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Office of Consumer Services
UTAH DEPARTMENT OF COMMERCE

MARGARET W. BUSSE
*Executive Director*

MICHELE BECK
*Division Director*

To: The Public Service Commission of Utah

From: The Office of Consumer Services
Michele Beck, Director
Asami Kobayashi-Wolke, Utility Analyst
Alex Ware, Utility Analyst

Date: March 19, 2026

Subject: Docket 26-057-01

**In the Matter of**: Enbridge Gas Utah's Energy Efficiency Report for the Year Ending December 31, 2025

## BACKGROUND

On February 17, 2026, Enbridge Gas Utah ("EGU" or "Company") filed with the Public Service Commission of Utah ("PSC" or "Commission") its 4th Quarter Energy Efficiency ("EE") Report for the year ending December 31, 2025 ("2025 Report"). On February 18, 2026, the PSC issued an Action Request for the Division of Public Utilities to review the 2025 Report for compliance and to provide recommendations based on its evaluation by March 19, 2026.

The Office of Consumer Services ("OCS") notes that EGU's quarterly EE reports traditionally receive an Action Request review by the DPU, while the OCS reviews the reports informally as part of its EE work with EGU. However, the OCS would like to participate more formally in year-end EE outcome reviews and respectfully submits the following comments on EGU's Q4 2025 EE year-end report for the Commission's consideration.

In addition, the OCS recommends that the PSC consider formalizing EGU's Q4 EE outcome report review by establishing a comment and reply comment period for interested stakeholders to contribute to the review of year-end EE program outcomes

going forward, beginning with the 2026 Q4 year-end EE outcomes report (that is expected to be filed early 2027). The OCS is not recommending a change to the Action Request review process for Q1, Q2, or Q3 EE outcome reports. Since the OCS recognizes that this current Action Request process does not present the opportunity for reply comments, the OCS held informal discussions with EGU and DPU during our creation of these comments to preview this recommendation for formalizing the Q4 year-end outcomes, and both parties replied that they are open to this change and that the OCS can represent their support in our comments. This change would also align the Q4 review of EGU's EE report with the comment and reply comment period associated with RMP's annual year-end DSM outcome report.

The OCS reviewed EGU's 2025 EE Report, which provides the 4$^{th}$ quarter and year-to-date data on participants, costs, and natural gas savings for the Company's Energy Efficiency Programs, including the following:

- ThermWise Appliance Rebates Program
- ThermWise Builder Rebates Program
- ThermWise Business Rebates Program
- ThermWise Weatherization Rebate Program
- ThermWise Home Energy Plan
- ThermWise Energy Comparison Report ("ECR")
- Low-Income Efficiency Program
- Market Transformation Initiative ("MTI")

**SUMMARY OF REPORTED ENERGY EFFICIENCY EXPENDITURES AND SAVINGS**

According to EGU's 2025 Report, total spending for the program year was $32.9 million or 106.5% of the Commission-approved $30.9 million budget. Spending for the Appliance Rebates, Home Energy Plan, ECR, Low Income, and MTI programs remained consistent with the approved budgets. However, EGU reports that the Business Program expenditure was lower than expected (78.5% of the budget), mainly due to participation being slightly lower than forecasted. Additionally, the Weatherization and Builder Rebate programs resulted in being 103% and 132% over budget at year-end, respectively. Also, found in EGU Exhibit 1, the Company provided the actual cost/benefit results for the 2025 programs, showing the results of the Total Resource Cost ("TRC") Test, Participation Test ("PT"), Utility Cost Test ("UCT"), and Ratepayer Impact Measure ("RIM").

