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File #: 172359

November 19, 2025

VIA ELECTRONIC FILING

Matthew L. Homsher, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor North
P.O. Box 3265
Harrisburg, PA 17105-3265

Re: Petition of UGI Utilities, Inc. - Gas Division for Approval of its Phase II Energy Efficiency and Conservation Plan
Docket No. M-2024-3048418

Dear Secretary Homsher:

Enclosed for filing are redline and clean copies of UGI Utilities, Inc. – Gas Division's ("UGI Gas" or the "Company") Compliance Phase II Energy Efficiency and Conservation ("EE&C") Plan in the above-captioned proceeding. As seen in the enclosed documents, the originally proposed Phase II EE&C Plan has been revised pursuant to the terms of the Joint Petition for Approval of Settlement of All Issues approved by the Pennsylvania Public Utility Commission in its Order entered on July 24, 2025. In addition to those modifications, updates to the Residential New Construction ("RNC") program were made to reflect changes to the Pennsylvania Building Code.

Copies are being provided as indicated on the Certificate of Service.

Respectfully submitted,

Devin Ryan

DR/bfc
Attachment

cc: The Honorable Steven K. Haas (*via email; w/attachment*)
Certificate of Service

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the filing is being served upon the following persons, in the manner indicated, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant).

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Date: November 19, 2025

Devin T. Ryan

UGI Utilities, Inc. – Gas Division

Phase II Energy Efficiency and Conservation Plan October 1, 2025 – September 30, 2030

Initially Filed: April 15, 2024—

Compliance Filed: November 19, 2025

Table of Contents

1 Introduction and Background

1.1 Plan Overview

This plan provides a detailed description of the design and implementation of the energy efficiency and conservation portfolio ("EE&C Portfolio" or "Portfolio") that UGI Utilities, Inc. – Gas Division ("UGI Gas" or "the Company") is proposing to offer in its Phase II Energy Efficiency and Conservation Plan ("EE&C Plan" or "Plan"). The Plan will have a five-year duration, beginning in UGI Gas's fiscal year ("FY") 2026 through FY 2030,[1] and will include both natural gas energy efficiency ("EE") programs and a combined heat and power ("CHP") program.

UGI Gas's EE&C Plan was developed based on the Company's existing gas EE&C Plan that was approved as part of the UGI Gas base rate proceeding in 2019.[2] As discussed in more detail below, the Plan contains the same types of programs, Technical Reference Manual ("TRM"), and Total Resource Cost ("TRC") Test that are employed in the current Plan approved by the Pennsylvania Public Utility Commission ("Commission"). Though UGI Gas is not mandated to enact an EE&C Plan under Act 129 of 2008 ("Act 129"), UGI Gas's voluntary Phase II EE&C Plan was developed using the guiding principles of the Commission's Act 129 *Phase IV Implementation Order*.[3]

Over the five years of the EE&C Plan, UGI Gas plans to spend $69.5 million on four energy efficiency programs and one CHP program.[4] Altogether, the EE&C Portfolio is cost-effective, providing $~~67.8~~70 million in net resource benefits with a TRC benefit-cost ratio ("BCR") of 1.~~57~~59, which generally increases the economic wellbeing of UGI Gas's customers.

[1] UGI Gas's fiscal year runs October 1st to September 30th.
[2] *See Pa. PUC v. UGI Utilities, Inc.*, Docket No. R-2018-3006814 (Order entered Oct. 4, 2019) ("*2019 Rate Case Order*"). The current EE&C Plan is referred to as the Consolidated EE&C Plan or Phase I EE&C Plan.
[3] *See Energy Efficiency and Conservation Program*, Docket No. M-2020-3015228 (Order entered June 18, 2020) ("*Phase IV Implementation Order*"), *clarified*, Docket No. M-2020-3015228 (Order entered March 12, 2020).
[4] All dollars are nominal unless otherwise noted.

The four energy efficiency programs are projected to cost $67.8 million, save 1,~~486~~478 BBtus of natural gas during the first five years of the Plan, and save 29,~~885~~819 BBtus of natural gas over the lifetime of the measures installed. From a total resource perspective, the four energy efficiency programs' present value of benefits is $~~155.8~~158 million, with $96.6 million in present value of costs, leading to a present value of net benefits of $~~59.2~~61.4 million and a TRC BCR of 1.~~61~~64. Furthermore, the four energy efficiency programs are expected to save ~~339,662~~351,569 MWh of electricity, ~~48.9~~36.3 million gallons of water, create between ~~897~~895 and 1,~~793~~789 jobs, and avoid the emission of CO_2 equivalent to over 34,~~060~~163[5] cars being removed from the road.

UGI Gas is also proposing the investment of $1.68 million in a CHP program over five years. This program would provide net energy savings to customers over the five years of the Plan of 327 BBtus, and 6,538 BBtus over the lifetime of the CHP projects installed. The CHP program is projected to provide present value of net benefits of $8.6 million from a total resource perspective, with a TRC BCR of 1.38.

1.2 Natural Gas and Energy Efficiency

Natural gas is an abundant resource and an important component of the Pennsylvania economy. The Appalachian Basin, which includes the Marcellus and Utica shale formations, is the largest natural gas-producing region in the United States, constituting nearly one-third of total U.S. production in 2022.[6] More than 90% of the natural gas UGI Gas delivers to its customers comes from the Marcellus Shale. UGI Gas's customers receive reliable, locally sourced gas that provides economic benefits to both UGI Gas's customers, in the form of lower natural gas supply costs, and the Commonwealth of Pennsylvania.

Natural gas also has many important advantages as an end-use fuel source. When compared to the use of electricity generated from natural gas or most other

[5] United States EPA greenhouse gases equivalences calculator
[6] https://www.eia.gov/todayinenergy/detail.php?id=57080

fuels, the direct end-use of natural gas is more efficient and environmentally preferable. Natural gas has a source-to-site efficiency of 92%, meaning the vast majority of the energy from natural gas is associated with on-site consumption. Electricity on the other hand, has system losses totaling 65%, meaning that only one third of generated electric energy is used at the site.[7]

As natural gas has continued to grow in importance as a fuel source, natural gas energy efficiency programs have also shown steady growth. According to the American Gas Association ("AGA"), natural gas utilities spent approximately $1.6 billion on energy efficiency programs in 2020, representing a 391% increase compared to 2007, as shown in Figure 1. Spending even stayed consistent from 2019 through 2020 with the myriad of uncertainty and challenges presented by the COVID Pandemic.[8] A 2020 AGA report also estimates that natural gas utility energy efficiency programs saved 259 trillion ~~Btus~~Btu of energy and offset 13.7 million metric tons of carbon dioxide emissions from 2012 through 2018[9].

