



Cascade Natural Gas Corporation Schedule 301, Weatherization Incentive Program (WIP) Program Administration Pilot

Introduction

On October 1, 2023, Cascade Natural Gas Corporation (“Cascade” or “Company”) launched its Cascade Arrearage Relief and Energy Savings (“CARES”) low-income bill assistance program. The CARES program has greatly increased the Company’s reach to income-qualified customers. CARES applications ask customers if they are interested in learning more about the weatherization services offered through the Weatherization Incentive Program (“WIP”). Numerous customers have responded affirmatively, uncovering a distributional inequity among income-qualified customers who would like access to energy saving opportunities. Cascade’s WIP does not currently have the capacity to respond to the customers referred from CARES. Cascade in collaboration with its Conservation Advisory Group (“CAG”) has developed the pilot program put forth in this document as a means to provide WIP services to the influx of program leads received from CARES enrollments.

Pilot Overview

Cascade seeks to allow third-party weatherization contractors to administer unprocessed leads for WIP. Community Action Agencies (“Agencies”) will continue to be the primary program administrators, holding the first right of refusal of any customer lead. Refusal has been granted if an Agency has directly stated it either verbally or electronically, if the Agency has not responded within 30 days of receipt of a WIP lead, or if the number of WIP referrals is 300% above the agency’s capacity as estimated for the current calendar year. Agency work and involvement with WIP is valued and this pilot will not diminish their role or remuneration for program administration.

Term

The term of this pilot will be March 1, 2025, through February 28, 2026. Extension of the pilot thereafter will require a conversation with Cascade’s CAG and a tariff filing with the Washington Utilities and Transportation Commission (“Commission”).

Third-Party Contractors

Cascade will engage with third-party contractors that provide weatherization services within the Company’s service territory. Cascade would like to keep the parameters regarding how to find, engage, and qualify third-party contractors loosely defined to allow the Company to adapt to learnings within the marketplace. The Washington State Department of Commerce has rightly noted that Cascade is likely to experience the same market limitations for third-party contractors that it experiences and so for this pilot to be successful, Cascade needs the parameters to allow for adaptation. Ideal third-party contractor candidates should have knowledge of and interest in working with vulnerable and high-barrier populations; a desire to coordinate with existing Agencies’ administrators as needed to provide customers with wrap-around services; and should not hold a current contract as an Agency sub-contractor for income-qualified weatherization services.

First Right of Refusal

The goal of this program is to engage third-party contractors in the provision of WIP services for the excess referrals the Company is receiving through CARES. Cascade is not looking to replace or supplant the Agencies. The Agencies will have first right of refusal of all customer leads and will experience no punitive change in remuneration due to this pilot program. Refusal has been granted if the Agency has directly stated it either verbally or electronically, if the Agency has not responded within 30 days of receipt of a WIP lead, or if the number of WIP referrals is 300% above the agency's capacity as estimated for current calendar year. Agencies will be able to work to their capacity (actual, not estimated), and third-party contractors will perform work exceeding Community Action Agencies' capacity.

Third-Party Contractor Requirements

Third-party contractors providing WIP services will be subject to all the terms and conditions established in Schedule 301 for Program Administrators, including the following. All program administrators must:

- Only proceed with a project if the customer is income qualified, defined as residing in a household with a 200% Federal Poverty Level ("FPL") or less
- Perform an energy audit on the household to identify the cost-effective, high-efficiency measures that need to be installed in the household
- Perform any needed health and safety repairs to the qualified customer's home as necessary to ensure the installed weatherization measures are effective in saving energy (e.g.- repair holes in walls, doors, etc.)
- Install all qualifying high efficiency energy efficiency measures as listed as Attachment A, with the exception of air-sealing which, if the Agencies choose, will be the exclusive domain of Agencies. The "whole home" approach to WIP services is to be upheld throughout this program such that the quality and breadth of work a customer receives from a third-party contractor is not of lesser quality or breadth (with the exception of air sealing which may by choice be the Agencies' exclusive domain) than the work a customer would have received from an Agency.
- Provide the Company with paperwork demonstrating that all installed measures are cost-effective per the Department of Energy Deemed Measures Priority List
- Provide the Company with all job invoices
- Have a current signed Memorandum of Understanding with the Company
- Agree that a separate third-party contractor may inspect up to five percent of the completed projects for quality-control

