CASCADE NATURAL GAS CORPORATION®
A Subsidiary of MDU Resources Group, Inc.

In the Community to Serve®

2024 Annual Conservation Report

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Background

Cascade Natural Gas Corporation's (CNGC, Cascade, or the Company) Energy Efficiency Department presents this Annual Conservation Achievement Report of calendar year 2024 Energy Efficiency Program accomplishments and activities, satisfying the commitment made by the Company in Docket UG-230937 Attachment A Biennial Conservation Plan (BCP) Conditions. Per the commitment made by CNGC this report shall be submitted to the Washington Utilities and Transportation Commission (WUTC) by June 15 each year, with advance copies provided to the Company's Conservation Advisory Group (CAG) 30 days prior to Commission filing. The report contains the following:

- Planned and claimed gas savings from conservation, including a description of the key sources of variance between the planned and actual savings
- Budgeted and actual expenditures made to acquire conservation through the conservation cost recovery adjustment described in Condition 12
- The portfolio- and program-level cost-effectiveness of the actual gas savings from conservation
- The biennial conservation target
- A discussion of the steps taken to adaptively manage conservation programs throughout the biennium
- All program evaluations completed in the preceding year
- Program outreach in 2024

Annual Report Acronyms

AEG	Applied Energy Group
ADM	ADM Associates, Inc.
BCP	Biennial Conservation Plan
C/I	Commercial/Industrial
CAG	Conservation Advisory Group
CARES	Cascade Arrearage Relief and Energy Savings
CNGC	Cascade Natural Gas Corporation
CO2e	Carbon Dioxide Equivalent
CPA	Conservation Potential Assessment
DBtC	Direct Benefit to Customer
DSM	Demand Side Management
EE	Energy Efficiency
EEIP	Energy Efficiency Incentive Program
EM&V	Evaluation Measurement and Evaluation
ERA	Enterprise Rebate Application
EWIP	Enhanced Weatherization Incentive Program
HE	High Efficiency
ICF	ICF International
IRP	Integrated Resource Plan
KPI	Key Performance Indicators
MOU	Memorandum of Understanding
NEEA	Northwest Energy Efficiency Alliance
NEI	Non-Energy Impact
POS	Point of Sale
QC	Quality Control
RCW	Revised Code of Washington
RFP	Request for Proposal
RTF	Regional Technical Forum
SCC	Social Cost of Carbon
TA	Trade Ally
TEP	The Energy Project
TRC	Total Resource Cost Test
UCT	Utility Cost Test
UEF	Uniform Energy Factor
WAP	Weatherization Assistance Program
WIP	Weatherization Incentive Program

Cost-Effectiveness Inputs

Avoided Costs for calculating annual achievements coincide with the tariffs in effect at the time of Program participation. For 2024, the Residential and Commercial/Industrial (C/I) cost-effectiveness is calculated based on the Avoided Costs in the 2023 Integrated Resource Plan (IRP). As required by Revised Code of Washington (RCW) 80.28.380 this set of Avoided Costs includes the Social Cost of Carbon (SCC)[1].

Demand Side Management (DSM) inputs include a 5.06% long-term discount rate and an inflation rate of 2.0% for the Avoided Costs from the 2023 IRP; these inputs are applicable to the Residential, C/I, and Low-Income Weatherization Programs. Please note these rates were used to develop the 2023 Conservation Potential Assessment (CPA) as well as the 2024-2025 BCP, and do not reflect resource planning updates or alternative scenarios which may have been analyzed since this time.

Many inputs towards the costs and value of conservation are considered in cost-effectiveness calculations. Discrete non-energy impacts (NEI) are calculated per measure for the Residential and C/I Programs. These non-energy impacts traditionally have the greatest influence on the Total Resource Cost (TRC) test which is included in this report. However, for the purposes of Program evaluation Cascade applies the modified Utility Cost Test (UCT) as required by the BCP conditions document under UG-230937[2].

Goal Setting

The Company's Energy Efficiency (EE) portfolios are reevaluated and updated to balance cost-effectiveness (using current Avoided Costs), participation outcomes, new legislation, and updated building codes on a two-year cycle. The Company confers with its Conservation Advisory Group (CAG) on a quarterly basis throughout the cycle, as well as on an ad-hoc basis as adaptive management decisions dictate.

The Company has used the LoadMAP forecasting tool as the end use planning software for the DSM section of the IRP and Program planning since Q2 2018. One of the primary benefits of this forecasting tool is alignment with regional standard practices per the Northwest Power and Conservation Council and its ability to run the forecast based on a methodology consistent with the National Action Plan for Energy Efficiency *Guide for Conducting Energy Efficiency Potential Studies*[3]. In alignment with the Environmental Protection Agency guide, "Three types of potential were developed as part of this effort: technical potential, achievable technical potential, and achievable economic potential"[4].

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[1] RCW 80.28.280 Gas Companies-Conservation Targets | RCW 80.28.380 (wa.gov)

[2] Docket UG-230937 Attachment A.pdf January 17, 2024 | UTC (wa.gov)

[3] Guide for Conducting Energy Efficiency Potential Studies | Climate and Energy Resources for State, Local, and Tribal Governments | US EPA

[4] "2020 Cascade Natural Gas Conservation Potential Assessment" pg. 15 AEG, Applied Energy Group, June 16, 2021.

It should be noted the 2023 CPA set aspirational targets for the Program, with inputs largely being set to maximize potential therm savings for the Program. As goal setting is only an estimate, the achievable economic level of potential savings identified by a model is unable to fully account for industry changes after the CPA is completed which can also have a large impact on Program performance, such as the implementation of the 2021 Washington State Energy Code (WSEC) or changing market and administrative conditions that affect supply chains or consumer willingness to invest in energy efficient upgrades. These extenuating circumstances, such as the COVID-19 pandemic and the subsequent periods of supply chain disruption and inflation, have a massive impact on Program performance. For more information on how the Company adapts to these challenges please reference the Adaptive Management Strategies section of this report[5].

Summary of 2024 Program Achievements

2024 required the Company's Energy Efficiency Incentive Programs (EEIP) to fully embrace adaptive management practices to maintain Program momentum and customer support. Throughout 2024, Cascade focused on increasing participation levels in the face of high inflation and a drastic decrease in New Home Program rebates as a result of changes to local and national code, hesitancy in capital investment for natural gas projects, and the overall economic climate. These factors are perhaps most pronounced in the Commercial and Industrial sectors, where large capital investment is often required and uncertainty in future conditions leads to anticipated cost-effective and available conservation projects falling through or being delayed.

In spite of these factors, Cascade's EEIP experienced a record year in 2024. All three segments of Cascade's Energy efficiency Program performed phenomenally in 2024 leading to the largest surplus in therm savings compared to goal in a decade.

The Residential Program achieved a record number of therm savings, largely as a result of increased resource investment, outreach, and efficiencies gained in the Point-of-Sale (PoS) Program. This adaptive management strategy increased partnership between the Company and its Trade Ally (TA) contractors through the intensified promotion of the Point of Sale (POS) offering, which provided thousands of up-front Energy Efficiency incentives to homeowners. This offering is a prime example of Cascade transforming a pilot project from prior years into a mainstay for cost-effective energy savings while supporting dozens of community businesses and improving customers' homes in the process.

The C/I Program exceeded the 2024 annual therm savings goal through an unwavering investment in business relationships, despite having no large-scale single facility projects come to fruition in the year. This was achieved through continual communication and education with eligible rate-paying customers to seek energy efficient equipment, envelope measures, and business processes be implemented wherever possible. The 2024/25 biennium has experienced a myriad of building and

[5] Adaptive Management Strategies

energy code changes, changes to these changes, and unknowns of the outlook for natural gas impacting future business operations. Cascade's EEIP has made a commitment to C/I customers to remain a source of information and opportunity for businesses to enjoy the benefits of making energy efficient investments.

Since 2008, the Company has proudly offered its Schedule 301, Low-Income Weatherization Incentive Program (WIP), providing essential rebates for weatherization measures to income-eligible customers through qualified Agencies. This Program significantly reduces energy burdens, enhances indoor air quality, and boosts building durability. Despite challenges, the Company remains dedicated to maximizing the reach of weatherization services to low-income natural gas customers. The 2024 Program Year saw impressive therm savings of 14,297 therms, with incentive spending of $1,315,583 representing 95% of the budget. Although the number of homes served was lower than estimated due to Agency staffing shortages, project backlogs, and other complications with serving vulnerable communities, the Company continues to adapt and innovate, ensuring that weatherization services remain accessible and impactful for the communities it serves.

Table 1 represents the Company's 2024 EEIP achievements.

Table 1: Program Achievements

2024 Program Achievements

	Residential	Commercial	Low-Income	Total
2024 Targets	426,621	368,700	19,522	814,843
Therms Achieved	670,757	377,038	14,297	1,062,092
NEEA Savings**	56,672	10,162	N/A	66,834
Measures Installed	8,562	78	248	8,888
Carbon Offset*	3,562	2,002	76	5,640

*Tons of Carbon Dioxide Equivalent (CO_2e) avoided, based on carbon offset of 0.0055086 metric tons CO2e per therm from 2023 IRP which includes end use & upstream emissions.
**Savings reported by NEEA not included in portfolio.

In 2024, the Company achieved deemed **Residential** therm savings of **670,757.** This represents 157% of the 2024 **Residential** therm savings goal. In 2024, the Company achieved deemed **C/I** therm savings of **377,038**. This represents 102% of the **C/I** Program's 2024 therm savings goal.