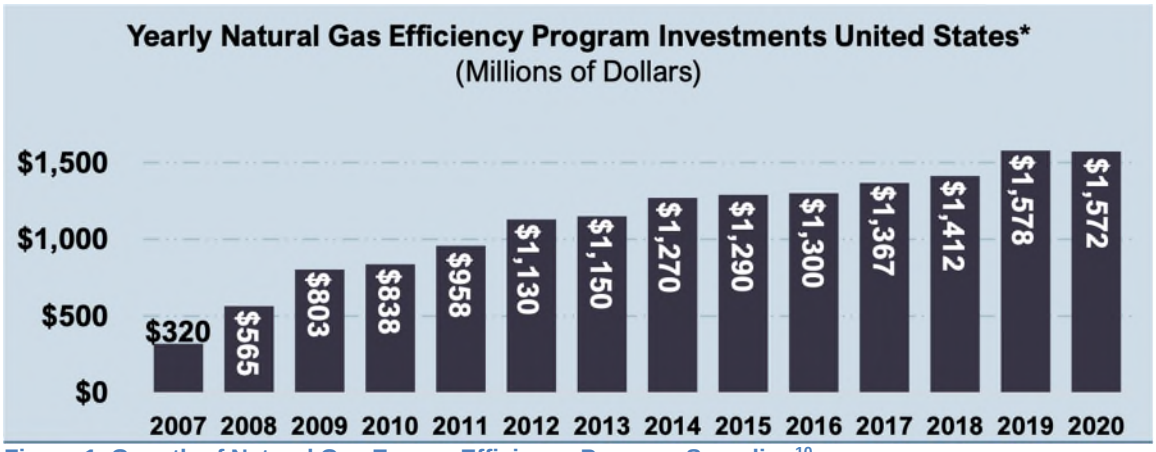

Figure 1. Growth of Natural Gas Energy Efficiency Program Spending[10]

The 2022 American Council for an Energy Efficient Economy ("ACEEE") State Energy Scorecard shows that budgets for natural gas energy-efficiency programs

[7] https://www.eia.gov/energyexplained/us-energy-facts/images/consumption-by-source-and-sector.pdf
[8] American Gas Association, Natural Gas Efficiency Programs Report, 2020 Program Year, Miles Vondra, Morgan Hoy
[9] https://www.aga.org/wp-content/uploads/2022/02/aga-net-zero-emissions-opportunities-for-gas-utilities.pdf
[10] https://www.aga.org/research/reports/natural-gas-efficiency-programs-2016-program-year/ .

have grown to $1.7 billion nationally.[11] Within Pennsylvania, a number of gas utilities have undertaken voluntary energy efficiency programs, including the third phase of Philadelphia Gas ~~Works'~~Works ("PGW") natural gas efficiency portfolio and the first phase of Columbia Gas of Pennsylvania, Inc.'s ("Columbia") WARM wise natural gas energy efficiency rebate program.

As the energy market is becoming increasingly customer driven, utilities around the country are recognizing the opportunity to drive economic growth and an efficient economy by sponsoring energy efficiency and conservation programs. For natural gas utilities, the opportunity to invest in helping customers save money, increase comfort, and reduce the impact they have on the environment is now a crucial component of joining the next generation of energy utilities and benefiting the communities that they serve.

1.3 Goals

UGI Gas has the following core goals:

- Help its customers save energy cost-effectively through a holistic approach to energy efficiency and conservation;
- Avoid lost opportunities and provide deep levels of savings;
- Provide a wide range of services for its diverse customer base; and
- Contribute to the economic welfare of its customers and Pennsylvania.

To reach these goals, UGI Gas will utilize four energy efficiency programs and ~~one~~a CHP program. For its energy efficiency programs, UGI Gas plans to invest approximately $67.8 million over five years with the goal of returning $~~59.2~~61.4 million dollars in present value of total resource net benefits. As a secondary goal for efficiency programs, UGI Gas expects to save customers 29,~~885~~819 BBtus of natural gas and 2 million tons of CO_2 emissions over the lifetime of installed measures during the five-year portfolio.

[11] ACEEE (American Council for an Energy-Efficient Economy), *The 2022 State Energy Efficiency Scorecard*, Weston Berg, et al, December 2022, p. 40.

For the CHP program, UGI Gas plans to invest approximately $1.68 million over five years with the goal of returning $8.6 million dollars in present value of total resource net benefits.

1.4 Plan Development

The UGI Gas Phase II EE&C Plan was developed based on the following principles:

1. Maintain continuity with the current UGI Gas EE&C Plan while leveraging experience gained from the past six years of EE&C Program activity to improve program design and projections.
2. Include new cost-effective measures to the suite of rebate offerings to provide more energy saving opportunities to UGI Gas's customers.
3. Expand existing programs based on market demand to reduce natural gas consumption and energy bills, improving the overall financial well-being of UGI Gas's customers.

UGI Gas's market information was gathered and characterized, including avoided costs for natural gas and electricity, demographic, building stock, and equipment market characteristics. These were combined with the measure and project characterizations from the UGI Gas EE&C Portfolio for cost-effectiveness screening using the TRC Test. The cost-effective measures and projects were then used to calculate achievable savings and participation levels based on experience with the prior EE&C Program activity. The achievable scenario was adjusted to allow for program ramp up, and budget constraints to come up with a final portfolio.

The proposed programs are based on the Company's Phase I EE&C Plan, with some updates based on lessons learned from previous program experience. Updated program offerings include the combination of the Nonresidential Prescriptive Program and the Nonresidential Custom Program into a single Nonresidential program with two unique pathways. The modifications to the

current program offerings are outlined in the following table showing the proposed programs.

