

ThermWise Update

SWEEP Workshop 2008

Dan Dent
Director, Demand Side Management

November 13, 2008



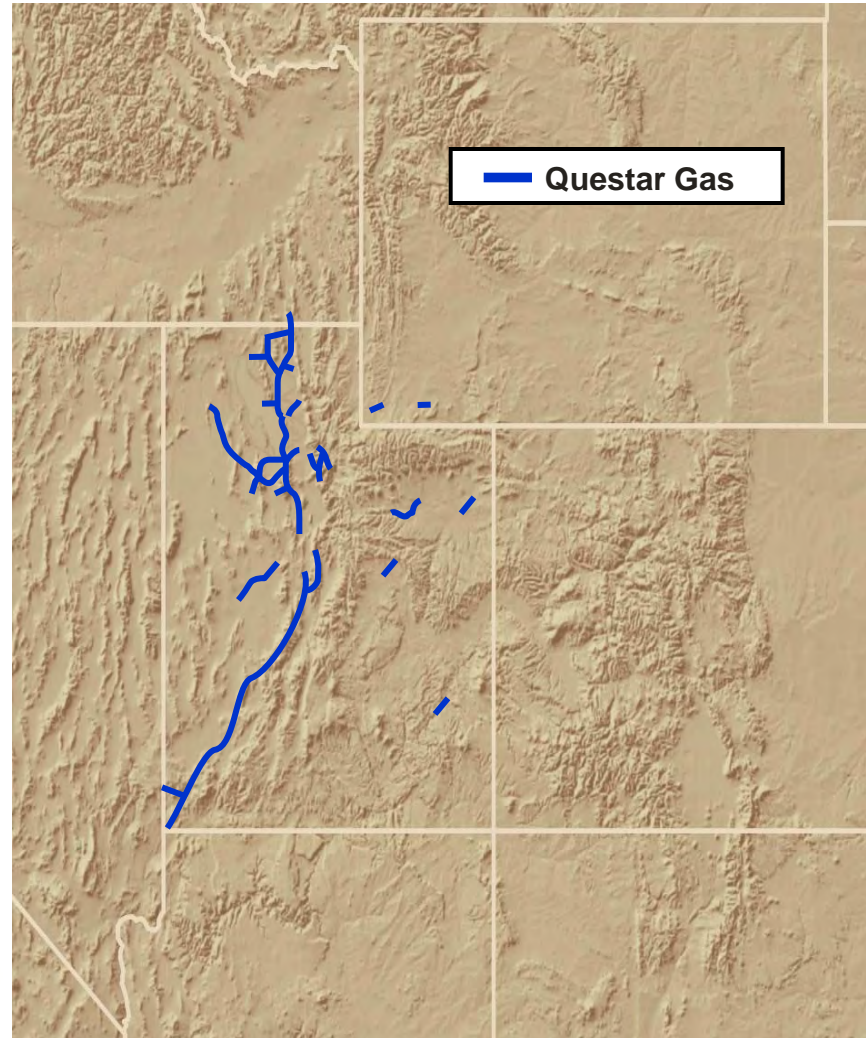
QUESTAR
Gas



Questar Gas Company

Year-End 2007

Communities served	281
<u>Customers</u>	
Residential	809,838
Commercial/Industrial	63,769
<u>Annual deliveries</u>	
Residential	69 MMdth
Commercial/Industrial	93 MMdth
Rate Base	\$773 million



ThermWise Campaign

- Market transformation
 - Shifting philosophy/practices
 - Educate and train trade-allies and code officials
- Energy-efficiency programs
 - Effective: January 1, 2007
- Customer education/awareness
 - Advertising, bill Inserts, dealers/contractors
 - Codes Training

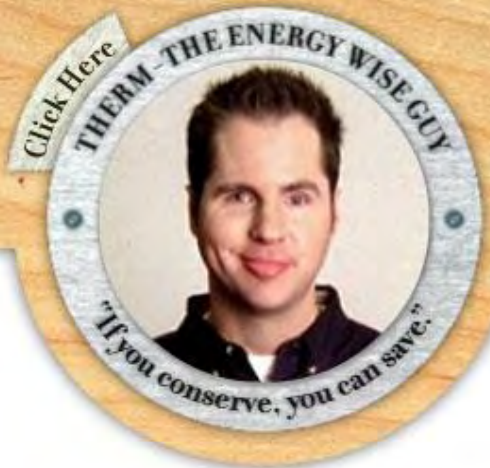
ThermWise Programs

- Home Energy Audits
- Appliance Rebates
- Weatherization Rebates
- Builder Rebates
- Multifamily Rebates (New in 2008)
- Business Rebates (New in 2008)
- Low-Income Wx Funding