At a portfolio level, the savings for Residential, C/I Programs, and Low-Income equated to **1,062,092** therms, **achieving 130%** of the **2024 goal**.

Program cost-effectiveness is shown in Table 2. The UCT Ratio goals forecasted in the 2024-2025 BCP for the **Residential** and **C/I** Programs were **3.98** and **4.91** respectively and **4.45 combined**[6]. Ideally, each Program operates above a 1.0 cost effectiveness ratio. Cost effectiveness for the C/I Program is 15% more cost effective while the Residential Program was 12% less cost effective than the BCP UCT ratio forecast in 2024. The measure composition for the Residential Program followed the 2024 BCP forecast closely with weatherization measures, prescriptive air sealing, furnaces, and tankless water heaters totaling the majority of annual therm savings. The measure composition for the Commercial Program also followed the forecast closely, primarily being comprised of insulation and boiler projects, although Demand Control Ventilation projects were much less available than anticipated.

Table 2: Program Cost-effectiveness

2024 Program Achievements

*Cost Effectiveness**	**UCT**	**TRC**
Residential	3.5	4.42
Commercial	5.65	3.9
Portfolio	**4.58**	**4.16**

*Cost-effectiveness excludes Northwest Energy Efficiency Alliance and Regional Technical Forum membership.

Programmatic Spending

Table 3 represents the Program expenditures for incentives, Programmatic delivery and administrative costs associated with implementation of the Company's Washington EE Programs compared to estimated budgets. Note at a portfolio level, 2024 paid incentives were $3,634,137 more than the budget, as Cascade and the Advisory Group anticipated, beginning in the third quarter of the year. The 2024 incentive spend was a result of increased rebates, particularly for ceiling/attic insulation where the Trade Ally Point of Sale Program drove increased participation in the Residential Program. Programmatic administrative costs were $803,112 less than the estimated administrative budget in 2024.

[6] Docket UG-230937-CNGC-2024-2025-BCP-Plan-11-15-23.pdf | UTC (wa.gov)

Table 3: Programmatic Expenses and Paid Rebates

2024 Programmatic Expenses and Paid Rebates

	Incentive Budget Estimates	Actual Incentives Paid	Administrative Budget Estimates	Actual Administrative Expenditures	Actual Totals
Residential	$4,965,868	$9,334,819	$1,708,246	$1,157,207	$10,492,026
Commercial	$1,758,699	$1,085,876.02	$1,351,913	$1,247,031	$2,332,907
Low-Income	$1,377,574	$1,315,582.79	$459,191	$312,000	$1,627,583
Program Totals	$8,102,141	$11,736,278	$3,519,350	$2,716,238	$14,452,516

	Direct Benefit to Customers (DBtC)*	Program Delivery	Total Program Costs
Expenses	$12,005,577	$3,091,972	**$15,097,549**
Ratio	**80%**	**20%**	
NEEA Gas Market Transformation & Regional Technical Forum			$348,908

*Note DBtC includes all rebates paid through the Residential, Commercial/Industrial and Low-Income Program in addition to some expenses recorded under the "Programmatic expenditures category" like Quality Control Inspections, and partnership agreements with community organizations collaborating directly with customers to assist with rebate eligibility and installation.

Costs associated with the Northwest Energy Efficiency Alliance (NEEA) Gas Market Transformation efforts and Regional Technical Forum (RTF) participation are separated from general Programmatic expenditures for the purpose of assessing Program cost-effectiveness. Market transformation investments in these groups create conditions for future energy savings. NEEA estimates cost-effectiveness on a longer time horizon for its initiatives, in lieu of annualized cost-effectiveness calculations. A second set of UCT and TRC benefit cost ratios in *UG-230937-CNGC-2024-Conservation-Arpt-WP-1-06-12-2025.xlsx* are available to assess cost-effectiveness of the Program portfolio including the NEEA and Regional Technical Forum expenses. Note that 2024 marks the 10th year of Cascade's participation with NEEA.

For the third year NEEA is reporting 2024 therm savings estimates for Cascade's service territory. As seen in Table 1: Program Achievements, NEEA estimates that **56,672 and 10,162 therms** were saved in total for the Residential and Commercial Programs. All the savings for the Residential Program along with **6,294 therms** for the Commercial Program are a result of new construction codes and standards updates. These savings are a fraction of the total amount NEEA believes will be saved through their code update efforts in the long run and are proportional to the funding provided by the Company to NEEA in support of code updates and market transformation efforts. These savings are represented outside other Program accomplishments, see *UG-230937-CNGC-2024-NEEA-Arpt-for-CNGC-WP-5-06-12-2025.pdf* for details on NEEA's efforts in 2024.

The Company includes a Direct Benefit to Customer (DBtC) ratio per Docket UG-161253 with a target of 60% expenses attributed as a direct customer benefit. The portfolio of Programs in 2024 exceeded the target by 33.3%, achieving a DBtC of 80%. The increase in DBtC is attributable to lower administrative expenses and higher incentive payouts due to the success of adaptive management within the Program and resulting record quantity of therms saved.

Progress To Biennial Goals

2022 signified the first year for the Company's EEIP under the new Biennial planning horizon. Pursuant to RCW 80.28.380 the "Company must establish an acquisition target every two years and must demonstrate that the target will result in the acquisition of all resources identified as available and cost-effective"[7]. Cascade filed its second BCP in the fall of 2023 for Program Years 2024 and 2025; the 2024 actuals and 2025 targets are shown in Table 4.

Table 4: Biennial Targets for Spending and Savings

	Calendar Year 2024			2024 Total	Calendar Year 2025			2025 Total	Biennium Total
	Residential	C/I	Low Income		Residential	C/I	Low Income		
Cascade Incentive Budget	$4,965,868	$1,758,699	$1,377,574	**$8,102,141**	$5,843,792	$2,116,735	$1,552,173	**$9,512,700**	**$17,614,841**
Cascade Incentive Paid	$9,334,819	$1,085,876	$1,315,583	**$11,736,278**	N/A	N/A	N/A	N/A	N/A
Cascade Admin Budget*	$1,708,246	$1,351,913	$459,191	**$3,519,350**	$1,742,411	$1,453,405	$517,391	**$3,713,207**	**$7,232,557**
Cascade Admin Paid	$1,157,207	$1,247,031	$312,000	**$2,716,238**	N/A	N/A	N/A	N/A	N/A
Therm Targets**	426,621	368,700	19,522	**$814,843**	502,044	443,760	21,565	**967,369**	**1,782,212**
Therms Achieved	670,757	377,038	14,297	**1,062,092**	N/A	N/A	N/A	N/A	N/A
NEEA Natural Gas Market Transformation				$348,908				$651,234	$1,000,142
Regional Technical Forum				$31,300				$58,421	$89,721

*Includes 15% project coordination payment and 10% indirect rate paid as part of a total rebate for a qualified project. The updated 20% project coordination fee was not in place at the time of this BCP filing.

**Represents Cascade staff salary, and outreach costs associated with weatherization Program delivery that are not part of payments to agencies.

In 2024 Cascade saved a total of **1,062,092 terms,** putting the Program on track to meet or exceed the biennial savings goal of **1,782,212 therms**. Spending was in line with per-therm expectations at **$12,185,360** or 46% of the allotted Biennial budget. Actual Incentives paid for 2024 exceeded budget due to significantly exceeding the annual therm goal. In 2024 the Program achieved 60% of the overall biennial therm target utilizing 66% of the biennial incentive budget. The 2024 paid administrative costs were 77% of the budgeted administrative expenses for 2024 due to operating efficiencies, open

[7] RCW 80.28.280 Gas Companies-Conservation Targets | RCW 80.28.380 (wa.gov)

positions, and general costs being lower than forecast. These factors greatly contributed to a higher than forecasted portfolio UCT ratio.

Program Highlights

Residential

Despite near-zero participation in the New Home Program due to updates in building and energy code, the 2024 Existing Home weatherization measures achieved higher therm savings compared to prior years. The top weatherization measures, ceiling/attic insulation and prescriptive air sealing, account for 65% of all therm savings and 86% of all therms achieved from weatherization. Updates to the ceiling insulation measures in 2022 removed the lower R value offering of insulation at R-38+, encouraging customers to pursue R-49+ ceiling insulation. With a continued focus from Trade Ally Point of Sale contractors, ceiling/attic insulation installs have continued to be a top measure for the Residential Program accounting for 54% of all deemed therm savings for the 2024 calendar year.

Prescriptive air sealing, a measure first offered in 2022, accounted for 11% of 2024 therm savings. While this measure does not save as much energy as whole house air sealing on a per home basis, it is a more accessible offering which requires air sealing of the attic and crawl space thermal and pressure boundaries in accordance with Bonneville Power Administration weatherization manual standards. Additionally, this measure rebate is only available when installed concurrently with ceiling, wall, or floor insulation and was completed with a majority of POS projects.

Equipment measures account for 24% of the 2024 annual therm savings in comparison to the 76% from various weatherization measures. 70% of therm savings from equipment upgrades come from natural gas furnace upgrades which remain consistent with the past biennium. Cascade understands that there were several primary drivers behind the shift from Equipment measures to Weatherization projects. First, there has been a continued decrease in New Home rebate applications. Additionally, rebates for equipment measures may only incentivize a small portion of installation costs, compared to envelope measures which can often be incentivized to a low-cost for the customer. This shift in Programmatic uptake was expected and perhaps a direct result of adaptive management in the prior biennium leading to the fruition of a Programmatic shift first outlined in the 2024-25 BCP.