Table 1. Proposed Programs

Proposed Program	Existing Program	Disposition	Modifications
	Residential Programs		
Residential Prescriptive (RP)	Residential Prescriptive (RP)	Modified	Updated Projections and Incentives, Added Measures
Residential New Construction (RNC)	Residential New Construction (RNC)	Continued	Updated Projections and Baseline
Residential Retrofit (RR)	Residential Retrofit (RR)	Continued	Updated Projections
	Nonresidential Programs		
Nonresidential (NR)	Nonresidential Prescriptive (NR) and Nonresidential Custom (NC)	Merged and Modified	Merged Prescriptive and Custom into single program with two pathways, Added Measures

1.4.1 Settlement Provisions from Previous Proceedings

The following settlement items from previous proceedings were adhered to in the development of the Phase II EE&C Plan:

- UGI Gas will establish four EE&C rate classes: (1) R/RT; (2) N/NT; (3) DS; and (4) LFD. Each rate class will only have costs allocated to it for the programs for which that rate class is eligible.
- All appliances and equipment qualifying for rebates or incentives under the Phase II EE&C Plan must meet or exceed U.S. Department of Energy "EnergyStar" Minimum Standards to the extent such standards exist.
- UGI Gas will submit an annual report in January, approximately three months after the end of a program year. UGI Gas shall also hold an annual stakeholder meeting (Parties to this proceeding and other entities that

express interest) to review and discuss the EE&C Plan's progress, as well as receive input from stakeholders on potential modifications to the EE&C Plan, if any. Each annual stakeholder meeting shall be held: (1) at a time and place chosen by UGI Gas; and (2) within three months after UGI Gas submits its EE&C Plan annual report to the Commission. UGI Gas will provide a copy of its annual EE&C Plan report to the stakeholders at the time it is submitted to the Commission and will review and discuss the report at the stakeholder meeting.

- UGI Gas will continue to develop targeted marketing materials for existing residential multi-family customers and new multi-family residential construction, including master-metered multifamily residences, with such materials focusing on targeting of property management companies and landlords. The materials will be applicable to both residential and commercial class multifamily structures.
- UGI Gas will continue to refer potentially eligible customers to its Low-Income Usage Reduction Program ("LIURP") and will include LIURP messaging on applications and marketing materials, including a direct phone number to contact UGI Gas to pursue enrollment if the customer believes that they may qualify.
- UGI Gas will, over the five-year term of the EE&C Plan, limit recoverable utility costs (including incentives, program administration, marketing, inspections, and evaluation but excluding portfolio wide costs) for the Nonresidential Program to 55 percent of the overall aggregated TRC costs for the Nonresidential Program. Grant funding will be considered a source of participant funding. To the extent that UGI Gas deems that utility contributions in excess of 55 percent of overall program costs are required to achieve UGI Gas's desired participation levels, UGI Gas may voluntarily make the necessary contributions without EE&C cost recovery.
- EE&C program budgets will be restricted so that program funds cannot be moved between residential and nonresidential rate classes without Commission approval. Budget flexibility with a rate class's portfolio will be

limited to twenty-five (25) percent of a program's five-year total budget. The Company will petition the Commission for approval of changes of twenty-five (25) percent or more of a five-year total program budget within a rate class.

- EE&C Plan evaluation costs will be allocated amongst all rate classes for ratemaking recovery as they are incurred.
- The Company will not seek to recover in rates EE&C Plan administrative costs in excess of the projections included in this filing.
- ~~Starting with the effective date of new rates established in this proceeding, customers who contact the UGI LIURP Team and who are determined by the UGI LIURP Team to have income at or below two hundred (200) percent of Federal Poverty Level, but who do not meet LIURP high energy usage thresholds, or who request direct install measures not offered by LIURP but offered by the EE&C Residential Retrofit ("RR") Program, will be referred to the RR Program to receive a fee waived assessment. The RR assessment fee waiver, including all direct install measures implemented under a fee-waived assessment, will be capped at $250,000 annually. The $250,000 is not incremental of the RR Program budget. Direct install measures shall include, but not be limited to, smart thermostats, low flow devices, and water heater tank temperature setback.~~

Overall, spending was still restricted by a ceiling of 2% of revenue (approximately $16.6 million per year), which is in-line with Act 129 EE&C Plan spending limits, and the overall portfolio has a TRC BCR greater than 1.0.

1.4.2 Compliance Plan Updates

The following modifications to the EE&C Plan were approved as part of the Phase II Gas EE&C Plan Settlement:

- For customers with income at or below 200% FPL who do not meet the LIURP minimum usage threshold and are UGI Gas heating customers ("Qualifying Customers"), UGI Gas will conduct a low-income EE&C Pilot program ("Pilot"). UGI Gas will conduct a Pilot within its Phase II EE&C Plan that will end on September 30, 2030, incorporating the following provisions for Qualifying Customers up to 200% FPL:

- The Company will perform targeted outreach/marketing to Qualifying Customers.
- For Qualifying Customers who respond to the targeted outreach/marketing identified in subpart a of this section, the Company will refer those Qualifying Customers to the Residential Retrofit ("RR") program. At the time of referral, the Company will inform Qualifying Customers that:
  - They are eligible under the RR program – at no expense to the customer – for a home energy assessment; and
  - If an RR program assessment occurs and if recommended by the assessment, the Qualifying Customers will be eligible for air sealing and/or insulation measures only – at no expense to the Qualifying Customers, up to $5,000. Any assessment measure costs over the $5,000 job cap will be the customer's responsibility.
- For consenting Qualifying Customers, waive the fee for energy assessment.
- For consenting Qualifying Customers, the Company will cover the direct installation costs of air sealing and/or insulation up to a maximum of $5,000 per job, if recommended as part of the free energy assessment and if the customer agrees. These measures will be directly installed within a reasonable time after the conclusion of the energy assessment.
- For consenting Qualifying Customers who undergo an energy assessment where insulation and air sealing measures are not performed following the result of the free energy assessment, (1) UGI Gas's Contractors will offer a free energy savings kit during the assessment on a leave-behind basis; (2) UGI Gas's Contractors will leave behind the energy savings kit upon customer acceptance;[12] and (3) the consenting Qualifying Customer will be responsible for installing the kit measures.[13]
- The Company will budget $250,000 annually to cover the costs of the provisions set forth in the preceding bullets (i.e., targeted outreach/marketing, RR program referrals, fee waivers of energy assessments, energy efficiency kits and direct installation of energy efficiency measures for air sealing and/or insulation at a per job cap of $5,000). The $250,000 budget is a part of and not incremental to the RR program budget.

[12] Kits will not be provided to customers who decline the offer.
[13] UGI Gas's Contractors will not be responsible for the direct installation of the kit measures.

- Participation in the Pilot program will not prevent participants from accessing the RP program.
- The Company will report progress on spending in its annual EE&C report, including: (1) the number of customers receiving air sealing and/or insulation; and (2) the cost per job.

In addition to the modifications set forth above, updates to the RNC program have been made to reflect changes to the Pennsylvania Building Code. Starting in FY 2028, UGI Gas will begin using the IECC 2021 as adopted in Pennsylvania as the code baseline to calculate savings over code.