ThermWise Marketing

- Advertising Campaign
 - TV, Radio, Print, Theater, HTR, Billboards
- **ThermWise.com**
- Questar Gas Publications
 - Inserts, Newsletters
- Marketing Collateral
- Alliance Network
 - POP, Promotions, Direct Sales,
- Related Questar Gas Co-op Advertising





Welcome to

ThermWise.com

*"You've come to the right place
for energy-saving tips and rebates
from Questar Gas."*

Home Audits 

Appliance Rebates 

Weatherization Rebates 

 Business Rebates

 Builder Rebates

Energy-Saving Tips

TV/Radio Ads

Oprime aqui para español

Site Index

 Learn more about ENERGY STAR homes



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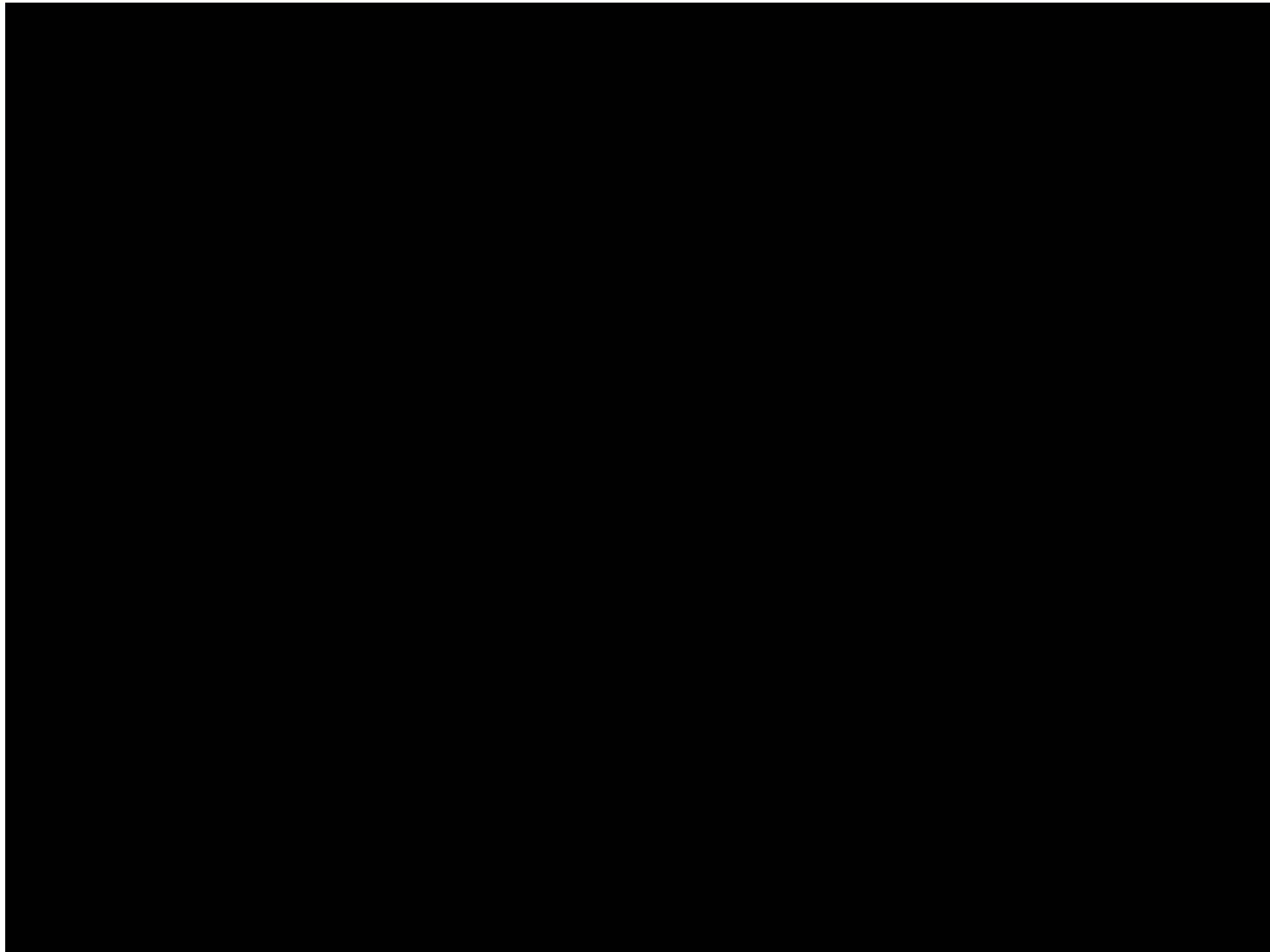
ThermWise.com

ThermWise Promotions



Introducing Therm





“You are not a loser”





“You with the nachos”



“Olympic Swimming”