Figure 1 displays the downward trend in New Home rebate applications from 2021-2024. This downturn was an expected result from the adoption of the 2018 and 2021 WSEC. Many builders, especially large builders, are turning to electric appliances in new homes to meet the updated Energy Efficiency Credit requirement from section R406 of the WSEC. As builders install fewer gas appliances, the savings available in the new home market are trending sharply downwards for natural gas Energy Efficiency Programs. CNGC anticipates New Homes will comprise very little of the Program therm savings going forward, which will be reflected in future Conservation Potential Assessments and outreach strategies.

For more details on measure performance for 2024 refer to Table 5.

Table 5: Residential Program Highlights

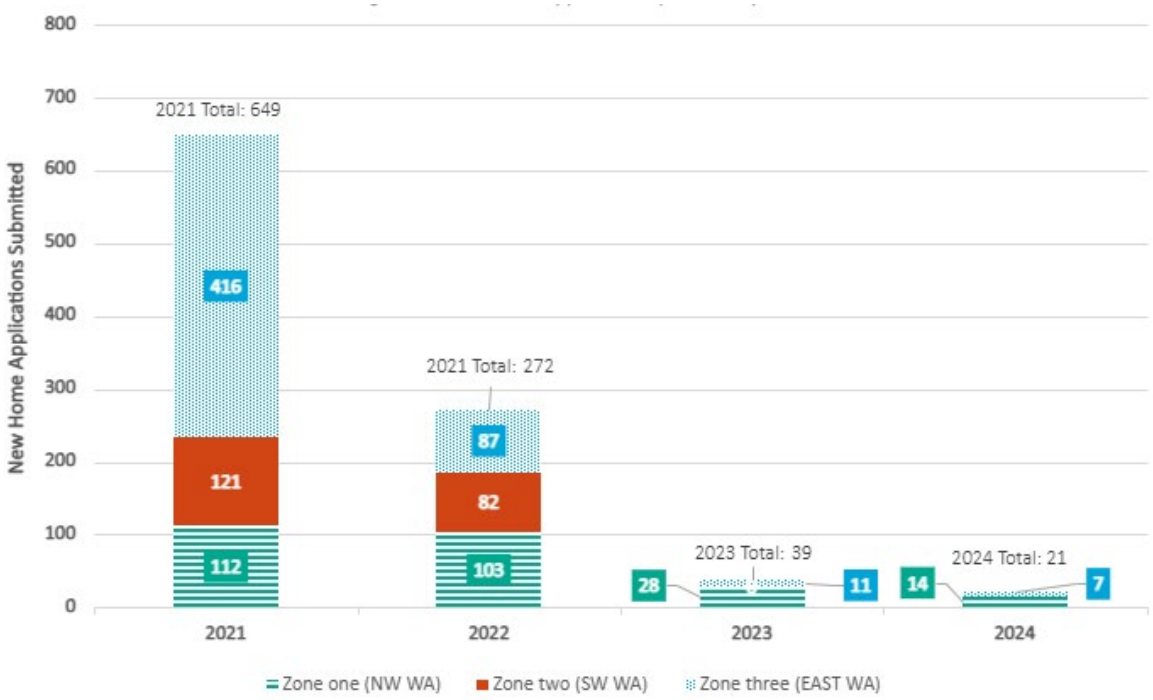
New and Existing Residential Equipment & Weatherization Measures				
Existing Home Weatherization		**Measures installed**	**Therms**	
Insulation (in sq. ft.)		2024	2024	% of Therm Savings
Ceiling or Attic Insulation:	**3,267,391**	2168	362,582	54%
Floor Insulation:	**720,412**	565	24,041	4%
Wall Insulation:	**109,914**	151	7,708	1%
Duct Insulation:	**39,487**	316	6,704	1%
Windows:	**19,884**	146	5,219	1%
Other Weatherization				
Duct Sealing:		332	24,182	4%
Whole Home Air Sealing:		20	1,190	0%
Prescriptive Air Sealing:		1860	75,431	11%
Weatherization Bundle A*:		406	N/A	N/A
Weatherization Bundle B*:		18	N/A	N/A
Subtotals		5,982	507,056	76%
New & Existing Equipment Measures				
ENERGY STAR® Clothes Washer:		76	455	0%
HE Tankless Water Heater:		228	14,655	2%
HE Combination Domestic Hot Water & Hydronic Space Heating:		23	3,465	1%
HE Boiler:		14	1,688	0%
HE Exterior Door:		16	163	0%
HE Natural Gas Furnace:		1,303	115,454	17%
HE Natural Gas Hearth:		64	2,751	0%
ENERGY STAR® Smart Thermostat:		482	15,544	2%
Programmable Thermostat:		368	9,526	1%
Subtotals		2,574	163,702	24%
Residential Totals		**8,556**	670,757	100%

*Weatherization Bundle Measures are non-energy saving measures. These bundles encourage multi-measure weatherization projects.

**New Home (or Builder) Program excludes all weatherization measures except for High Efficiency (HE) Exterior Doors.

*** Duct insulation is reported in linear feet.

Figure 1: New Home Applications per Year by Climate Zone



Commercial/Industrial

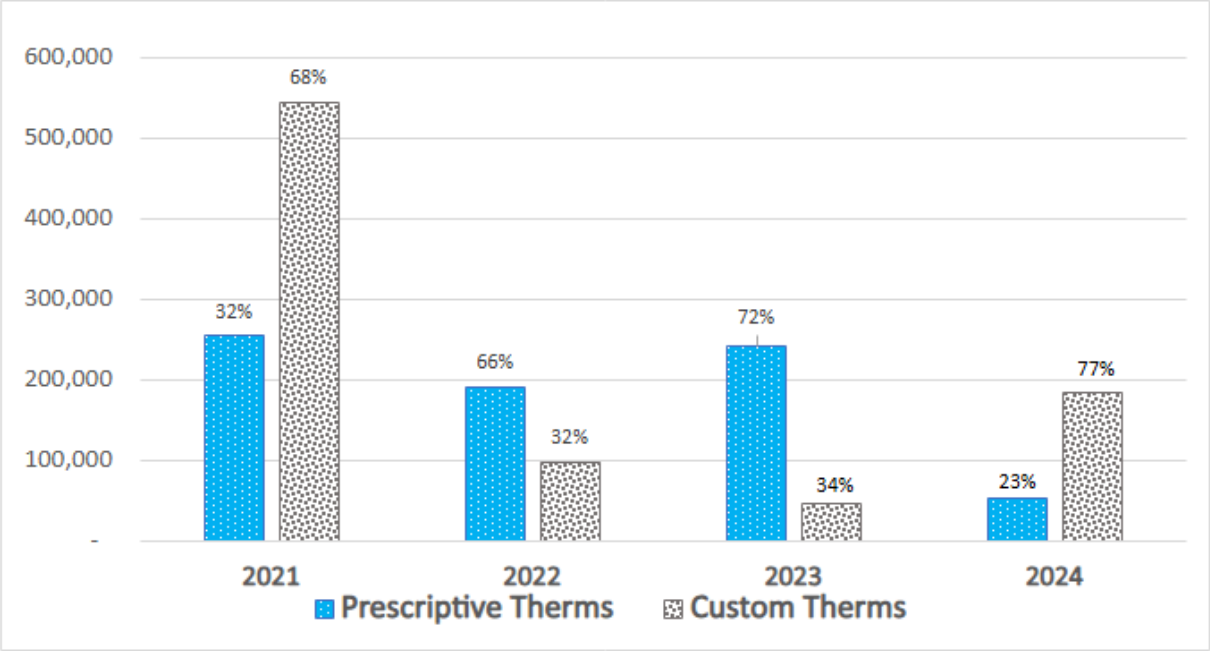
The CNGC C/I Program finished 2024 saving customers 377,038 therms, or 102% of the overall goal for 2024. Weatherization yielded 50% of therm savings for the C/I prescriptive measures, with roof insulation accounting for 71% of therm savings attributed to weatherization and 36% of the total prescriptive therms savings. Boilers generated 74,064 therm savings for the Program, or 38% of the total therm savings goal, and 77% of the savings for equipment upgrades. Other popular measures include attic insulation, warm-air furnaces, and tankless water heaters.

The Program saw significant drop-offs in several measures in the 2022-23 biennium due to changing market conditions and supply chain challenges delaying project delivery. Although many of these factors subsided in 2024, these headwinds in addition to future uncertainties continued to affect both prescriptive and custom projects throughout the year due to the multi-year cycle some C/I projects take to go from a planning phase to execution.

Custom projects achieved 180,502 therms in 2024. In comparison, custom projects achieved 98,789 therms in 2022, 47,666 therms in 2023, and 544,080 custom project therms in 2021. Cascade is used to seeing the cyclical nature of custom C/I therm savings as large one-off projects tend to allow the C/I Program to intermittently meet or exceed goal. This can be seen in Figure 2 below. The development of these projects often spans multiple years, and it is difficult to predict the timing in

which they will be completed. CNGC is planning to shift focus in the future to smaller C/I custom projects as recommended by the WUTC.

Figure 2: Prescriptive vs Custom C/I Therm Savings 2021-2024



Further C/I Program highlights for custom measures can be found in Table 6.1, prescriptive measures can be found in Table 6.2.

