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Division of Public Utilities
UTAH DEPARTMENT OF COMMERCE

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Reply Comments

To: Public Service Commission of Utah

From: Utah Division of Public Utilities

Chris Parker, Director
Brenda Salter, Assistant Director
Abdinasir Abdulle, Utility Technical Consultant Supervisor
Shauna Benvegnu-Springer, Utility Technical Consultant
Savannah Torman, Utility Analyst

Date: December 17, 2025

Re: **Docket No. 25-057-22,** Enbridge Gas Utah's Application for Approval of the 2026 Year Budget for Energy Efficiency Programs and Market Transformation Initiative.

Recommendation (Acknowledge)

The Division of Public Utilities (Division) has reviewed the Office of Consumer Services' (Office or OCS) initial comments regarding Enbridge Gas Utah's (Company or EGU) Application for the 2026 Budget for Energy Efficiency (EE) Programs and Market Transformation Initiative (MTI). OCS provides valuable analysis and recommendations for the forthcoming budget year, and the Division supports the OCS comments.

Issue

On October 31, 2025, the Company applied to the Commission for approval of its 2026 EE Programs and MTI Budget. On November 3, 2025, the Commission issued an Action Request asking the Division to review the application and make recommendations. On the same day, the Commission issued a Notice of Filing and Comment Period, stating that any interested party can submit comments by December 4, 2025, with reply comments due by December 19, 2025. The Division and the Office submitted initial comments on December 4, 2025. This memorandum represents the Division's reply comments to the memo submitted by OCS.

Background

In its analysis of EGU's 2026 budget for EE Programs and the MTI, OCS provides the following recommendations:

- Reject the addition of Hydronic Heating Coil incentives until it is further discussed with the ThermWise Advisory Group,
- Approve EGU's plan for funding a third-party evaluator if that funding comes from within the already-existing MTI budget and includes in-depth analyses of program cost/benefit outcomes,
- Require EGU to explain why the Energy Comparison Report (ECR) has inconsistent cost/benefit outcomes.

Discussion

The Division appreciates OCS's in-depth analysis of the EGU 2026 EE and MTI Budgets and generally concurs with its recommendations but suggests an approach that offers a compromise that utilizes the Division's initial memo recommendations. A deeper analysis of each of the Office's recommendations is as follows.

REJECT HYDRONIC HEATING COIL INCENTIVES

The Division concurs that Hydronic Heating Coil Incentives should be omitted from the 2026 budget until the ThermWise Advisory Committee can provide insight on the appropriate incentive levels. This issue was also raised in the Division's original memo,[1] in which the Division questioned whether this incentive appeals to the average customer. The Division also believes that this issue is most appropriately addressed with the ThermWise Advisory Committee, which can opine on the value of the technology and the appropriate incentive amount.

[1] Docket No. 25-057-22, DPU Comments, December 4.

Approve EGU's Funding for a Third-Party Evaluator

In its initial comments, the Division suggested that the ThermWise Advisory Committee evaluate the value and continued funding for the MTI budget. The Division maintains this position—while also recommending that the ThermWise Advisory Committee evaluate whether the current MTI budget should cover a third-party program evaluator, or whether the Company should receive a budget increase to cover the evaluation cost.

Additionally, the Division concurs with the Office's assertion that the Company should provide an in-depth explanation of the energy-savings assumptions that underpin the cost/benefit metrics. The Division believes it would be most useful for the Company to provide a measure-level cost/benefit analysis to determine which program measures are most effective.

Require EGU To Explain Why the ECR Has Inconsistent Outcomes

The inconsistent year-over-year outcomes in the ECR program also concern the Division, and the Division concurs that the Company should explain this outcome. In future reports, the Division believes there may be value in the Company providing additional explanations for programs that have a downward or inconsistent trend in cost/benefit analysis results over a period of three (3) consecutive years.

Conclusion

The Division appreciates OCS's analysis of the Company's 2026 EE and MTI Budget and concurs with the recommendations provided by the OCS.

cc: Michele Beck, Office of Consumer Services
Michael Orton, Enbridge Gas Utah