At this point, the OCS notes that EGU marked the entirety of its cost/benefit results in EGU Exhibit 1 as confidential. As such, the OCS will keep them confidential here in its comments. However, the OCS questions if the entirety of Exhibit 1 is correctly identified as confidential, so it also communicated this concern informally to EGU and DPU. Both parties responded that they support an OCS recommendation to review the appropriate level of confidentiality in the next ThermWise Advisory Group meeting. Based on the

actual 2025 cost/benefit participation results, it appears [redacted]

## OCS ANALYSIS

## OVERVIEW OF ENERGY EFFICIENCY PROGRAMS

The OCS observes that while EGU's annual energy efficiency reports presented in the context of actual results relative to the Commission-approved budget are useful, comparing these results to the previous year's actual results offers additional context for analysis. To illustrate, the OCS provides Table 1 comparing the 2025 program costs with the 2024 actual costs and the PSC-approved 2025 budget:

Table 1. EGU 2025 Program Costs vs. 2024 Actual Costs and 2025 Budget

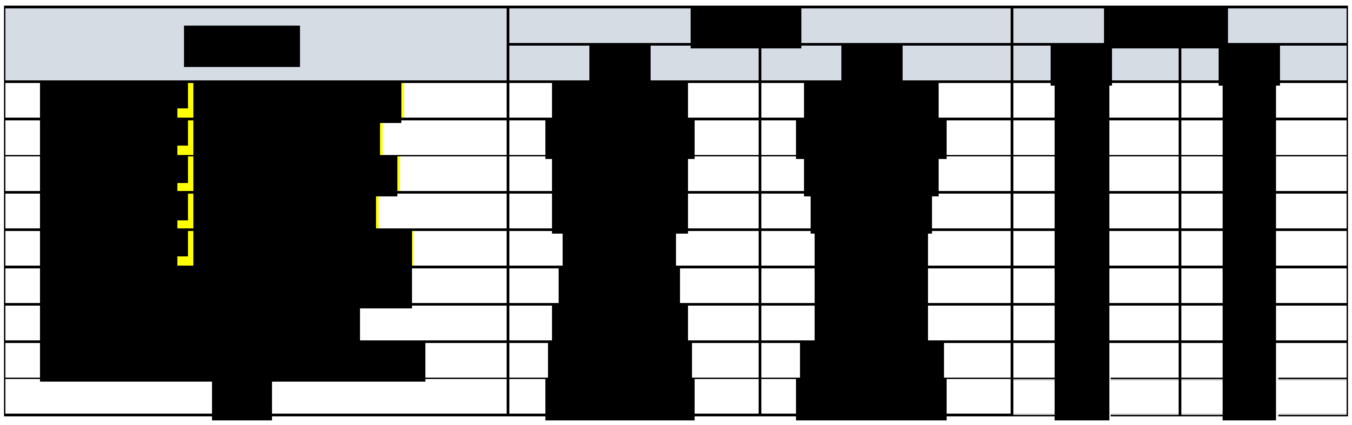
| Program | 2024 Actual Costs | 2025 Actual Costs | 2025 Budget | 2024 vs. 2025 Actual Costs | 2025 Actual Costs vs. Budget |
|---|---|---|---|---|---|
| ThermWise Appliance Rebates | $ 6,387,867 | $ 6,611,754 | $ 6,911,500 | 3.5% | -4.3% |
| ThermWise Builder Rebates | $ 7,823,673 | $ 12,907,702 | $ 9,818,310 | 65.0% | 31.5% |
| ThermWise Business Rebates | $ 1,733,098 | $ 2,197,002 | $ 2,797,991 | 26.8% | -21.5% |
| ThermWise Home Energy Plan | $ 367,084 | $ 378,584 | $ 486,720 | 3.1% | -22.2% |
| ThermWise Weatherization Rebates | $ 7,137,575 | $ 8,563,764 | $ 8,287,608 | 20.0% | 3.3% |
| Market Transformation | $ 1,115,594 | $ 1,025,528 | $ 1,320,000 | -8.1% | -22.3% |
| ThermWise Energy Comparison Report | $ 292,012 | $ 515,380 | $ 521,960 | 76.5% | -1.3% |
| Low Income Efficiency Program | $ 651,691 | $ 679,999 | $ 736,306 | 4.3% | -7.6% |
| Programs Total | $ 25,508,595 | $ 32,879,714 | $ 30,880,395 | 28.9% | 6.5% |