Qualifying Customers for WIP

Since third-party contractors administering WIP will not be using state or federal funding and, therefore, will not be subject to the requirements tied to that funding, this pilot can consider the potential barriers to entry to WIP. For this pilot, a customer served by a third-party contractor will be considered income qualified with no additional paperwork or process if the customer has received a Low-Income Home Energy Program ("LIHEAP") grant or has been income-verified by an Agency for the CARES program within the past 24 months. Cascade may also verify income using the same means deemed appropriate by CARES Advisory Group for the CARES income verification process, which may include additional opportunities for categorical eligibility or the acceptance of income documentation that is not standard for LIHEAP.

Third-Party Renumeration

Third-party contractors will be paid 100% of the invoice costs for all jobs that conform to the WIP requirements as established in Schedule 301.

Air Sealing

Air sealing may be the exclusive domain of the Agencies, if desired. However, each Agency may waive their right to perform air-sealing on a project-by-project basis, either through direct verbal or electronic communication with Cascade or the third-party contractor, or by inaction extending 60 days after the third-party contractor has completed installing all other measures for the project. When an Agency has not waived its right to install air-sealing, a third-party contractor will consider their role in the whole-home weatherization project complete when all qualifying measures, except air-sealing, are installed. The Agencies will follow up with the customer to perform air sealing. This provision will allow Agencies to observe the completed third-party work, to have a touchpoint with customers thereby having an opportunity to refer customers to other state and federal programs, when appropriate, and ensuring that the air sealing is finished properly. When an Agency waives the right to perform air-sealing, the third-party contractor may finish installing all measures for the project.

Funding Limitations

As stated in Schedule 301, Cascade will monitor program spending and provide the CAG with spending updates to ensure that the program retains proper oversight of its budget. If program year spending doubles by 100 percent over the prior year, Cascade and the CAG will discuss if the pilot should be halted or if spending limitations should be imposed for the remainder of the pilot year.

Potential Options

As mentioned under the Third-Party Contractor header, Cascade may experience issues securing contractors. In the event this occurs, Cascade would like the pilot to have the flexibility to conform the provision of services such that third-party contractors install weatherization measures and Agencies perform income certification for applicants and/or quality assurance audits. If needed, Cascade would pay the Agency for either or both task(s) on a per job basis, and acceptance of such work would be at the discretion of the Agency. This would be a fallback provision if the third-party contractors are either unavailable or are struggling to complete WIP jobs.

Benchmarks of Success

The pilot program will be considered successful if third-party contractors serve any number of customers from the Company's WIP & CARES referral lists with whole-home weatherization. This pilot seeks to extend the reach of WIP without supplanting the baseline work performed by Agencies. Upon completion of the pilot, the Company will discuss the pilot, including outcomes and additional learnings, in its 2026 Annual Report.

ATTACHMENT A – MEASURES

ADMINISTRATIVE PROJECT FEES	
	MEASURE ASSOCIATION
Prime Contractor Intent & Affidavit (Single job)	ASSIGN TO THE GREATEST COST MEASURE ON PROJECT, or if it's LEAD, place it in the measure(s)
Lead Renovator Requirements	
Job Travel and Housing Cost	

ATTIC AND CEILING WEATHERIZATION	
	MEASURE ASSOCIATION
ATTIC-Cellulose Blow	CEILING AND/OR ATTIC INSULATION
ATTIC-Fiberglass Blow	
ATTIC Fiberglass Unfaced Batt	
ATTIC-Fiberglass Kraft Batt	
Closed Cavity Insulation	
MOBILE-Blow Through Gable Ends	
MOBILE-Blow Attic Cavity Through Roofing	
MOBILE - EPDM and R-19 Foam Board	
MOBILE - EPDM, Fiberglass Blow Cavity Full	
MOBILE - EPDM Only	
Repair Primary Roof Leaks	
Install New Attic Access	
Repair Attic Access Framing and Lid	
Insulate Attic Access Lid	
Repair Staircase Coffin Attic Access	
Access Lead Safe Work Practices	
New Gable Vent	
New Roof Vent	
New Soffit or Eave Vent	
Rescreen Existing Vents	
Vent Lead Safe Work Practices	
Extend Bath Fan	
Install Bath Fan Damper	
Extend Kitchen Fan	
Install Kitchen Fan Damper	
Install Kitchen Hood or Ceiling Fan	
Install New Motion Detector Bath Fan	
Install New Bath Fan	
Knob & Tube Inspection	
Knob & Tube Replacement	
J-Box Electrical Splice	
Electrical Permit RE: Attic / Ceiling	