QUESTAR
Gas

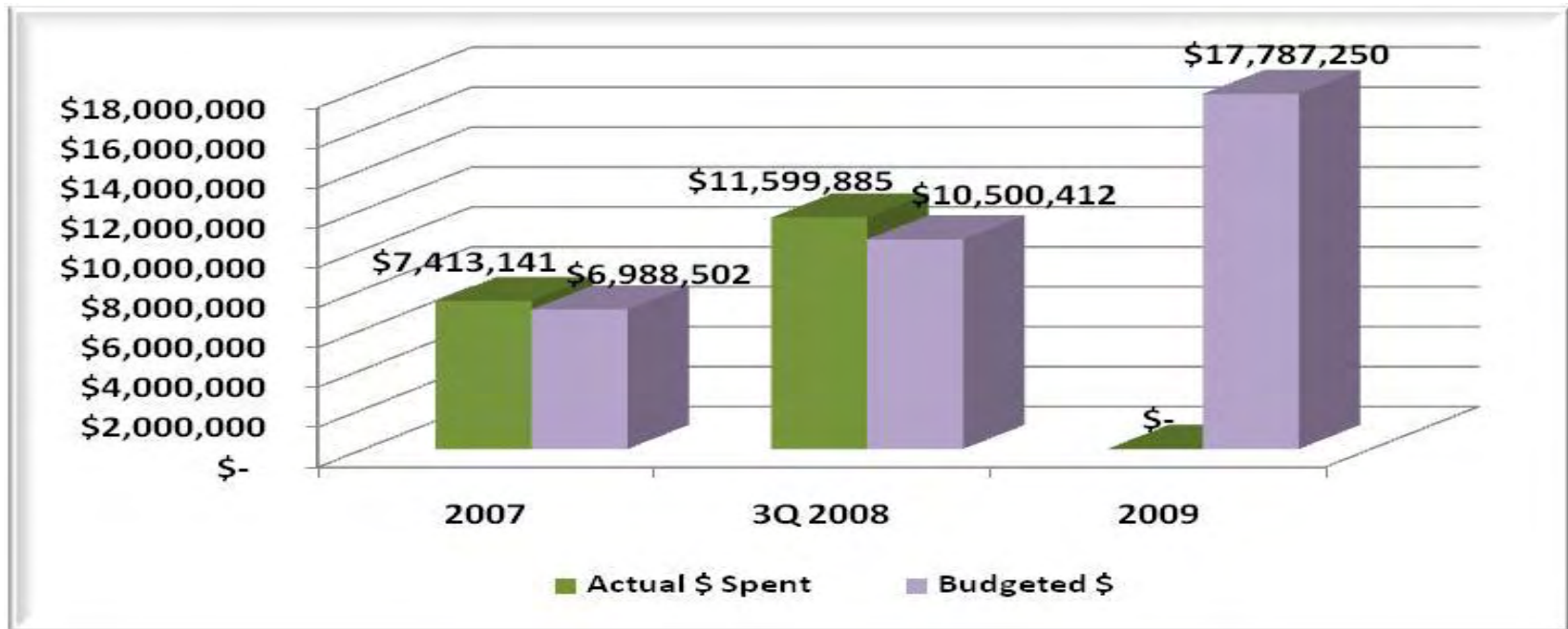
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“Election Campaign”