1.5 Total Plan's Costs

The following table provides an overview of the spending by year and program for the total EE&C Plan. The maximum spend in a year is approximately $15 million in FY 2030, which is approximately 1.8% of UGI Gas's FY 2019 actual revenues. This level is well under the 2% cap that Act 129 imposes on electric EE&C Plans in Pennsylvania.[14]

Table 2. Projected Spending for EE&C Plan by Program

Program	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY '26-'30
EE&C Total	**$12,659,163 13,082,867**	**$ 13,348,2967 99,800**	**$ 13,958,5277 22,828**	**$ 14,493,5461 85,060**	**$ 14,992,4186 61,395**	**$ $ 69,451,9509 49**
Residential Prescriptive (RP)	6,177,800	6,667,100	6,895,900	7,127,200	7,342,000	34,210,000
Residential New Construction (RNC)	2,165,24350 0,918	2,165,24356 8,458	2,330,55807 8,885	2,395,88814 8,621	2,508,20326 8,253	11,565,135
Residential Retrofit (RR)	760,561 848,590	871,598 919,887	833,655849, 629	980,267 919,047	942,323851, 249	4,388,403
Nonresidential (NR)	2,320,559	2,409,355	2,638,414	2,730,192	2,914,892	13,013,412
Portfolio-wide Costs	900,000	900,000	925,000	925,000	950,000	4,600,000
EE Total	12,324,1637 47,867	13,013,2964 64,800	13,623,5273 87,828	14,158,5461 3,850,060	14,657,4183 26,395	67,776,95099 49
CHP Program	335,000	335,000	335,000	335,000	335,000	1,675,000

[14] *See* 66 Pa.C.S. § 2806.1(g) (limiting the total cost of an electric distribution company's ("EDC") EE&C Plan to 2% of the EDC's total annual revenue as of December 31, 2006).

1.6 Energy Efficiency Programs' Costs and Benefits

1.6.1 Energy Efficiency Programs' Costs

The following table provides an overview of the spending by year and by sector on the EE programs. The EE programs will cost approximately $13.6 million per year over the five-year life of the EE&C Plan.

Table 3. Projected Energy Efficiency Portfolio Budgets by Sector

Sector	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY '26- '30
Nominal	**$12,~~324,163~~74 7,867**	**$13,~~013,296~~ 464,800**	**$13,~~623,527~~38 7,828**	**$~~14,158,546~~1 3,850,060**	**$14,~~657,418~~ 326,395**	**$67,776,~~950~~949**
Residential	$~~9,855,789~~10,2 84,666	$10,~~452,764~~ 910,377	$10,~~825,202~~58 5,820	$~~11,262,315~~1 0,949,039	$11,~~571,091~~ 234,931	$ 53,~~967,161~~964,8 34
Nonresidential	$ 2,~~468,373~~463,2 01	$ 2,~~560,532~~55 4,422	$ 2,~~798,325~~802,0 08	$ 2,~~896,231~~901 ,021	$ 3,~~086,328~~09 1,463	$ 13,~~809,789~~812,1 15

The following table shows the projected EE budgets by program.

Table 4. Projected Energy Efficiency Portfolio Budgets by Program

Program	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY'26-'30
EE Total	**$ 12,~~324,163~~ 747,867**	**$ 13,~~013,296~~ 464,800**	**$ 13,~~623,527~~ 387,828**	**~~14,158,546~~ $ 13,850,060**	**$ 14,~~657,418~~ 326,395**	**$ 67,776,~~950~~ 949**
Residential Prescriptive (RP)	6,177,800	6,667,100	6,895,900	7,127,200	7,342,000	34,210,000
Residential New Construction (RNC)	2,~~165,243~~5 00,918	2,~~165,243~~5 68,458	2,~~330,558~~0 78,885	2,~~395,888~~1 48,621	2,~~508,203~~2 68,253	11,565,135
Residential Retrofit (RR)	~~760,561~~ 848,590	~~871,598~~ 919,887	~~833,655~~849 ,629	~~980,267~~ 919,047	~~942,323~~851 ,249	4,388,403
Nonresidential (NR)	2,320,559	2,409,355	2,638,414	2,730,192	2,914,892	13,013,412
Portfolio-wide Costs	900,000	900,000	925,000	925,000	950,000	4,600,000

The portfolio-wide cost lines from the previous table are costs that apply to all programs in the EE portfolio. They are costs incurred at the portfolio level for program development, design, tracking, reporting, and administrative overhead. In the final year, the portfolio-wide costs represent 6.~~5~~6% of the portfolio total cost, and, over the five-year period, they represent 6.8% of the portfolio's costs. The following table provides a portfolio-level look at costs by category.

Table 5. Projected Energy Efficiency Portfolio Budgets by Category

Category	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY '26-'30
EE Total	**$ $ 12,324,163747,867**	**$ $ 13,013,296464,800**	**$ $ 13,623,527387,828**	**$14,158,546 $ 13,850,060**	**$ $ 14,657,418326,395**	**$ $ 67,776,950949**
Customer Incentives	$8,924,320 $9,247,931	$9,505,657906,022	$10,019,193 $9,793,613	$10,478,217184,431	$10,945,782 627,417	$49,873,168759,415
Administration	2,821,843907,319	2,786,639892,864	2,857,334852,559	2,907,330900,555	2,974,636971,061	14,347,782524,358
Marketing	402,000 407,617	415,000414,914	425,000 423,656	436,000 434,074	446,000 441,916	2,124,000122,177
Inspections	176185,000	186131,000	197193,000	207201,000	216211,000	982921,000
Evaluation	-	120,000	125,000	130,000	75,000	450,000

1.6.2 Natural Gas Savings

The following tables provide projected natural gas savings by program and sector for the energy efficiency programs in the EE&C Portfolio.