Table 6.1: Program Custom Measure Highlights C/I

Commercial Equipment & Weatherization Custom Measure			
Weatherization	***Projects***	**Therms**	**Savings**
Custom Project Measures	2024	2024	% of Prescriptive therms saved
Custom DDC Controls	2	27,430	15%
DDC HVAC Control upgrades	2	9,667	5%
Custom Heat Recovery	10	114,164	63%
Custom Other	3	29,241	16%
Custom Program Totals	17	180,502	100%

Table 6.2: Program Prescriptive Measure Highlights C/I

Commercial Equipment & Weatherization Prescriptive Measure					
Weatherization	**Projects**	**Measures Installed**		**Therms**	
Insulation Measures	2024	2024	Unit	2024	% of Prescriptive therms saved
Insulation - Attic - Tier 1	9	33,805	sqft	10,480	5%
Insulation - Attic - Tier 2	5	15,177	sqft	4,857	2%
Insulation - Floor	2	5,424	sqft	304	0%
Insulation - Pipe - 1.5"	1	1,182	sqft	7092	4%
Insulation - Roof - Tier 2	1	195,060	sqft	70,185	36%
Insulation - Wall - Tier 2 - Min R-19	5	20,820	sqft	3,956	2%
Windows - Tier 1	8	3,851	sqft	1,916	1%
Subtotal	*31*			98,790	50%
Foodservice					
Convection Oven (Restaurant)	1	2	Oven	1,298	0.66%
Convection Oven (School)	1	2	Oven	282	0%
Subtotal	*2*			1,580	1%
Space and Water Heating Measures					
Boiler	15	36,340	kBtu/hr input	74,064	38%
Warm-Air Furnace	22	7,003	kBtu/hr input	7,769	4%
Domestic Hot Water Tanks - Condensing	2	1,397	kBtu/hr input	5,306	3%
Radiant Heating	1	400	kBtu/hr input	1,732	1%
Tankless Water Heater - Tier 2	6	192	kBtu/hr input	7,296	4%
Subtotal	46			96,167	49%
Prescriptive Program Totals	77			196,537	100%
*Pipe insulation is reported in linear feet.					

Low-Income Weatherization Program

The Company has offered its Schedule 301, Low-Income Weatherization Incentive Program (WIP), since 2008. The WIP offers rebates for weatherization measures to qualified Agencies delivering whole-home energy improvements through the Weatherization Assistance Program (WAP) to income-eligible customers in the CNGC service territory. The Company supports Low- Income Weatherization; it reduces the customer energy burden, improves indoor air quality, and increases building durability. CNGC is committed to ensuring as many low-income natural gas customers receive weatherization services as possible and believes it can achieve this through the WIP.

The Company periodically revisits Program structure in order to ensure financial barriers are reduced for Agencies and therefore directly benefiting the customers participating in the WIP. In 2024 the Company revised Tariff WN U-3. For 12 months beginning March 1, 2025, CNGC will pilot the use of third-party weatherization service contractors as Program administrators to provide WIP services as defined in Schedule 301.

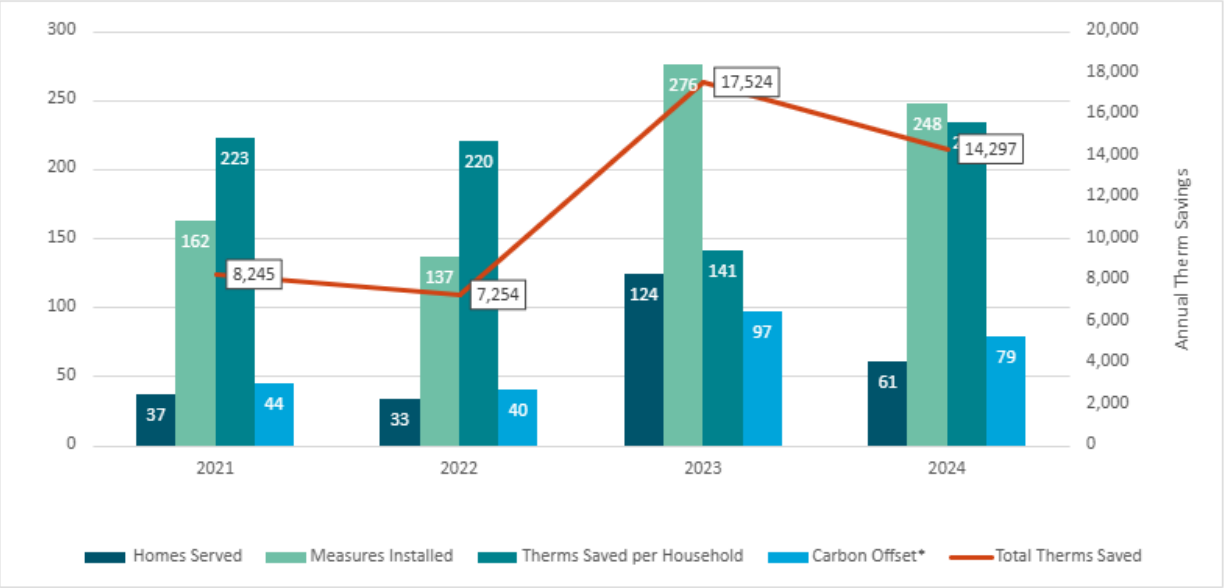
As seen in Table 7, CNGC had ten Agencies actively participate in the Program, with the Housing Authority of Skagit County accounting for 34% of participation and the Opportunity Council accounting for 21% of total participation in 2024.

Table 7: Community Action Agencies

COMMUNITY ACTION AGENCY	COUNTY SERVED WITH CNGC CUSTOMERS	Estimated Participation
Blue Mountain Action Council	Walla Walla	3
Community Action Committee	Kennewick, Pasco	4
Community Action Council of Lewis, Mason, Thurston	Lewis, Mason, Thurston	1
Coastal Community Action Program	Grays Harbor, and Pacific	6
Housing Authority of Skagit County	Skagit	21
Kitsap Community Resources	Kitsap	4
Lower Columbia Community Action Council	Cowlitz	1
Northwest Community Action Center	Toppenish	3
Opportunities Industrialization Center of Washington	Adams, Grant, Yakima N of Union Gap	5
Opportunity Council	Island, Whatcom	13

On an annual basis a Memorandum of Understanding (MOU) is required for each Agency interested in participating in the in the WIP Program, each Agency provides an estimate of projects to complete for current year. In their MOUs with the Company, the Agencies preliminarily committed to serving 105 homes through the WIP Program in 2024. This MOU count is an estimate of projects each Agency believes they may be able to complete based on Agency resources and bandwidth. The Company served 61 homes in 2024, 63 homes less than the previous year resulting in a decrease to all measurements as shown in Figure 3.

Figure 3: Low-Income Incentive Program Participation Levels since 2021



*Based on carbon offset of 0.005310 metric tons CO2e per therm from 2023 IRP which includes end use and upstream emissions, calculated as metric tons of CO_2e avoided.

Table 8 shows the total spending for the WIP in 2024.

Table 8: Low-Income Programmatic Costs

*Total Costs**	**2024**
Total WIP Incentives	$521,996
Total EWIP Incentives	$427,617
20% Project Coordination	$27,750
30% Project Coordination	$243,259
10% Indirect Rate	$94,961
Total Project Costs with Agency Admin	$1,315,583
Cascade Admin (Including Program Outreach) **	$312,000

*Totals rounded to the nearest dollar. The Low-Income Program does not fall under the same cost-effectiveness criteria as the rest of the portfolio, and while both the UCT and TRC are provided in UG-230937-CNGC-2024-Conservation-Arpt-WP-4-06.12-2025.xlsx, they are not included in the full portfolio cost-effectiveness calculation.

** Reflects Cascade staff time and funding for weatherization outreach support. Does not include the Project Coordination and Indirect rate, which are funded as part of the tariffed EWIP rebate and accounted for in a separate line item for the purposes of Program reporting.

Total therm savings for the 2024 Program Year were 14,297 therms. The Company's 2024-2025 BCP initially estimated 19,522 therms would be saved through the low-income Program in 2024.
The 2024 incentive spending of $1,315,583 was 95% of budget and actual homes served represented 58% of estimates provided by the Agencies. The 2024 incentive budget forecasted in the 2024-2025 BCP of $1,377,574 assumed a per home cost of $13,120 whereas actual spending in 2024 saw a per

home cost of $22,219. This divergence in cost per home is due to the many challenges associated with providing weatherization to vulnerable communities. The Agencies continue to face staffing shortages, and without experienced labor the Agencies face bandwidth issues and limits in the number of projects they can complete. Cascade continues to engage in all-Agency meetings to learn more about the burdens facing the Agencies and how the WIP can improve to increase participation. These learnings will be factored into upcoming Program plans.

Table 9 outlines measure level highlights for the WIP Program. This table provides a breakdown of achievements by measure, and the portion of Weatherization therm savings for 2024.