Overall, total program costs rose by 28.9% compared to 2024 actual costs and ended up 6.5% above the approved 2025 budget. Of the $7,371,119 increase in total program costs since the end of 2024, the majority of the increase is attributed to the Builder Rebates (69% of total increase), followed by Weatherization Rebates (19.3%) and Business Rebates (6.3%) programs. Based on the data reported by EGU and compiled above, it appears that, while the Business Rebates program fell 21.5% short of the 2025 budget, program costs still increased by 26.8% compared to the previous year. Participation in the Business Rebates program also increased by 16.4%, or by 87 participants since the end of 2024. Additionally, the Weatherization Rebates and Builder Rebates programs resulted in substantially higher costs compared to the 2024 actual costs. Although the Weatherization Rebates program costs ended up only 3.3% above

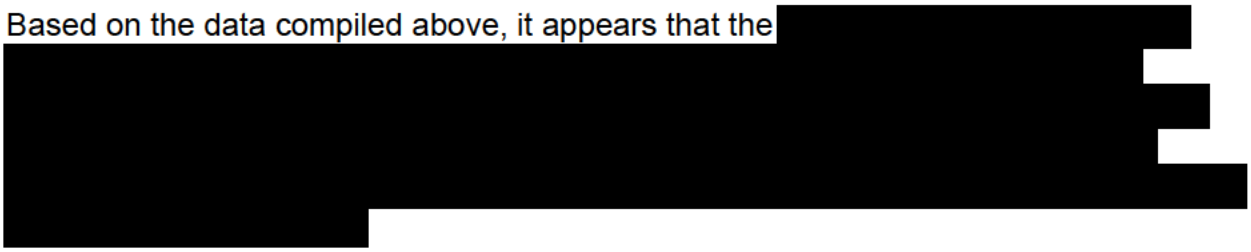
the 2025 budget, it is worth noting that the Builder Rebates program saw steep increases compared to both the budgeted (31.5%) and 2024 actual costs (65%).

Further, the OCS compares EGU's actual 2024 and 2025 year-end Net Present Value ("NPV") and UCT results in Table 2 below:

Table 2. EGU Actual 2024 vs. 2025 Cost-Effectiveness Measures Comparison



Based on the data compiled above, it appears that the



**ANALYSIS OF INDIVIDUAL PROGRAM OFFERINGS**

The OCS also analyzed each program's key offerings to compare its participation, Dth savings, and costs with 2024 reported figures to understand the drivers of changes with respect to each program:

- *ThermWise Builder Rebates:* As previously noted, the Builder Rebates program increased in total cost by 65% since the end of 2024. Similarly, Dth savings increased by 74.2%, and the increase in participation matches the increase in cost as well (62.6%). The OCS observes that the largest programs within the Builder Rebates program are Pay for Performance (builder) (line 1) and Pay for Performance – MF (line 24), and these two programs also account for the majority of the increase in costs and savings. In EGU's response to OCS DR 1.3, the Company notes that the Pay for Performance ("P4P") programs are achieving significantly higher savings per participant, as the SingleFamily P4P realized a

60% increase in savings, while the MultiFamily P4P program achieved a 118% increase.

- *ThermWise Weatherization Rebates:* In general, 2025 total costs for the Weatherization Rebates program increased by 20% since the end of 2024 while participants decreased by 6%; however, the Dth savings (18.2%) appear to match the increase in costs. The cost increase was largely attributed to rising costs for the Attic Insulation Tier 1 (line 1), Air Sealing (line 7), and Attic Insulation Tier 2 (line 2) programs. The OCS notes that while the costs for Attic Insulation Tier 1 rose by 87.7%, the number of participants declined by 19.5% and savings only increased by 27.3%. Similarly, Attic Insulation Tier 2 costs increased by 89.4%, while participants and savings grew by 36.8% and 41.5%, respectively. When the OCS inquired with EGU in OCS DR 1.2 regarding the lack of correlation between the participation, savings, and costs for the Attic Insulation programs, EGU stated that a substantial contributor to the increase in costs is the increase in incentives from the 2024 levels of $0.24 per square foot for Tier 1 and $0.07 per square foot for Tier 2 to $0.32 per square foot for Tier 1 and $0.08 per square foot for Tier 2. Additionally, EGU notes that, for certain programs such as the Weatherization program, participation, savings, and costs will not exhibit one-to-one fixed proportional relationships across program years due to different drivers. Although the Weatherization program's [redacted], the OCS remains supportive of the program offerings due to the public interest benefits they provide to underserved populations.