Table 6. Projected First Year Gas Savings by Program (MMBtus)

Program	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY '26-'30
Portfolio Total	**263,891269,502**	**282,311290,017**	**297,544291,215**	**314,163307,029**	**327,735320,494**	**1,485,645478,256**
Residential Prescriptive (RP)	142,097	152,313	157,852	162,300	168,495	783,058
Residential New Construction (RNC)	40,27247,485	40,27250,290	42,63538,976	45,02841,584	47,39144,161	215,598 222,496
Residential Retrofit (RR)	4,6663,063	5,4203,108	5,7793,108	6,8003,108	7,1583,147	29,822 15,535
Nonresidential (NR)	76,856	84,305	91,278	100,036	104,692	457,167

Table 7. Projected Lifetime Gas Savings by Program (MMBtus)

Program	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY '26-'30
Portfolio Total	5,321,247467,134	5,679,025874,687	5,988,103862,717	6,313,573173,142	6,582,805441,610	29,884,754819,289
Residential Prescriptive (RP)	2,663,922	2,853,519	2,954,238	3,027,560	3,138,629	14,637,868
Residential New Construction (RNC)	926,2591,092,158	926,2591,156,666	980,6108 96,448	1,035,637 956,440	1,089,988 015,707	4,958,753 5,117,418
Residential Retrofit (RR)	89,27469,262	105,20370,458	111,68370,458	131,69270,458	138,17271,257	576,023 351,894
Nonresidential (NR)	1,641,793	1,794,044	1,941,573	2,118,684	2,216,016	9,712,110

Table 8. Projected Gas Savings by Sector (MMBtus)

Sector	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY '26-'30
First Year Gas Savings	263,891269,502	282,311290,017	297,544291,215	314,163307,029	327,735320,494	**1,485,645478,256**
Residential	187,035192,646	198,006205,711	206,266199,936	214,128206,993	223,043215,803	1,028,478021,089
Nonresidential	76,856	84,305	91,278	100,036	104,692	457,167
Lifetime Gas Savings	5,321,247467,134	5,679,02858 74,687	5,988,10388 62,717	6,313,57311 73,142	6,582,80541 ,610	**29,884,754819,289**
Residential	3,679,455825,341	3,884,9814,080,643	4,046,5303,921,143	4,194,889054,458	4,366,789225,593	20,172,644107,179
Nonresidential	1,641,793	1,794,044	1,941,573	2,118,684	2,216,016	9,712,110

1.6.3 Electric Savings

The following table shows electric savings for measures installed under the energy efficiency programs in the EE&C Portfolio. The electric savings are secondary savings from measures that primarily save natural gas, such as air-conditioning savings from increased levels of insulation and smart thermostat installations.

Table 9. Projected Electric Savings by Sector

Sector	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY '26-'30
First Year Energy (MWh)	3,075460	3,154677	3,337189	3,542398	3,722590	16,830 17,314
Residential	2,7863,171	2,8423,365	3,0042,855	3,186042	3,347216	15,165649
Nonresidential	289	311	333	356	375	1,665
Lifetime Energy (MWh)	62,36071,342	63,55175,728	67,30464,042	71,39068,247	75,05672,210	339,662351,569
Residential	56,07965,061	56,78868,965	60,06156,798	63,66160,519	66,93464,088	303,523315,430
Nonresidential	6,281	6,763	7,243	7,728	8,123	**36,138**
Summer Peak (kW)	9861,195	9951,265	1,053168	1,116244	1,174320	5,3256,192
Residential	9501,159	9561,226	1,011126	1,072199	1,127273	5,115982
Nonresidential	36	39	42	45	47	210

1.6.4 Water Savings

This section contains ancillary water savings from gas efficiency measures that also save water, such as low-flow faucet aerators and showerheads.

Table 10. Projected Water Savings by Sector (Million Gallons)

Sector	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY '26-'30
First Year Water Savings	**0.7151**	**0.7452**	**0.7853**	**0.8653**	**0.9054**	**4.012.63**
Residential	0.3717	0.3917	0.4317	0.5117	0.5418	**2.240.87**
Nonresidential	0.34	0.35	0.35	0.36	0.36	**1.76**
Lifetime Water Savings	**8.817.02**	**97**.15	**9.617.27**	**10.417.39**	**10.847.50**	**48.82** 36.34
Residential	3.391.61	31.62	3.961.62	4.641.62	4.981.63	**20.59** 8.10
Nonresidential	5.41	5.53	5.65	5.77	5.87	28.23

1.6.5 Emission Reductions

This section contains projections for CO_2 emission reductions due to the energy efficiency programs. The total savings of 2 million tons of CO_2 is equivalent to removing 34,060 cars off the road each year. The following table breaks out the emission reductions due to gas savings and electric savings. While the emissions reductions are projected below, the main TRC test for the portfolio does not include any value for these emissions reductions.

Table 11. Projected CO_2 Emission Reductions by Energy Source (Short Tons)

Sector	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY '26-'30
First Year Reductions	**18,016667**	**19,16020,049**	**20,20519,710**	**21,34820,810**	**22,29321,760**	**101,022100,996**
From Gas Savings	15,438766	16,515966	17,406036	18,37917,961	19,17218,749	**86,910478**
From Electric Savings	2,579901	2,6443,083	2,798674	2,970849	3,121011	**14,112518**
Lifetime Reductions	**363,582379,647**	**385,511407,167**	**406,738396,668**	**429,204418,354**	**448,029437,382**	**2,033,06503 9,219**
From Gas Savings	311,293319,827	332,223343,669	350,304342,969	369,344361,129	385,094376,834	**1,748,25874 4,428**
From Electric Savings	52,28959,820	53,28863,498	56,43453,699	59,86057,225	62,93560,548	**284,806294,790**

1.6.6 Job Creation

UGI Gas estimates that its gas energy efficiency programs portfolio will generate between 897895 and 1,793789 net additional jobs over the lifetime of the

efficiency measures installed over the next five-years. This range is based on assuming that each TBtu of gas savings creates between 30 and 60 full-time equivalent jobs in Pennsylvania.

Investing in cost-effective energy efficiency creates jobs in two ways, one direct and the other indirect, as discussed in a 2012 white paper from the ACEEE.[15] Direct job creation results from hiring related to implementing the programs. Indirect job creation results from the substitution of capital spent on natural gas with capital spent in the local economy. Additional jobs are created by the indirect or income effect from cost-effective energy efficiency investment. Further, the net economic benefits from efficiency investment reduce household and business gas bills and raise household disposable incomes and business profitability. Customers will tend to spend most of this additional money and save the rest. This additional spending creates a "multiplier" effect through the cycle of re-spending of the initial cost savings, which stimulates aggregate demand for goods and services. Satisfying increased demand for goods and services requires more labor. While some of the jobs created leak into the broader U.S. and global economy, a good portion (possibly higher than 80%) of jobs created due to energy efficiency stay within the Commonwealth. The approach of looking at net job creation through both direct means and with economic multiplier effects is endorsed in the 2012 white paper from ACEEE.[16]

The number of jobs created from investments in energy efficiency directly relates to the total resource value of the energy that these measures save. Studies of employment impacts of Demand Side Management ("DSM") use energy savings as a surrogate for total resource value. A meta-study of U.S. data found that estimates for the number of jobs created had a wide range, but that most studies estimate that between 30 and 60 net jobs are created by saving one TBtu.[17] In

[15] "Energy Efficiency Job Creation: Real World Experiences" Bell, Casey J. American Council for an Energy-Efficiency Economy. October 2012.
[16] Energy Efficiency Job Creation: Real World Experiences" Bell, Casey J. American Council for an Energy-Efficiency Economy. October 2012.
[17] Laitner, Skip, and Vanessa McKinney. June 2008. *Positive Returns: State Energy Efficiency Analyses Can Inform U.S. Energy Policy Assessments*. Washington, D.C.: American Council for an Energy Efficiency Economy.