Table 9: WIP & EWIP Measure Highlights

Low Income Weatherization Program Measures			
Weatherization	**Measures Installed**	**Therms**	
Insulation	2024	2024	% of Therms Saved
Ceiling or Attic Insulation:	39	4,013	28%
Floor Insulation:	37	2,086	15%
Wall Insulation:	20	1,543	11%
Duct Insulation:	28	702	5%
Other Weatherization			
Duct Sealing:	29	2,233	16%
Infiltration Reduction:	44	572	4%
Subtotals	197	11,149	78%
Equipment Upgrades			
95%+ Furnace	21	2,331	16%
Furnace Tune Up	6	126	1%
90%+ Direct Vent Space Heater	0	0	0%
91+ UEF Tankless Water Heater	9	486	3%
64+ UEF Storage Water Heater	4	132	1%
Water Heater Insulation	6	38	0%
Low Flow Faucet Aerator	5	35	0%
Low Flow Showerhead	0	0	0%
Subtotals	51	3,148	22%
Residential Totals	**248**	14,297	100%

Weatherization measures account for 78% of total therms for the Low-Income Program in 2024 while 22% is due to equipment upgrades. Ceiling insulation, duct sealing, floor insulation, and furnaces are the top measures for 2024. This remains consistent with the 2022-2023 biennium, where weatherization measures accounted for 69% of therm savings and equipment measures for 31% of all therm savings for the Low-Income Program.

Cascade is in the community to serve. While the cost of delivering weatherization services to those who need it most is increasing, the Low-Income Weatherization Program is crucial to the Company's mission to assist the historically disadvantaged communities within its territory.

In fall of 2023 the Cascade Arrearage Relief and Energy Savings ("CARES") low-income bill assistance program was implemented. Cascade worked to streamline processes and seek auto enrollment and direct referral opportunities to increase participation in its WIP program in 2024. The CARES program quickly because a consistent source of referrals for WIP, by March of 2024 the program saw well over 700 referrals for WIP program. The unexpected influx of referrals identified both a need and Agency bandwidth barriers.

As a response to growing need in the community, careful consideration and review of potential bottlenecks, Cascade sought to revise the WIP program in September 2024 and allow for third party administration. The proposed revisions were brought forward and resulted in a pilot parameters outline, the document was a direct result of the following communications with Agencies and other interested parties, including customer representatives from vulnerable populations, Commission Staff, The Energy Project ("TEP"), and the Washington State Department of Commerce:

September 9. 2024:	Discussed the unmet need with WIP referrals with Cascade's Equity Advisory Group
September 10, 2024:	Draft pilot plan provided to all CAG members (includes Agencies, TEP, and Commission Staff)
September 17, 2024:	Meeting on pilot plan with TEP
September 26, 2024:	Received written comments from TEP
September 27, 2024:	Meeting with Commission Staff and Department of Commerce to discuss draft pilot plan, which was significantly revised as a result of this meeting.
October 2, 2024:	Emailed a draft tariff filing including the revised WIP pilot plan to CAG
October 11, 2024:	Presented WIP pilot plan to the Equity Advisory Group
October 23, 2024:	Meeting with CAG on revised WIP pilot plan.
December 12, 2024:	Cascade met with TEP to discuss the WIP pilot
January 7, 2025:	TEP provided written feedback

WIP Pilot discussions, filing and approvals are ongoing with a decision to be expected in early 2025.

Evaluation, Measurement & Verification

In August of 2022, Cascade distributed a Request for Proposal (RFP) for third-party measure level Evaluation, Measurement, and Verification (EM&V) of the Program to build on historic internal evaluation efforts as outlined in section 9c of the condition's documents for docket UG-2108388:

"Cascade must perform EM&V annually on a maximum four-year schedule of selected programs such that, over the EM&V cycle, all major programs are covered. The EM&V function includes impact,

process, market, and cost test analyses. The results must verify the level at which claimed energy savings have occurred, evaluate the existing internal review processes, and suggest improvements to the program and ongoing EM&V processes."

Following an RFP, the contract for this work was awarded to ADM Associates, Inc. on December 1st, 2022. Collaborations with ADM in the month of December centered around specifying the goals and timelines for EM&V activities, expediting a thorough vendor security review, and outlining datasets and required supplementary files.

The C/I Program was selected to be reviewed in the first-year schedule of impact EM&V activities. Research areas for the Commercial Program included space heating, water heating, building envelope, food service, custom projects, and participant surveying. A final report was filed on September 15th, 2023 in docket UG-210838 showing an overall realization rate of 95% for these measures which meets the typical realization rate of 80% to 110% for similar measures. Additionally, 93% of responding customers were satisfied or very satisfied with the Program overall and 95% were satisfied with CNGC as their natural gas provider. Updated deemed therm savings estimates, Program offering suggestions, and enhanced data capturing have all resulted from this work.

Cascade has continued EM&V efforts through the 2024-2025 biennium. In 2024 ADM Associates, Inc. conducted an impact evaluation for Cascade's residential equipment measures for the years 2018-2022. Research areas included space heating, water heating, thermostats, and clothes washers. A final report was filed on September 13th, 2024 in docket UG-210838 showing a realization rate of 121.1% and total verified savings of 1,293,451 therms. The outstanding findings are a testament to the Program's success and provide valuable insights for further improvement.

Additionally, Cascade completed a biennial process review, per requirements in section 9d of the conditions document for docket UG-210838, which involves thorough participant and non-participant surveying, Program partner interviews, as well as document and process reviews to improve future Program implementation. A final report was filed on September 13th, 2024 in docket UG-210838. ADM Associates, Inc. found for Existing Homes participants 49.2% of participants cited their contractors as their initial source of information, highlighting the importance of the Trade Ally Point of Sale Program. Overall, the majority of participants across various segments expressed satisfaction with the application process, indicating that the Program has successfully designed a user-friendly process for most users.

Recommendations from all three filed EM&V reports have provided Cascade with updated deemed therm savings estimates, Program offering suggestions, enhanced data capturing, along with ways to improve the customer experience and reach potential customers in new ways. These recommendations have been incorporated into the 2025 CPA and will be used when building the 2026-2027 Program plan in the summer of 2025.

Outreach

Executive Summary

In 2024, Cascade Natural Gas Corporation's Energy Efficiency (EE) Outreach Program achieved significant milestones in customer engagement and Program awareness. The department successfully executed a strategic shift toward data-driven, scalable outreach strategies while maintaining effective traditional outreach channels. Notable innovations included the comprehensive implementation of QR codes across all outreach materials—creating seamless digital pathways for customers and providing unprecedented analytics capabilities—and the launch of interactive quiz technology that guided customers to take energy efficient actions. By balancing these digital advancements with proven conventional methods, we were able to reach more customers with targeted messaging about energy efficiency benefits and available incentives.

Strategic Focus Areas

Our 2024 outreach strategy emphasized data-driven decision making to optimize campaign performance across channels. We implemented digital tracking codes across most outreach channels to better measure campaign effectiveness and inform future resource allocation. Our digital-first approach enhanced customer accessibility, meeting customers where they are in their daily digital interactions. Print advertising targeted high-value regional publications to reach key demographics, particularly in areas where traditional media consumption remains strong. In line with our commitment to being in the community to serve, we participated in in-person events to educate our communities about the benefits of energy efficiency.

The following summary details these initiatives, providing insights into our residential, commercial, and low-income outreach efforts. Each section highlights specific strategies, metrics, and outcomes that contributed to our overall Program success in 2024.

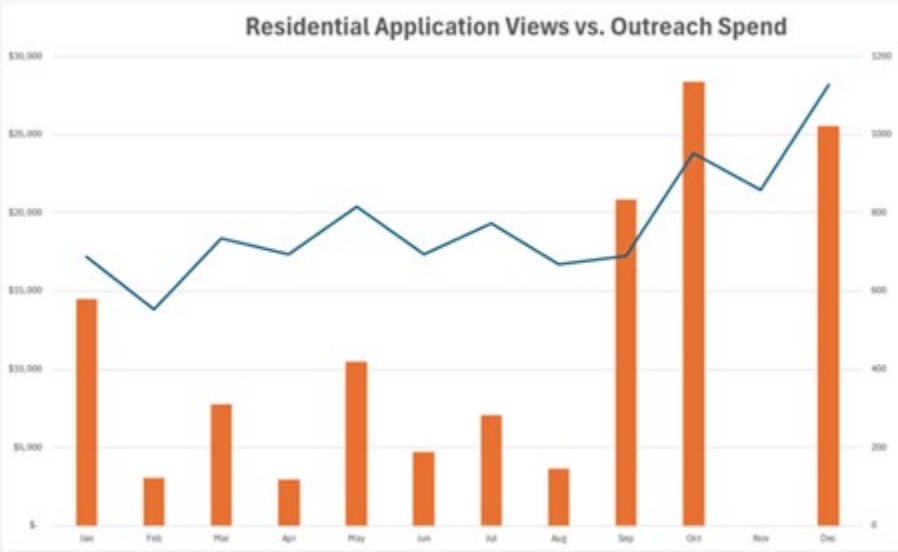
Residential Outreach Initiatives

Digital Campaign Performance

The digital landscape continues to be a primary channel for connecting with customers. In 2024, our website traffic showed notable growth with significant increases in unique pageviews to Energy Efficiency pages compared to 2023. This growth demonstrates the effectiveness of our coordinated digital strategy across multiple platforms.

Figure 4 below shows a sharp increase in Residential Application views (orange bar, right Y axis) in September, attributed to the onset of the heating season.