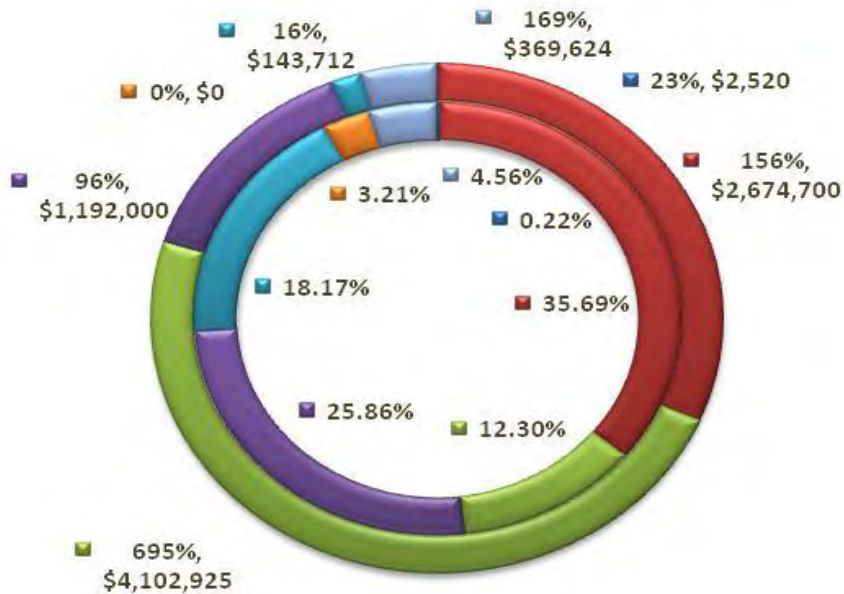
Spending Update

Actual Program Spending vs. Budgeted \$



2008 Incentives

2008 Incentive Budget vs. % of Budget Spent
(by program)

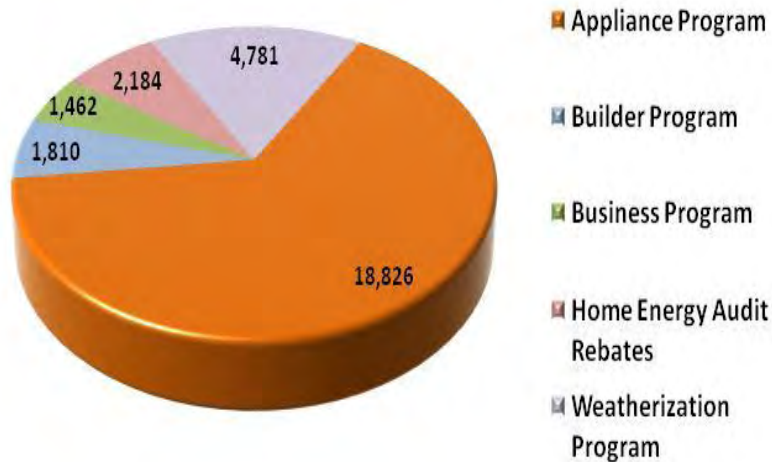


Inner Ring = Share of 2008 Incentive Budget by Program
Outer Ring = % of 2008 Incentive Budget Spent by Program

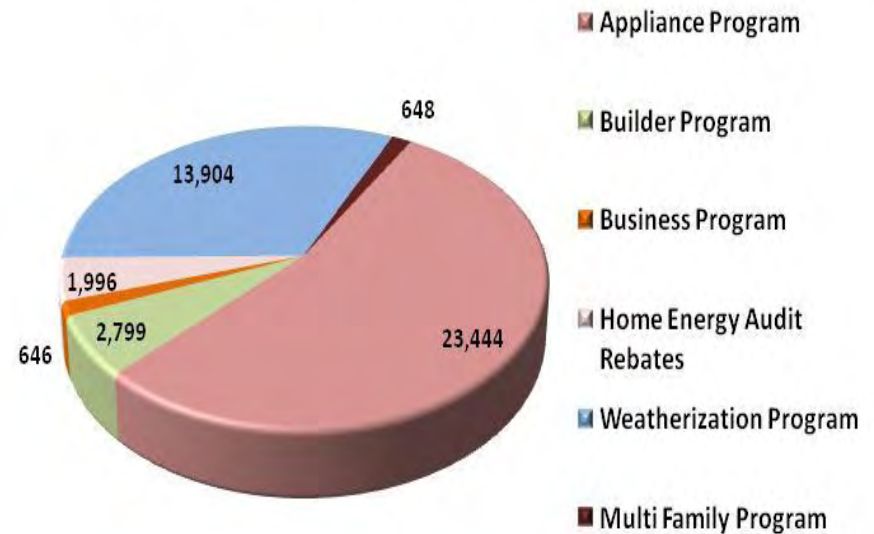
- ThermWise Home Energy Audit
- ThermWise Appliance Program
- ThermWise Weatherization Program
- ThermWise Builder Program
- ThermWise Multifamily Program
- ThermWise Business Custom Program
- ThermWise Business Program
- TOTAL THERMWISE PROGRAM DTH SAVINGS