New York, New Jersey, and Pennsylvania, the ACEEE projected that 164,320 jobs, or 59 for every TBtu saved, could be attributed to EE in 1997 through 2010.[18]

1.7 CHP Program's Costs and Benefits

The following table provides the annual projected budgets for the CHP Program in nominal dollars.

Table 12. Projected CHP Program's Budgets

Spending	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY '26-'30
Nominal	$335,000	$335,000	$335,000	$335,000	$335,000	**$1,675,000**

The following table provides the net primary energy savings installed annually for the CHP Program.

Table 13. Projected Net Primary Energy Savings from CHP (MMBtus) - Cumulative Annual

Savings	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
First Year	**65,382**	**130,764**	**196,147**	**261,529**	**326,911**
Lifetime	**1,307,643**	**2,615,287**	**3,922,930**	**5,230,573**	**6,538,217**

The following table provides the net CO_2 emission reductions due to the CHP Program. Over the five years of the program, it is anticipated to generate more than 33,000 tons of avoided carbon emissions. Over the lifetime of the program, that number grows to more than 676,000 tons of avoided emissions.

Table 14. Net CO_2 Emission Reductions due to CHP (Short Tons)

Savings	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
First Year	**6,766**	**13,532**	**20,298**	**27,065**	**33,831**
Lifetime	**135,323**	**270,645**	**405,968**	**541,290**	**676,613**

[18] Nadel, Steven, Skip Laitner, Marshall Goldberg, Neal Elliott, John DeCicco, Howard Geller, and Robert Mowris. 1997. *Energy Efficiency and Economic Development in New York, New Jersey, and Pennsylvania. Washington, D.C.*: American Council for an Energy Efficiency Economy.

1.8 Cost-Effectiveness Analysis

The Company's cost-effectiveness methodology is described in detail in this section of its Plan. The following table provides cost-effectiveness projections for the EE&C Portfolio using the TRC Test, which is the primary metric by which UGI Gas evaluates the EE&C Plan.

Table 15. TRC Cost-effectiveness Summary of EE&C Portfolio (2024$)

Program	Total Resource PV Benefits	Total Resource PV Costs	Total Resource PV Net Benefits	Total Resource BCR
EE&C Total	~~**187,062,294**~~$189,265,482	$119,~~**309,881**~~311,789	~~**67,752,413**~~ $69,953,693	1.~~**57**~~59
Residential Prescriptive (RP)	74,045,850	46,868,197	27,177,653	1.58
Residential New Construction (RNC)	~~44,157,230~~47,847,114	~~12,559,344~~13,406,651	~~31,597,886~~34,440,463	3.~~52~~57
Residential Retrofit (RR)	~~3,699,060~~2,212,364	~~5,513,278~~4,667,879	~~(1,814,217~~(2,455,515)	0.~~67~~47
Nonresidential (NR)	33,932,197	27,866,711	6,065,486	1.22
Portfolio-wide Costs	-	3,835,802	(3,835,802)	-
EE Total	~~**155,834,338**~~158,037,526	96,~~**643,333**~~645,241	~~**59,191,005**~~61,392,285	1.~~**61**~~64
CHP Program	31,227,956	22,666,549	8,561,408	1.38

1.8.1 Cost-Effectiveness Analysis Methodology

The cost-effectiveness results reported in the Plan followed standard industry practices for utilizing the TRC Test for cost-effectiveness. The TRC Test methodology used is the same as that used by the Company in its current EE&C ~~Plan~~Plans. To calculate benefits, projected natural gas, electricity, and water savings are multiplied by avoided costs, and this stream of future values is discounted to the present. For measures that have an increase in resource usage, such as CHP projects, the increase in usage may offset some, or all, of the positive benefit derived from resource savings. The cost side of the test consists of the present value of all incremental costs incurred by participants, including net operation and maintenance costs, and the non-incentive costs incurred by the portfolio administrator. If the benefits outweigh the costs (the benefit-cost ratio is

above one), then the total cost of energy services for an average customer within the territory will fall, and the portfolio is considered cost-effective.

The analysis used the same discount rate as the Act 129 electric distribution companies ("EDCs") for the TRC test, including a nominal rate of 5% and an inflation rate of 2%.

1.8.2 Avoided Costs

UGI Gas developed avoided costs consistent with its Phase I EE&C Plan. The costs of baseload and peaking capacity were included (paralleling the inclusion of generation capacity in the electric avoided costs), along with avoidable local distribution costs.

The avoided commodity costs for baseload were computed as the cost of the projected Henry Hub price, minus a weighted average basis for delivery to TetCo M2, TCO Pool, Transco Leidy, and Tennessee Zone 4 Marcellus, using futures pricing from August 15, 2023. To this was added the weighted average capacity charge, commodity cost and gas retention rate for baseload supplies, using a representative marginal contract for each supply system (TETCo, Columbia, Transco and Tennessee), using annual deliveries to the various UGI Gas regions.

Futures prices were blended with 2023 Annual Energy Outlook ("AEO") values for 2030 through 2035, and the AEO projections were used thereafter.

The avoided costs for heating load were computed in the same manner as baseload, reflecting the different amount of heating load in each month, and a mix of baseload and storage resources, again weighted across the four pipelines serving UGI Gas. This was then combined with capacity costs for a liquefied natural gas peaking contract to cover the design-day load. The peaking capacity in annual dollars per Dth-day of capacity is multiplied by the ratio of the load-weighted design-day peak, equivalent to 69.9 HDD, divided over the annual heating load, which averages about 5,214 HDD.

Avoided transmission and distribution were updated to include the actual plant additions for reliability (Budget Group 12O), Station Equipment (09O) and the much smaller Miscellaneous Plant Equipment (01O) and Supply Equipment (13O) for 2017 through 2022 (restated in constant dollars), from the Annual Asset Optimization Plan ("AAOP") filings. All investments identified as replacement were excluded, along with all investments for new business, which are not in the AAOPs. The total investment was divided by an estimate of the associated design-day growth in that same period, from Section 14 of the §1307(f) filings. The result represents an estimate of the investment required to accommodate one Dth/day of design peak growth by the customers eligible for the efficiency programs.