Figure 4: Website Traffic Growth



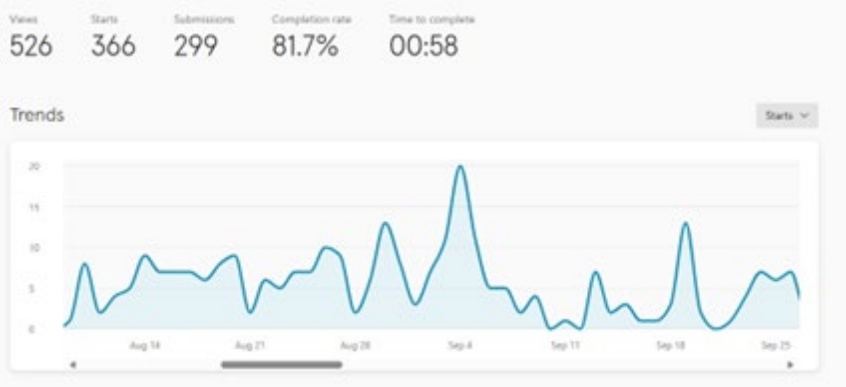
Website Analytics

Our website served as the central hub for Program information in 2024, generating over 55,000 pageviews across our Energy Efficiency pages. The commercial rebate offerings page was our most visited content with 22,837 views, followed by our residential rebate offerings page (21,692) and residential rebate application page (9,248). The fourth quarter showed particularly strong growth compared to earlier periods, with October-December maintaining consistently high traffic levels. These increased views directly correlate with our increased outreach spend.

Interactive Education Technology

The implementation of quiz software transformed passive content consumption into active engagement across our channels. Customers scanning QR codes accessed interactive assessment tools providing personalized recommendations based on their specific home situation. This approach effectively guided customers from awareness to action, qualifying leads for specific rebate programs while generating valuable data on customer priorities and barriers to adoption Figure 5 below illustrates the engagement data for the Residential EE Rebate Qualifier (General), highlighting a high completion rate and a short completion time.

Figure 5: Quiz Software Engagement



QR Code Analytics & Customer Journey

In 2024, we integrated QR codes across all outreach channels, connecting previously isolated touchpoints into a cohesive customer journey. Each code was uniquely generated for specific campaigns and locations, enabling precise attribution of engagement to particular outreach efforts. As shown in Figure 6, the resulting analytics revealed timing patterns, regional response variations, and message effectiveness, while significantly enhancing the customer experience through seamless transitions between physical and digital touchpoints.

Figure 6: QR Code Customer Interaction

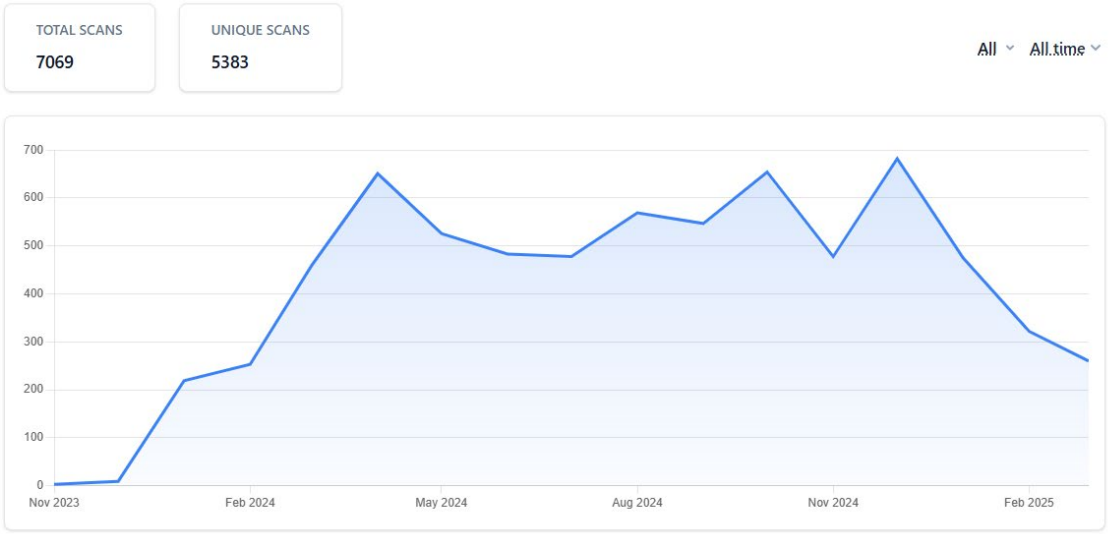


Figure 7 below depicts examples of QR Codes distributed to customers and the correlating outreach campaign for data mining purposes.

Figure 7: QR Code Examples

Video and Streaming Content

Our streaming campaigns reached targeted audiences through Connected TV and pre-roll placements, delivering impressions that exceeded campaign targets while maintaining cost efficiency. Completion rates, shown in Figure 8 below, outperformed industry benchmarks, indicating strong content relevance. These assets were deployed across multiple channels for consistent and broad messaging.

Figure 8: Ad Completion Rate

April performance gave us 132,402 total ads served to your target audience with an outstanding average completion rate 99.1%, 130,400+ completes and 11clicks

Ad Groups	Ads	CPM	Clicks	CTR	Completed Listens	LTR
Cascade Natural Gas "CNGC Residential Energy Efficiency"_Apr Aug 2024	132,402	$ 26.42	11	0.01%	130,451	99.1%
Streaming Audio Eng.	115,703	$ 26.88	3	0.00%	113,920	99.2%
Streaming Audio Sp.	16,699	$ 23.24	8	0.05%	16,531	98.4%
Grand Total	132,402	$ 26.42	11	0.01%	130,451	99.1%

Promotional Materials

Various promotional tools like bill inserts and direct mailers were effectively used to communicate the benefits of EE Programs to our customer base. Bill inserts have the unique opportunity of associating energy and monetary savings directly with the customer's bill. Cascade has placed an enhanced emphasis on bill inserts for all subsets of the Program in the upcoming biennium.

Print and Traditional Media

Strategic print placements maintained our presence in key publications across our service territory. Our approach balanced broad awareness with targeted messaging, optimizing cost-per-impression metrics while maintaining visibility. Providing general education for energy efficiency. Figures 9, 10, and 11 below show outreach used to educate customers in 2024.

Figure 9: Streaming Video Advertisement

Figure 10: QR Code Print Advertisement

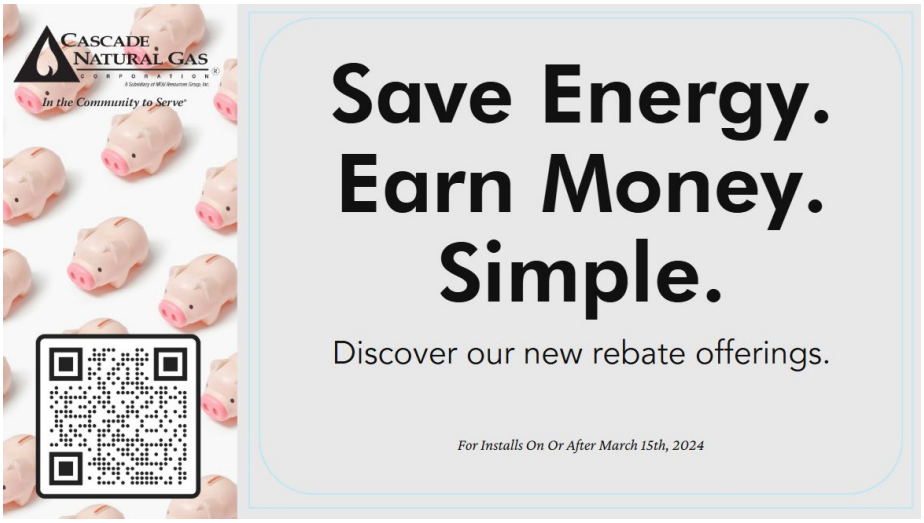
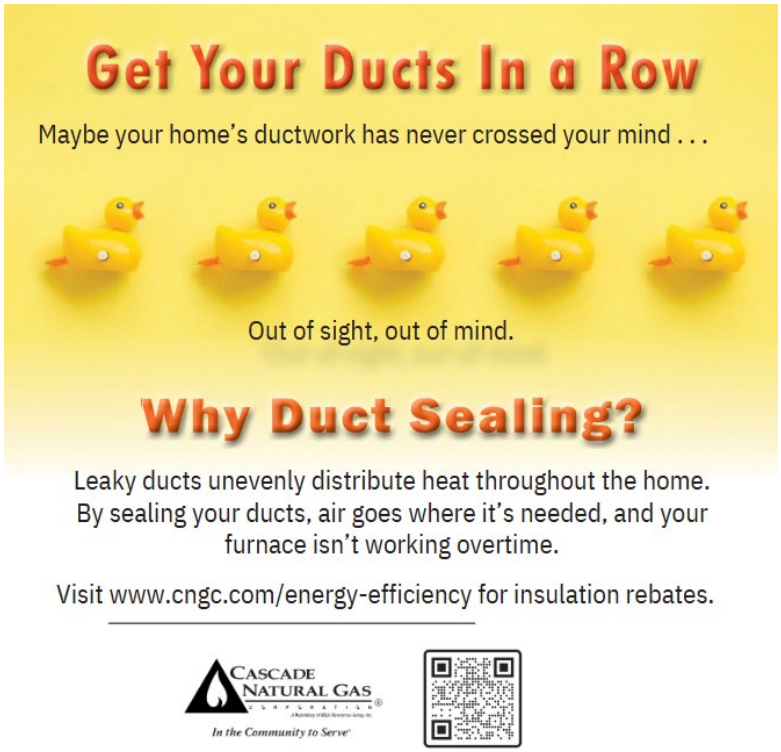


Figure 11: Print Advertisement



Community Engagement

Bill inserts remained one of our most cost-effective outreach channels in 2024, with messaging available in both English and Spanish. Multiple campaigns were strategically timed to align with seasonal energy usage patterns, with QR codes (as shown in Figure 12 and 13 below) creating seamless paths to digital engagement. Website traffic showed notable spikes following bill insert delivery.

