completed by ADM Associates on program year 2017-2018 and 2019 no longer reasonably reflects the current program implemented by the Company.

To appropriately reflect the prevalence of new construction projects, Boise City recommends that the Commission order the Company to revise its EM&V RFP to specifically separate new construction from replacement, conversion, or early retirement 95% AFUE furnace rebate in the evaluation. Boise City also recommends the Company be directed to comply with Order No. 35663's requirement to "use a billing analysis to evaluate program performance for the Furnace and Whole Home measures" or justify "other empirical analysis as part of its annual DSM prudence filing" no later than its 2023 DSM prudence filing. Additionally, if warranted based on the results of the EM&V or other billing analysis, Boise City recommends the Company revise rebate costs for the Whole Home and Furnace measures and seek Commission approval for mid-year program changes, as it did in its 2019 energy efficiency prudence docket.

DEVELOPMENT OF NEW ENERGY EFFICIENCY OFFERINGS

Boise City continues to recommend the Company evaluate and present a targeted, behavioral energy efficiency program offering to its Energy Efficiency Savings Committee for future implementation. A behavior-change focused offering could lead to significant savings without the traditional overhead expenses or customer costs associated with current equipment replacement rebates. Boise City also looks forward to the Company's continued evaluation of

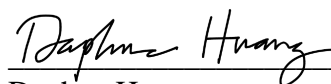
weatherization kits or similar easy to install, low-cost measures that could increase customer awareness of energy efficiency program offerings and deliver relatively low-cost savings.

CONCLUSION

Boise City appreciates the opportunity to provide comments to the Commission on the Company's energy efficiency program and continues to support the Company pursuing all cost-effective increases to its demand side resources. Boise City commends the Company on its energy efficiency education and outreach to customers and stakeholders, leading to increased program participation in 2022. Boise City recommends:

1. The Commission direct the company to revise its EM&V RFP to analyze 95% AFUE rebates paid to residential new construction projects separately from retrofits and replacement projects.
2. The Commission reiterate its direction to the Company to use a billing analysis to evaluate the Whole Home and furnace measures, presenting results to the Commission with its 2023 energy efficiency prudence filing.

DATED this 21st day of February 2024.



Daphne Huang
Deputy City Attorney

CERTIFICATE OF SERVICE

I hereby certify that I have on this 22nd day of February 2024, served the foregoing documents on all parties of counsel as follows:

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