The load growth estimate includes growth due to new business, even though new business investments are excluded from the computation. Thus, it will tend to be underestimated. Growth in 2019 was anomalously high, due to the addition of a large Rate XD customer, so the average growth in the other years was imputed.

Evaluation of some gas-efficiency programs and CHP also requires estimates of avoided electric costs. Electric avoided costs were taken directly from the analysis performed by the Statewide Evaluator ("SWE"). Specifically, to develop UGI Gas's avoided electric costs, the Company utilized a blend of 50% PPL Electric Utilities Corporation, 25% FirstEnergy – Penelec, and 25% FirstEnergy - MetEd, the major EDCs whose service territories overlap with UGI Gas's service territory, restated to constant 2023 dollars. Both the electric and gas avoided costs are also provided with the benefits of reduced supply prices and the internalized market price for carbon emissions included. A table showing the annual values for gas and electric avoided costs is included in Appendix 3.1.

1.9 Implementation

1.9.1 Program Staging

All programs are projected to be operating by October 1, 2025, given timely approval by the Commission, since all the programs exist, in some form or another,

as part of the Company's current Phase I EE&C Plan. However, programs may have some ramp up time due to program design changes.

1.9.2 Marketing

General Awareness and Branding

UGI Gas will leverage much of the Company's already established marketing infrastructure. This will create cost-effective and consistent messaging regarding UGI Gas's efficiency and conservation efforts. Marketing efforts may include, but not be limited to, www.ugi.com/savesmart, print, radio and digital advertisements, billboards, social media, bill inserts, and trade ally outreach. Once a customer reaches the website, the customer will be guided towards appropriate programs and incentives through targeted links. While the website will be a primary component of marketing the Plan, it will also be supplemented with additional marketing collateral such as flyers and application forms.

In addition, UGI Gas will promote how incentives may align and be eligible for additional savings through Inflation Reduction Act ("IRA") rebates. This may include, but not be limited to, URL links to aligned IRA incentives, guidance on the Company's website, and cross promotion of IRA Home Energy Performance-Based, Whole-House Rebates ("HOMES") and High-Efficiency Electric Home Rebate Act ("HEEHRA") program availability as part of supporting ~~the Pennsylvania Department of Environmental Protection's~~DEP's roll out of measures targeting residential customer equipment through inclusion in its EE&C marketing materials.

Multi-family Outreach

UGI Gas will market directly to residential multi-family customers and multi-family new construction, including master-metered multifamily residences. These efforts will focus on residents, landlords, and management companies, regardless of the rate class structure of the property.

Low-income Customers

Customers who contact UGI Gas or its Conservation Service Providers ("CSPs") with interest in participating in the EE&C Plan will be informed that they might qualify for LIURP if they are income qualified. Any interested customers will be referred to UGI Gas's LIURP.

Further, within 180 days of the Commission's approval of the Phase II EE&C Plan, UGI Gas will convene a meeting and invite representatives from EDCs with overlapping territory to discuss improved coordination with electric utilities' Act 129 programs and LIURP programs to install measures with long term bill savings.

Targeted Outreach and Partnerships

UGI Gas will continue to leverage and enhance partnerships with trade allies. These efforts are likely to be the best way to drive nonresidential participation. Successful activities involve all sectors within the community and may include as activities such as:

- Partnering with local businesses and trade organizations (builders, contractors, plumbers, HVAC service providers, equipment suppliers, etc.) to familiarize them with program opportunities, energy efficiency practices, and implementation requirements and to utilize them, where appropriate, as one of the program's service delivery channels.
- Targeting equipment manufacturers, distributors, installation contractors, and retailers/vendors to make sure they offer high-efficiency equipment and can make customers aware of available incentives.
- Connecting with local business organizations to provide opportunities to address their specific needs and translate them to their tenants, management, and facility operations personnel.
- Working with administrators of Act 129 EDCs' EE&C Plans to combine marketing and delivery options and address all aspects of efficiency at the same time.

In addition, once per year, UGI Gas will attend and present at a dedicated multifamily stakeholder meeting, to the extent such a meeting is scheduled and held by CAUSE-PA, where the meeting participants will discuss the extent to which they can provide UGI Gas with information that the Company can use to identify

any low-income multifamily efficiency project opportunities. If any such project opportunities are identified through this process, the Company will perform targeted EE&C outreach to those properties.

Moreover, although UGI Gas is permitted to continue including fuel switching, and offering rebates to all of its gas customers, in its Phase II Gas EE&C Plan, UGI Gas will continue to not specifically target electric to gas fuel switching as part of its EE&C program.

Marketing Plan

UGI Gas will establish a formalized marketing plan annually, as required by Paragraph 28 of the Commission-approved Phase II Gas EE&C Plan Settlement. The marketing plan will detail how the Company will achieve the projections in its Phase II EE&C Plan.

1.9.3 Administration

The table below describes the main roles in the management of the EE&C Plan.

Table ~~2.~~16. Overview of Administration Roles

Role	Description
Plan Administrator	Primarily responsible for program and portfolio planning, management and reporting. Supervises and manages all other roles.
Implementation and Design Consultants	Provide assistance in the design and implementation on multiple aspects of the portfolio, including, but not limited to, program design, reporting, marketing, and training. UGI Gas will leverage internal resources wherever possible to provide these services.
Implementation Contractor	Directly responsible for main aspects of program delivery, including, but not limited to, customer engagement and retention, technical assistance, measure installation, rebate processing, program tracking, and reporting.
Third-party Inspector	Responsible for measure and project inspections that are conducted separately from the implementation contractor.
Evaluator	Performs independent program and portfolio evaluations that are used to verify savings and guide future plans.

1.9.4 Reporting

UGI Gas will submit an annual report on the EE&C Plan each January, three months after the close of the program year. This report will provide information on activity for the previous year and progress towards five-year goals, including, but not limited to:

- First year and lifetime savings;
- Participation;
- Spending;
- Cost-effectiveness;
- Highlights of portfolio and program activity; and
- Updates to program delivery and design.

To tie savings and costs together as effectively as possible, results will be reported based on commitments made. UGI Gas will also report on any participation by buildings with more than one unit.