Figure 12: Bill Insert

Figure 13: Spanish Bill Insert

In The Community to Serve

Sports partnerships provided high-visibility exposure across our service territory, particularly through collaborations with the Bellingham Bells, Walla Walla Sweets, and Yakima Valley Pippins. These local sponsorships provide an opportunity to be in the community and educate on the benefits of energy efficiency. Figure 14 below depicts the reach of one of these partnerships Cascade utilized in 2024.

Figure 14: Sponsored Baseball Club Metrics

Community Outreach Initiatives

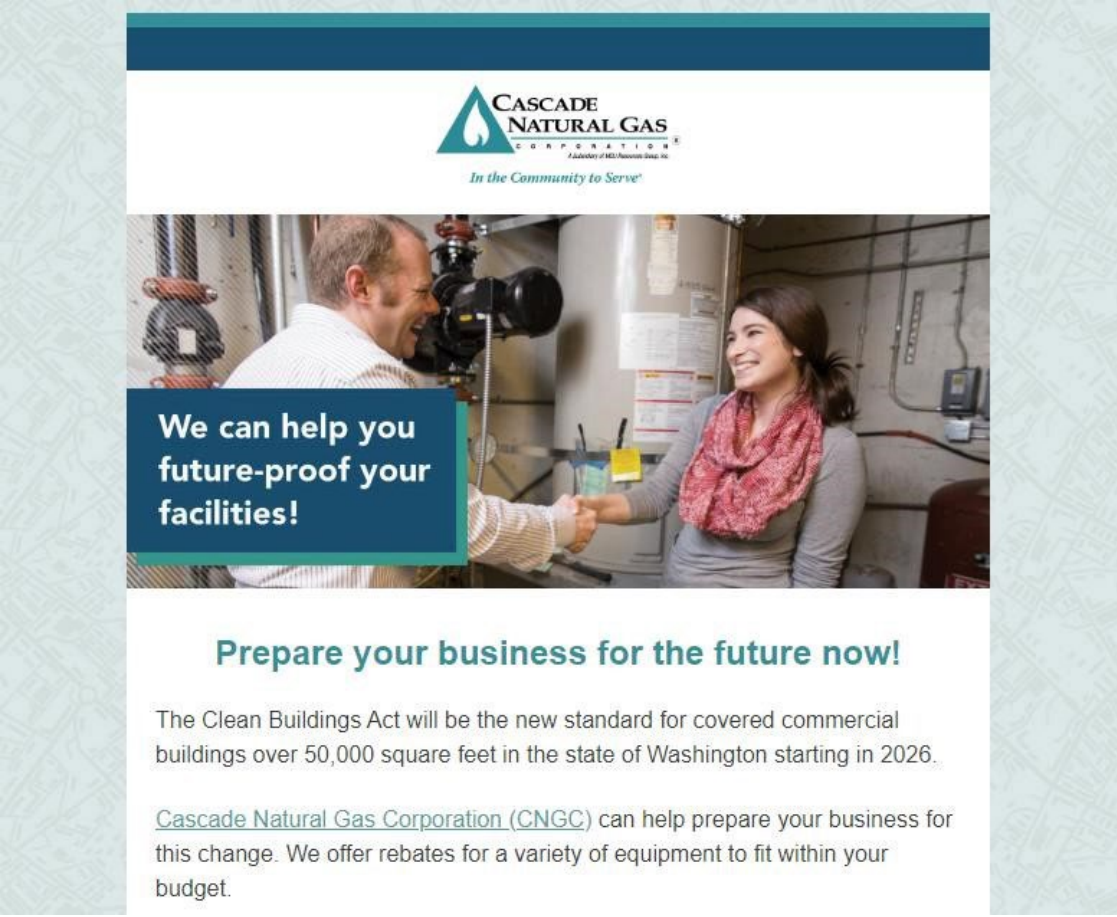
Cascade Natural Gas continued the long-standing partnership with TRC Companies to further expand outreach to commercial and industrial customers in 2024. Outreach methods for these customers included:

- Targeted Campaigns
- Enhanced Regional Focus
- Case Studies

Targeted Campaigns

Targeted email campaigns achieved strong engagement metrics throughout the year. Our Clean Buildings Act preparation email in June received 829 opens (shown in Figure 15 below), while the Fred Meyer case study email in September generated 958 opens and 26 clicks to the landing page.

Figure 15: Email Outreach Campaign



Case Studies

The development of compelling case studies proved particularly effective in 2024. The Pasco Fire Station case study highlighted the benefits of energy-efficient heating systems in critical infrastructure, while the Fred Meyer roof insulation project showcased impressive energy savings in the retail sector. These real-world examples were leveraged across multiple channels, including a

dedicated video case study for the Fred Meyer project that was featured on the CNGC YouTube channel and a custom website landing page, as shown in Figure 16 below.

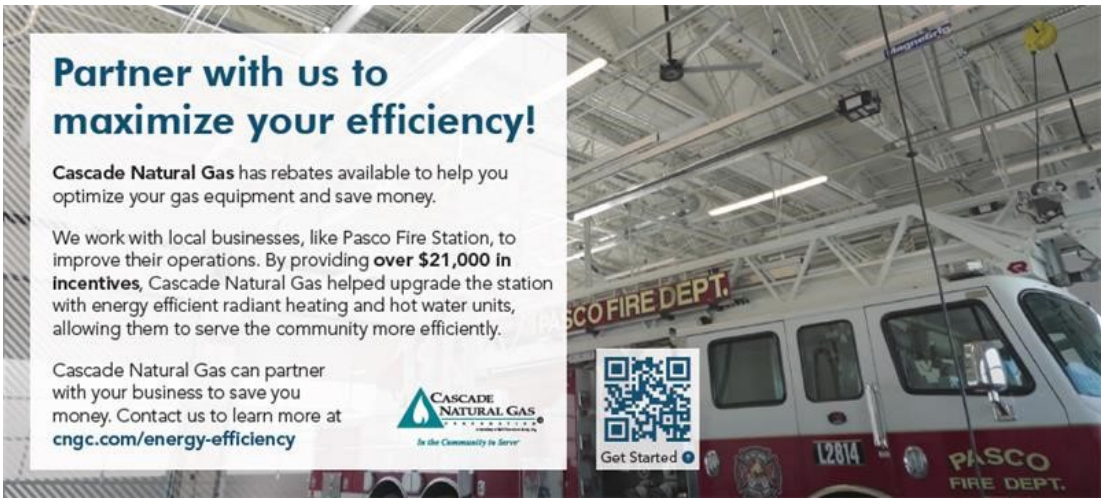
Figure 16: Commercial Case Study

Print Advertising

Strategic print placements in publications like the Tri-Cities Journal of Business maintained our visibility among key business decision-makers. These advertisements featured our commercial case studies and highlighted specific rebate opportunities, reinforcing our digital messaging through traditional media channels.

Figure 17 below is an example of using print advertisements to target commercial customers.

Figure 17: Commercial Print Advertisement



Transit and Outdoor Advertising

To expand our community presence, we implemented bus advertisements in the Bellingham area, increasing Program visibility across this key market. These high-visibility placements complemented our digital and print efforts, creating multiple touchpoints for potential commercial customers. This advertisement is shown below in Figure 18.

Figure 18: Bus Advertisement Campaign

Strategic Directions for Future Outreach

As we reflect on the achievements and insights gained from our 2024 outreach efforts, we are strategically positioned to further enhance our Energy Efficiency Programs in the coming year. Building on our data-driven foundation and successful customer engagement strategies, we have identified several key focus areas for 2025:

Expanded Digital Ecosystem

The integration of QR codes and interactive quiz technology proved transformative in 2024, creating seamless pathways between physical and digital touchpoints. In 2025, we will expand this ecosystem with enhanced personalization capabilities.

Data-Driven Optimization

The robust analytics framework established in 2024 will enable increasingly refined outreach strategies in the coming years. By leveraging insights from QR code scan patterns, website behavior, and quiz response data, we will optimize messaging, timing, and channel selection for maximum impact. This approach will allow for more granular audience segmentation and targeted communications that address specific barriers to energy efficiency adoption identified through our analytics.

Community Integration

Our successful sports partnerships and print media presence demonstrated the continued importance of community integration. In 2025, we will deepen these connections by expanding our presence at community events and developing more localized events.

By building on our successful integration of data tracking, digital engagement, and traditional outreach channels, we are well-positioned to enhance Program participation while delivering an

increasingly seamless experience for our customers. Our 2025 strategy will maintain the balance of innovation and accessibility that has driven our success, ensuring Energy Efficiency Programs remain relevant and valuable to all the communities we serve.

Adaptive Management Strategies

2024 was a very successful year for the Program and each stakeholder should be proud of all that was accomplished. However, Cascade is always seeking opportunities to strengthen and improve the Company's EEIP offerings, delivery, and future strategy. Through collaboration with the CAG and regular reporting of Key Performance Indicators (KPI), the Program observes challenges in real time and uses projections to understand the EEIPs trajectory. Corrective action through adaptive management is taken when KPIs indicate the Program is likely to deviate from budgets and goals set in the Company's BCP.