- *ThermWise Appliance Rebates:* Since the end of 2024, actual costs for the Appliance Rebates program rose by only 3.5%. Most of this increase was due to the Dual Fuel Heating System – Tier 1 (line 17), with reductions in costs for most programs, including the 95% Efficient Furnace (existing multifamily) (line 20), 95% Efficient Furnace (line 1), Tankless Gas Water Heater (line 10), etc.

- *ThermWise Business Rebates:* EGU reports that the Business Rebates program expenditure was lower than expected at 78.5% of the 2025 budget. The OCS notes that total costs for the Business Rebates program increased in 2025 by 26.8% compared to 2024 levels; however, almost half of this cost increase is due to administrative and overhead costs. The Business Rebates program, factoring out the administrative costs, has actually decreased in cost by 4.2% compared to the previous year, but participation and Dth savings increased by roughly 16%. Participation in the Business Custom (line 1) program declined by 33 participants, while other programs such as the 95% Efficient Furnace (line 2) and High Efficiency Gas Convection Oven (line 42) increased participation by 32 and 36 participants, respectively.

- *ThermWise Energy Comparison Report:* The OCS observes that, while it remained under the PSC-approved budget and is a relatively small item within the budget, the 2025 ECR costs rose by 76.5%, while participation only increased by 3.6%. When the OCS asked EGU in OCS DR 1.4 as to why ECR costs rose significantly while participation and Dth savings increased marginally, the Company referenced

its May 15, 2025 spending report, stating that "the ECR program expenditures that were planned for the 4th quarter 2024, were accounted for in January 2025. This caused the ECR to reach 50% of the approved budget before June." As such, the ECR in 2024 was artificially lower than forecasted, and caused the 2025 costs to be higher. The Company states that it adjusted its 2025 ECR program activity to ensure that costs remain within the approved budget.

- *Low Income Efficiency Program:* As a whole, the Low Income Efficiency program had a 14% increase in participants, 4.3% increase in costs, and a 1% decrease in Dth savings since the end of 2024. The OCS is encouraged to see that a couple of the major offerings, including the Dual Fuel Heating System (line 11) and Attic Insulation Tier 2 (line 6), have increased in participation. However, participation and savings for the Low Income Furnace Replacement (line 14) decreased by 16.2%, while costs remained the same.

**RECOMMENDATION**

In summary, the OCS remains supportive of EGU's Energy Efficiency programs to the extent that they remain cost-effective. However, the OCS recommends that EGU and the ThermWise Advisory Group monitor the declining cost-effectiveness of certain programs, including the Weatherization Rebate Program. While a [redacted] is only a minor concern, additional erosion of cost effectiveness would warrant additional analysis. That being said, the OCS is also encouraged to see that all other programs still remain cost-effective, and that the Low Income Efficiency Program has reached a [redacted]

Additionally, the OCS appreciates EGU's thorough reporting for its Energy Efficiency programs, which allows reviewers to evaluate the performance of the program and its offerings from a cost, gas savings, and participation perspective and at a granular level. However, the OCS questions whether EGU has the justification to designate the entire cost/benefit analysis and results as confidential. As mentioned previously, the OCS has reached out to EGU and DPU informally, and both parties support a review of EE confidentiality standards in the next ThermWise Advisory Group meeting.

Finally, with support from EGU and DPU via informal communications, the OCS respectfully requests that it be included in the Q4 annual review of EGU's Energy Efficiency program reporting. Specifically, the OCS would like to file comments and request reply comments for only the 4th Quarter Energy Efficiency Program reports, consistent with how it files comments on Rocky Mountain Power's Demand-Side Management (DSM) Annual Energy Efficiency and Peak Load Reduction Reports.

cc:

Michael Orton, Enbridge Gas Utah

Chris Parker, Division of Public Utilities