Participation Update

2007 ThermWise Program Participation

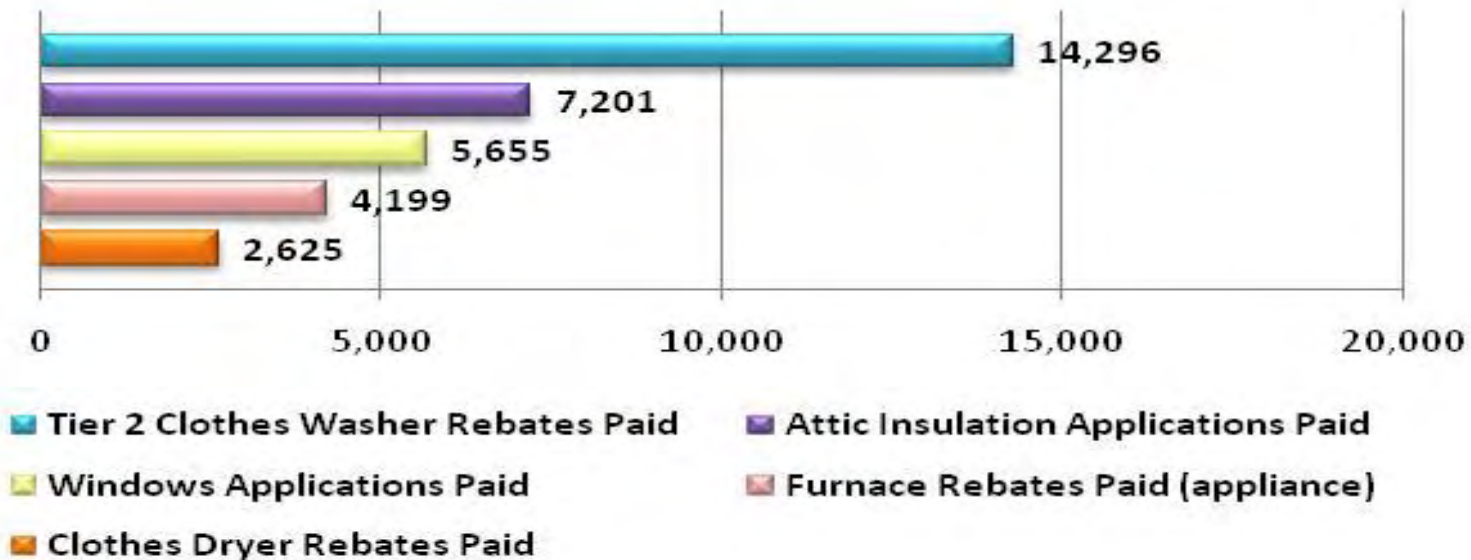


2008 ThermWise Program Participation



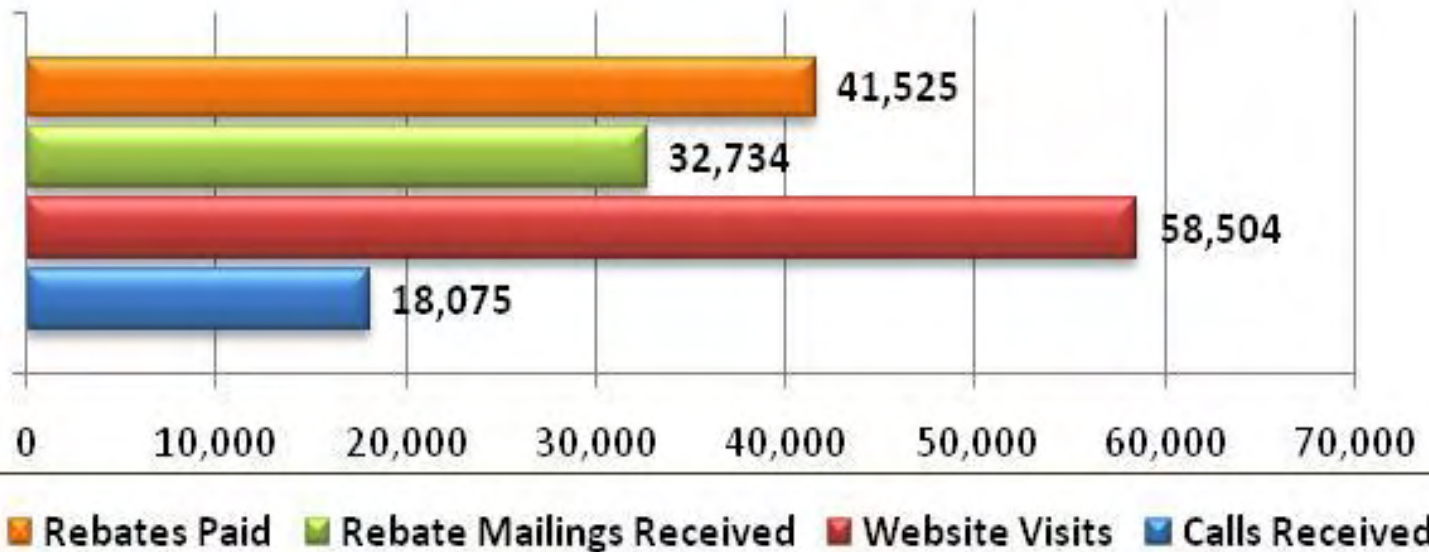
Top Program Measures

ThermWise 2008 Top Measures (# of Participants thru 3Q)