2024's therm savings goal was set in 2023 as an aspirational target to maximize cost effective therm savings available in the service territory. Facing this lofty goal while seeing applications from new construction sharply curtail was a significant challenge which the company overcame through multiple avenues of adaptive management, many of which will be carried over into the 2025 Program year.

Administrative Changes

The first quarter of 2025 has seen rapid changes in future expectations and Program uptake due to administrative changes including equipment price increases and tariffs. In particular, this uncertainty impacts the C/I EEIP Program as many projects require significant investment, planning, and business valuation calculations which are sensitive to changes in future expectations. Only approximately 13,000 C/I therms in energy savings came to fruition for this segment of the portfolio in Q1Y25, compared to an expectation of around 100,000. For example, a mature heat recovery project with over 10,000 therms of predicted therm savings was terminated once Tariffs were announced in March 2025. Cascade is anticipating more delays and terminations in energy efficient projects in the coming year; this dynamic is expected to continue and will be factored into the 2025 CPA.

To combat these factors, Cascade has made many multiple real-time adjustments to this subset of the Program to maximize the cost-effective energy savings which remain available in the market including:

- Doubling C/I outreach budget and planned activities compared to historical levels
- Newly sponsoring local building centers and relevant conferences
- Offering contractor social hours and connection opportunities
- Utilizing small business mailers and new outreach mediums

Data Driven Decisions

The company has taken a wholistic approach to gathering and utilizing more real time data and technology capabilities to make Program process and delivery improvements. Cascade made a commitment in 2024 for all outreach messaging and content to contain trackable QR codes or links so data driven decisions can be made to quantitatively scale campaigns accordingly in the future. Additionally, Cascade is continually evaluating changes in submission quantities per measure type alongside the Advisory Group to gauge if mid-cycle Program changes are needed to hit therm saving goals, and how consumer elasticities may be estimated for future Program incentive changes. No such changes are anticipated as of Spring 2025 for the current biennium, due in part to recent historic changes to measure incentive structures outlined in the 2024/2025 BCP[8].

2026/2027 Program plan

Cascade places an emphasis on the importance of planning to poise the Program for success in the following biennium. Planning for the 2026/2027 Biennium began in the fall of 2024 with the 2025 CPA.

The 2025 CPA encompasses a complete refresh of ICF's (previously AEG) LoadMAP forecasting model for the first time since 2019. Post-COVID data has been incorporated into the model including, but not limited to:

- Review of equipment and building stocks currently in the service territory
- Review of in place and anticipated building and equipment code changes on the 10- year planning horizon
- Anticipated customer counts and gas volume per customer rate class by zone
- Segmentation of customer class based on residential income levels, housing types, climate zones
- Segmentation of C/I businesses utilizing the North American Industry Classification System
- Assumptions of consumer and business purchasing decisions
- Equipment incremental costs, including anticipated increases due to administrative policies

This document shall be filed by 6/1/2025 so the information can be utilized to inform the 2026/2027 biennial conservation plan. An emphasis will be placed on strategically increasing select rebates to maximize cost-effective energy savings available to result in a portfolio level UCT cost-effectiveness ratio closer to 1.0, while also recognizing the importance of continuity and clarity in offerings for Program partners. Cascade will work closely with industry experts and the CAG to incrementally build this plan prior to filing in November 2025.

[8] 2024/2025 Cascade Natural Gas Biennial Conservation Plan | UG-23097

Team Resourcing

Cascade's EEIP Program provides a unique touchpoint for over 200,000 customers in the service territory. Appropriate changes to team resourcing have been made in 2025 to ensure we are serving the evolving needs of our customers and the Program appropriately.

The Company recognized a continual shift towards more Trade Ally and Point of Sale projects in 2024 and responsively added a new full-time position, Trade Ally Coordinator, dedicated to servicing and fostering this subset of the Program in Q1Y25. Additionally, Cascade anticipates hiring an additional full time analyst level position in Q2Y25 to service the Low-Income Weatherization Program which will be undertaking new initiatives and pilots in 2025 and 2026.

Home Energy Report Pilot

The Home Energy Report Pilot concluded its first iteration in the fall of 2024; the final bi-monthly report was successfully sent out to almost 10,000 residential customers. Cascade first began working on this project in 2022, using software developed by Brillion Inc. (formerly EnergyX) to encourage behavioral changes for customers through Home Energy Reports. These reports inform customers about their energy use and provide personalized, accurate reports outlining specific opportunities for households to save energy in their homes. The pilot has focused these reports on a subsect of the Company's residential customers and evaluated the results against a control group of residential customers.

Approximately 10,000 residential customers received these reports every other month for a period of 12 months beginning in the fall of 2023. These reports were delivered either physically or electronically, depending on the preferred delivery method of the customer. Draft results for the first round of this pilot were shared with the Advisory Group in Q1Y25. These results will undergo thorough third-party M&V to verify findings from the first round of the pilot and suggest improvements for future implementations.

As of Q2Y25, Cascade is anticipating running a second round of this pilot over a similar timeframe beginning in Q3Y25, utilizing a larger cohort, different messaging, and new participant selection strategies. The Company will work alongside the Advisory Group to scope this second iteration of the Home Energy Report pilot with the goal of prescriptive Program implementation and cost-effective therm savings within the subsequent two biennium.

ERA Software Migration

The software and technologies used to process rebates and communicate with Program partners is extraordinarily important. Beginning in 2024, Cascade undertook a monumental task of developing and migrating all Program processes to a new, in-house developed software known as Enterprise

Rebate Application (ERA). The ERA platform offers an integrated processing and payment disbursement platform with the opportunity for both customers and Trade Allys to directly submit an application and track the status throughout the journey of the rebate. Rebates first began being processed through this software in Q1Y25. Incremental improvements will continually be made to this software to improve processing efficiencies and the customer experience in the upcoming Biennium.

Quality Control Inspections

Quality control inspections provide the highest quality, real-time data to ensure measures are being installed at or above standard for our customers. The Company inspects approximately 5% of all residential projects, including most projects which exceed $8,000, to verify building principals were followed throughout the installation process and anticipated therm savings should be experienced in the coming years for the premise. Cascade has made a commitment to proactively monitor trends in inspections failures as they arise to make corrections as soon as possible. These inspections shall remain a powerful tool in the upcoming biennium and could be considered a main contributor to the positive EM&V results the company has received over the past biennium.

Residential Sector

See Table 10 for QC activity totals in 2024. It should be noted that there were no residential QC inspections performed in Zone Two in 2024. This was due to a variety of factors, including the comparatively low Program participation in the region, as well as the lack of inspectors available through Community Action Agencies. CNGC plans to pursue partnerships with Community Action Agencies in 2025 to ensure that a proportionate share of inspections is performed in each region.

Table 10: Residential Program

2024 Residential Inspection Summary

Climate Zone	QC performed
Zone One	62
Zone Two	0
Zone Three	186
Total	248

	Pass	Fail
Number of Measures	474	33*

* All inspection failures were remediated by the contractor

Residential inspections verify that applications match the installed measures, the measures meet Program minimum efficiency requirements, all health and safety requirements are addressed, and industry best practices are demonstrated. The inspector verifies the efficiency of the equipment, and in the case of insulation/windows, the R-values / U-factors to confirm deemed savings. If an issue is noted as part of an inspection the customer and contractor are notified, and the contractor is required to correct the issue. Cascade also uses QC inspections to confirm the quality of installations performed by CNGC Trade Allies and to vet contractors seeking enrollment to the Trade Ally Program.

Out of 474 inspections, only 7% failed prior to being remediated by the contractor. The most common reason for initial failures was a low blow reading for air sealing. These results and remediation tasks represent a satisfactory inspection metric for the Program.

Commercial/Industrial Sector

All C/I inspections are performed by the Company's C/I vendor as part of their Program delivery. The C/I inspection includes one of four elements: (1) pre-installation inspection, (2) post-installation verification, study review, and/or general project review. The reviewer verifies all measures listed on the application were installed, are operational, meet the Program requirements, include startup reports and invoices, and often includes photos of the installed equipment for verification. The reviewer then confirms their approval and signs and dates the form.

Table 11: Commercial/Industrial Program

2024 C/I Inspection Summary

Climate Zone	QC performed
Zone One	13
Zone Two	13
Zone Three	18
Total	44

Participation Summary

A full breakdown of therm savings, Utility Costs, and Total Resource Costs by all measures and Programs for 2024 can be found within the following documents filed in addition to this report with the WUTC:

- *UG-230937-CNGC*-2024-*Conservation-Arpt-WP-1-06-12-2025.xlsx* – Cost-effectiveness calculations for the entire portfolio.
- *UG-230937-CNGC*-2024-*Conservation-Arpt-WP-2-06-12-2025.xlsx* – Cost-effectiveness calculation for the C/I Program.
- *UG-230937-CNGC*-2024-*Conservation-Arpt-WP-3-06-12-2025.xlsx* – Cost-effectiveness calculation for the Residential Program.
- *UG-230937-CNGC*-2024-*Conservation-Arpt-WP-4-06-12-2025.xlsx* – Cost-effectiveness calculation for the Low-Income Weatherization Program.
- *UG-230937-CNGC*-2024-*NEEA-Arpt-for-CNGC-WP-5*-06-12-2025.pdf – Outlines NEEA's efforts on behalf of CNGC.

Updates to 2023 Program Achievements

No 2023 true-up is provided as no material additional expenditures or rebates were submitted after the report was filed.