Attic/Ceiling Lead Safe Work Practices	
Fan Install Lead Safe Work	

WALL INSULATION	
	MEASURE ASSOCIATION
Dense Pack Closed Wall Exterior Blow	WALL INSULATION
Wall Blow Lead Safe Work	
Wall Batt Insulation	
Wall Tyvek/FSK Approved Cover	
Install New Knee Wall Access	
Repair Knee Wall Access Framing and Lid	
Insulate Knee Wall Access Lid	
Knee Wall Access Lead Safe Work Practices	

FLOOR INSULATION	
	MEASURE ASSOCIATION
6 mil Ground Cover	FLOOR INSULATION
Floor Wrap Water Pipes	
Floor Repair to accommodate Insulation	
Floor Insulation	
Floor Tyvek/FSK Approved Cover	
Interior Perimeter Insulation	
Install New Crawlspace Access	
Repair Crawlspace Access	
Insulate Crawlspace Access	
Add Metal Area Well to Exterior Crawl Access	
Plumbing Repair	
Mobile Floor - Blow Cavity Full	
Mobile Floor - Repair Belly Paper	
Protect Existing Cross-Over Duct	
Replace, Seal, Insulate Cross-Over Duct	
Install Blue/Pink Board under Cross-Over	
Rescreen Existing Foundation Vents	
Closed Cavity Insulation	

DUCT INSULATION	
	MEASURE ASSOCIATION
Duct Insulation - LINEAL FEET INSTALLED	DUCT INSULATION

WATER HEATER INSULATION	
	MEASURE ASSOCIATION
Water Heater Wrap Insulation	WATER HEATER INSULATION

First Six (6) feet Storage Tank Water Pipe(s)	
Insulate Water Heater Closet Door	

FURNACE TUNE UP AND FILTER REPLACEMENT	
	MEASURE ASSOCIATION
Furnace Tune Up/Maintenance	FURNACE TUNE-UP AND FILTER REPLACEMENT
Filter Replacement	

DUCT SEALING	
	MEASURE ASSOCIATION
Repair/Replace Duct Work	DUCT SEALING
Seal Duct Work	

INFILTRATION	
	MEASURE ASSOCIATION
Door Weatherstrip Installation	INFILTRATION
Door Threshold & Shoe	
Door Shoe Only	
Door Sweep	
Weatherstrip Lead Safe Work	
Small Window Pane Glass Repair	
Install Prehung Exterior Insulated Door	
Clothes Dryer Duct Extension	
Undercut Interior Door	
Room to Room Bypass Grill	
MVL Test & Report	
CAZ Test & Report	
CAZ Repair	
Blower Door Assisted Air Sealing	
Prescriptive Air Sealing Reduction	
Seal Vertical or Horizontal Attic Bypass	
Smoke Detector	
CO Detector	

95%+ FURNACE INSTALL	
	MEASURE ASSOCIATION
Programmable Thermostat with Furnace	95%+ FURNACE
Venting for Furnace	
Furnace Replacement	

90%+ DIRECT VENT SPACE HEATER	
	MEASURE ASSOCIATION
Direct Vent Space Heater Install	90%+ DIRECT VENT SPACE HEATER
Programmable Thermostat with DV Heater	

Venting for DV Space Heater	
Direct Vent Space Heater Replacement	

LOW FLOW FAUCET AERATOR	
	MEASURE ASSOCIATION
Low Flow Faucet Aerator	LOW FLOW FAUCET AERATOR

LOW FLOW SHOWERHEAD	
	MEASURE ASSOCIATION
Low Flow Showerhead	LOW FLOW SHOWERHEAD

0.91+ TANKLESS WATER HEATER	
	MEASURE ASSOCIATION
0.91+UEF Tankless Water Heater	0.91+ TANKLESS WATER HEATER
Venting Tankless Water Heater	

0.64+ STORAGE WATER HEATER	
	MEASURE ASSOCIATION
0.64+ Storage Water Heater	0.64+ STORAGE WATER HEATER
Venting Storage Water Heater	