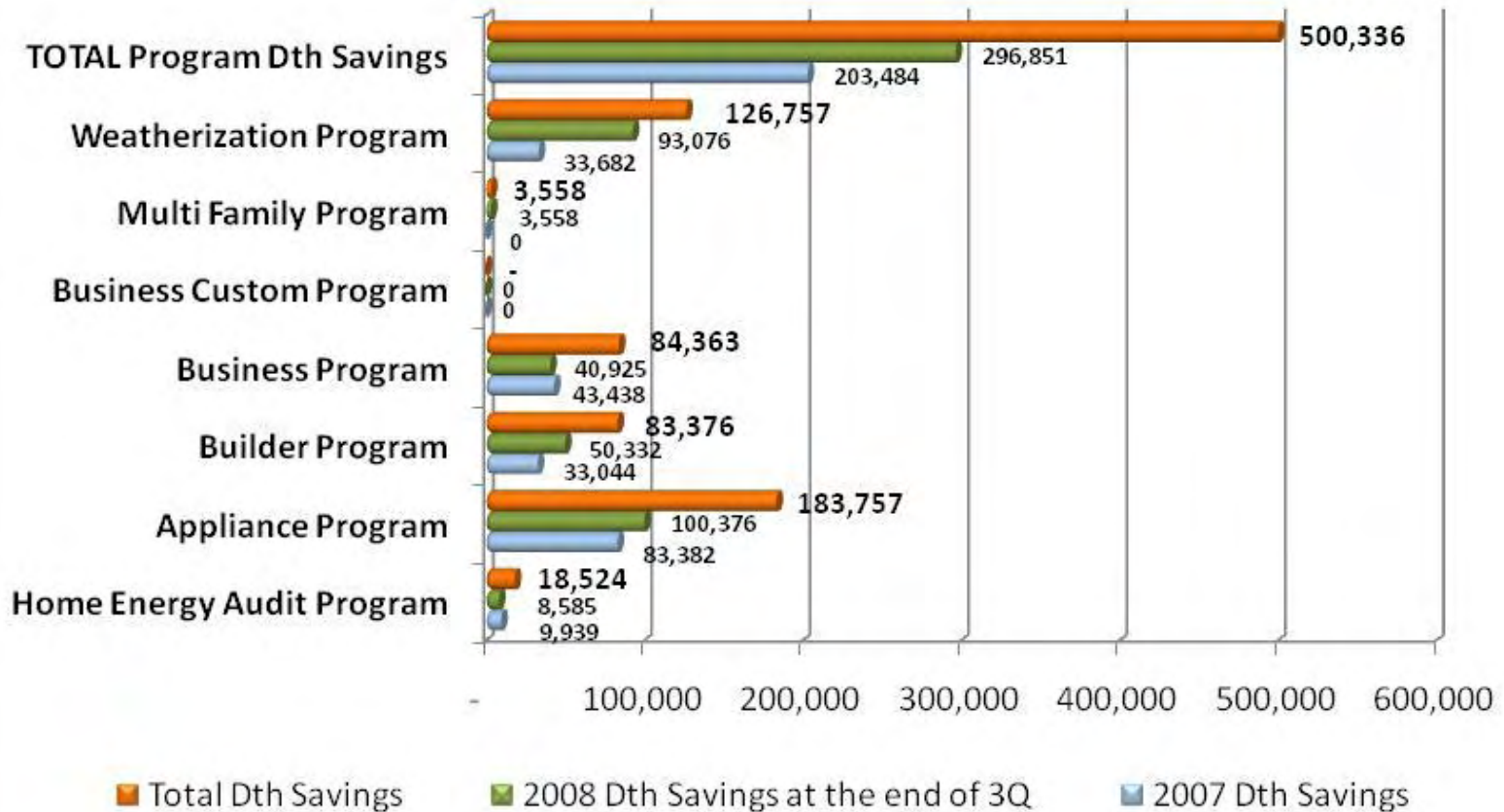


Communications

2008 ThermWise Customer Interactions



Program Savings



ThermWise Summary

- **Customers win:**
 - Reducing energy usage and potentially costs
 - Improving the environment
- **Alliance members win:**
 - Increased demand for more high-efficiency equipment
 - Increased marketing visibility
 - Potential co-op advertising opportunities
- **Questar Gas win:**
 - Aligning with customer needs and demand
 - Establishing and maintaining alliance partnerships
 - Revenue stabilization



ThermWise Home-Energy Audits

- Two Options
 - Both Options Include
 - No-charge efficiency applications
 - Low-flow shower head, water-heater blanket, faucet aerator, water-pipe insulation
 - Customized audit report with recommendations
 - In Home Includes
 - Questar Gas audit technicians
 - On-site report
 - \$25 refundable charge
 - Mail-in Includes
 - Customer do-it-yourself
 - No Charge



ThermWise Appliance Rebates

Appliance	Qualification	Rebate
ENERGY STAR clothes washer	MEF 1.72 – 1.99 (must have gas water heating)	\$50*
ENERGY STAR clothes washer	MEF 2.0 or higher (must have gas water heating)	\$75*
High-efficiency gas dryer	Moisture sensor included	\$30*
High-efficiency gas storage water heater	EF of 0.62 or higher, minimum 40-gallon capacity	\$50*
Tankless gas water heater	EF 0.80 or higher	\$300*
High-efficiency gas furnace	90% AFUE or higher	\$300*
High-efficiency gas boiler	85% AFUE or higher	\$400*
Solar Assisted Gas Water Heating	Active system certified OG-100 by SRCC	\$750*



* 2 max./home

ThermWise Weatherization Rebates

Efficiency Measure	Qualification	Rebate
Windows	U-factor of 0.35 or better	\$.95 / sq. ft.
Attic insulation	Minimum increase of R-19	\$.35 / sq. ft.
Wall insulation	Minimum increase of R-11	\$.45 / sq. ft.
Floor insulation	Minimum increase of R-11	\$.35 / sq. ft.
Duct sealing*	Meet performance-tested comfort system (PTCS)	\$225
Duct insulation*	R-6 or higher	\$250

* Requires qualified contractor installation



ThermWise Builder Rebates

Appliance	Qualification	Rebate
ENERGY STAR whole house certification	HERS Index of 85 or lower	\$500
Federal tax credit home	ENERGY STAR certification + Federal energy tax credit qualification (50% better than 2006 IECC)	\$800
High-efficiency gas storage water heater	EF of 0.62 or higher, minimum 40-gallon capacity	\$50
Tank less gas water heater	EF of 0.80 or higher	\$300
High-efficiency gas furnace	90% AFUE or higher	\$300
High-efficiency gas boiler	85% AFUE or higher	\$400
Solar assisted gas water heating	Must be active and certified OG-100 by SRCC, one rebate per system. Systems may require multiple collectors.	\$750

Single-family dwellings with up to four separately-metered units within Questar Gas Utah service area.



ThermWise Multifamily Rebates

(New in 2008)

- Five or more units
- For new and existing projects
- Rebates available for installation of common area or in-unit high-efficient natural gas appliances
- **ENERGY STAR certification rebate of \$250 per unit (new construction only)**



ThermWise Business Rebates

- Business rebates for buying and installing qualifying energy-efficiency measures
 - Must have active **General Service** account
 - Must be a **Questar Gas Utah** customer
 - Rebate categories
 - Gas **space heating** applications
 - Gas **water heating** applications
 - **Control systems** for gas applications
 - Gas **boiler tune-ups**
 - **Weatherization applications**
 - **Commercial food service**
 - Pre-rinse spray valves



ThermWise Business Custom

(New in 2008)

- Customer Eligibility
 - Commercial GS-1 Customers in Idaho and Utah
- Measure Eligibility
 - Pre-analysis requirement for all projects
 - Incentives for retrofit & new construction
 - New equipment must be installed at a qualifying customer site
- Program Rebates
 - \$10.00 per Dth saved during the first year, or
 - 50% of the eligible incremental project cost



2008 ThermWise Results

DEMAND SIDE MANAGEMENT 3Q ACTUAL PARTICIPANTS 2008 - PROGRAM PORTFOLIO DESCRIPTIONS (1 Year)						
PROGRAMS	Total Resource Cost		Participant Test		Utility Cost Test	
	NPV	B/C	NPV	B/C	NPV	B/C
Thermwise Appliance Rebate	\$4,588,567	1.9	\$6,583,509	2.2	\$6,378,383	3.1
Thermwise Business Rebates	\$2,933,604	4.9	\$2,904,807	4.5	\$3,226,158	8.2
Thermwise Builder Rebates	\$3,031,742	2.1	\$4,214,540	2.4	\$4,138,606	3.5
Thermwise Weatherization Rebates	\$7,449,581	2.5	\$10,053,625	2.7	\$7,989,842	2.8
Thermwise Home Energy Audit	\$100,801	1.3	\$546,718	18.0	\$95,186	1.2
Low Income Weatherization	\$7,108	1.0	\$197,712	0.0	\$7,108	1.0
Thermwise Multi-Family Rebates	-\$183,425	0.7	\$280,203	2.0	-\$103,928	.8
Thermwise Business Custom Rebates	-\$42,455	0.0	\$0	N/A	-\$42,455	0.0
Market Transformation	-\$748,854	0.0	\$0	N/A	-\$748,854	0.0
Totals	\$17,136,668	2.1	\$24,781,114	2.6	\$20,940,044	2.8



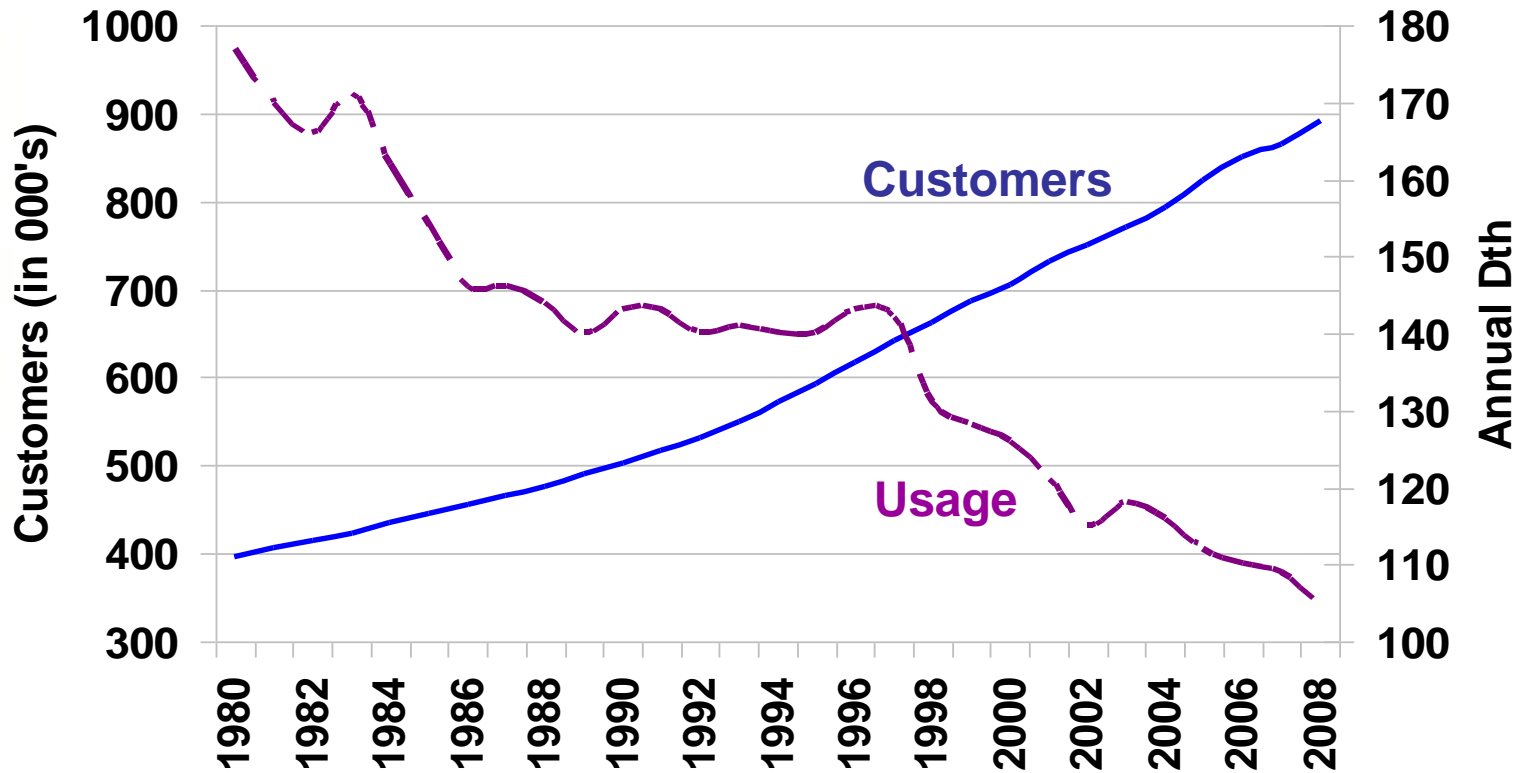
2008 ThermWise Status

Questar Gas Company
Energy Efficiency Report
As of September 30, 2008

Line #	Program	Year-to-date 2008			
		Actual Participants	Est. Annual Participants	"Actual" Dth Savings	Est. Annual Dth Savings
1	ThermWise Appliance Rebates	23,444	16,185	81,147	64,930
2	ThermWise Builder Rebates	2,799	3,180	40,339	49,770
3	ThermWise Business Rebates	646	820	32,796	25,962
4	ThermWise Home Energy Audits**	1,996	3,952	6,868	13,074
7	ThermWise Weatherization Rebates	13,904	2,221	74,461	14,157
8	ThermWise Multi-family Rebates	648	2,990	2,846	23,300
9	ThermWise Business Custom Rebates	-	50	-	15,395
5	Market Transformation	N/A	N/A	N/A	N/A
6	Low Income Weatherization	N/A	N/A	N/A	N/A
10	Programs Total	43,437	29,398	238,457	206,588



QGC Customer Growth/Usage per Customer



The Questar Gas Solution

- Conservation Enabling Tariff (CET)
 - Purpose:
 - Align with customers needs
 - Remove economic barrier to aggressively pursuing customer energy efficiency
 - Collect Public Service Commission allowed revenue (Revenue Decoupling)

CET

Approved Oct. 5, 2006 as a 3-year pilot

- Revenue Stabilization Mechanism
 - “Decouples” Revenues from Volumes
- Enables Company to Promote Efficiency w/o Disincentive
- Contingent upon:
 - Low-income weatherization-assistance funding
 - Development and immediate introduction of energy-efficiency programs

Energy-Efficiency Activities

- Within 60 days of **CET** approval, Company filed for approval of 5 **DSM** programs
 - Created DSM department
 - Created cross-functional implementation team
 - Hired implementation contractors
 - Hired seven full-time employees
 - Coordinated with Rocky Mountain Power
 - Launched \$7M “ThermWise” Campaign