The annual report also will provide the following information, as required under Paragraphs 33, 34, 35(h)(i)-(ii), and 36(a) of the Phase II Gas EE&C Plan Settlement approved by the Commission:

- Program participation (unique customers and total number of rebates issued) under the Residential Prescriptive ("RP") Program by rate class (R/RT, N/NT);
- Program participation (unique customers and total number of rebates issued) under the Nonresidential ("NR") Program by rate class (N/NT, DS, LFD);
- The number of confirmed low income, inclusive of self-reported, customers up to 150% Federal Poverty Level ("FPL") participating in each of the RP and RR programs;
- The specific measures in aggregate accessed by confirmed low income, inclusive of self-reported, participants up to 150% FPL in the RP and RR programs;
- The total spending in aggregate on confirmed low income, inclusive of self-reported, participants up to 150% FPL in the RP and RR programs;
- The net energy savings in aggregate achieved by confirmed low income, inclusive of self-reported participants up to 150% FPL in the RP and RR programs;

- The number of EE&C referrals made to LIURP;
- The number of EE&C referrals that received LIURP services;
- Progress on spending, including: (1) the number of customers receiving air sealing and/or insulation; and (2) the cost per job; and
- The number of residential customers who converted their heating system from electric to gas and received an EE&C rebate during the Program Year.

1.9.5 Program Flexibility

To make sure that the EE&C Portfolio can address changing market conditions and improve service delivery as quickly as possible, UGI Gas requires flexibility in the allocation of budgets and implementation of program improvements. This plan document provides the principles and five-year goals that UGI Gas is seeking, but certain adjustments, such as providing incentives for new measures or moving budgets between years and programs, may be required to meet these goals. UGI Gas will include any such adjustments in its annual report but does not anticipate seeking initial approval for such updates. However~~, if necessary~~, UGI Gas will file an updated EE&C Plan in anticipation of material changes that may have a serious effect on five-year goals, such as:

- The addition or removal of a program;
- A need for total funding levels above those approved for the five-year period;
- The need to transfer funds between programs, but within the same sector (Residential or Commercial) more than 25% of a program's five-year total budget; and
- Significant changes to cost-effectiveness projections, such as an update to avoided costs or a large reduction in portfolio spending projections.

1.9.6 Technical Reference Manual

To accommodate the additional measures being added to the Plan, UGI Gas is submitting an updated Technical Reference Manual ("TRM") along with the proposed Phase II EE&C Plan. Any results from program evaluations that affect

deemed savings calculations will be added to the TRM and provided in subsequent annual report filings throughout the five-year Plan period.

1.9.7 Tracking System

UGI Gas will require CSPs to collect all relevant customer, application, measure, and contractor information and that this data is provided to UGI Gas in a timely fashion. UGI Gas will in turn maintain a program and portfolio-level aggregation of this information to be used for program management and assessment, as well as for annual reporting.

1.9.8 Third-party Inspections

Each program will have a third-party inspector, separate from the contractor that performed the work, who will solicit customer feedback and will examine whether the work was done properly and whether the installed measures match the application data. Inspections for large, complex, and custom projects will be mandatory. Inspection rates for prescriptive programs will be designed to gather a statistically significant sample of program activity. See individual program plans for additional details.

1.9.9 Evaluation, Measurement, and Verification

UGI Gas will monitor the ongoing progress of the EE&C Plan to provide the highest possible service to customers, while maintaining rigorous processes and controls to ensure that savings and costs are being properly accounted for. UGI Gas will closely track program data, perform independent inspections of completed projects, and perform periodic evaluations for all programs.

UGI Gas will evaluate each of its programs once adequate participation levels have been reached and after a full 12 months of post-participation billing data has been collected. The programs may be evaluated again after another two years have passed. As part of the initial program development, UGI Gas will work with the selected evaluator to establish the methodology and goals of the process evaluation. Initial objectives include:

- Verifying energy savings and associated costs;

- Assessing market attitudes towards the program, including contractors, customers, and efficient equipment suppliers; and
- Measuring the effectiveness of current program design, marketing, and service delivery.

The evaluation section of the individual program descriptions includes additional details on evaluation schedules and goals unique to that program.

UGI Gas will file and serve the Company's program evaluations to the parties at Docket No. M-2024-3048418.

2 Program Plans

2.1 Residential Prescriptive

<table>
<tr><td>Objective</td><td>The Residential Prescriptive (RP) program is designed to overcome market barriers to energy efficient space and water heating equipment in the residential and small commercial sectors through rebates and customer awareness. The program's objective is to avoid lost opportunities by encouraging consumers to install the most efficient ~~natural~~ gas heating technologies available when replacing older, less efficient equipment. The program also aims to strengthen UGI Gas's relationship with HVAC contractors, suppliers, and other trade allies.</td></tr>
<tr><td>Eligible Rate Class</td><td>R/RT, N/NT</td></tr>
<tr><td>Cost-Effectiveness</td><td>Five-Year Cost-Effectiveness Results (2024$)
<table>
<tr><th>CE Test</th><th>PV Benefits</th><th>PV Costs</th><th>PV Net</th><th>BCR</th></tr>
<tr><td>TRC Test</td><td>74,045,850</td><td>46,868,197</td><td>27,177,653</td><td>1.58</td></tr>
<tr><td>Gas Admin Test</td><td>72,780,132</td><td>28,450,312</td><td>44,329,821</td><td>2.56</td></tr>
</table></td></tr>
<tr><td>Savings Projections</td><td>Five-Year Savings Projections
<table>
<tr><th></th><th>FY 2026</th><th>FY 2027</th><th>FY 2028</th><th>FY 2029</th><th>FY 2030</th><th>FY ’26-‘30</th></tr>
<tr><td>Natural Gas (MMBtus)</td><td></td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td>First Year</td><td>142,097</td><td>152,313</td><td>157,852</td><td>162,300</td><td>168,495</td><td>783,058</td></tr>
<tr><td>Lifetime</td><td>2,663,922</td><td>2,853,519</td><td>2,954,238</td><td>3,027,560</td><td>3,138,629</td><td>14,637,868</td></tr>
<tr><td>Electric Energy (kWh)</td><td></td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td>First Year</td><td>660,000</td><td>708,000</td><td>744,000</td><td>792,000</td><td>828,000</td><td>3,732,000</td></tr>
</table></td></tr>
</table>

	Lifetime	7,260,000	7,788,000	8,184,000	8,712,000	9,108,000	**41,052,000**
	Peak (kW)	**-**	**-**	**-**	**-**	**-**	**-**
	Water (Gallons)						
	First Year	**-**	**-**	**-**	**-**	**-**	**-**
	Lifetime	**-**	**-**	**-**	**-**	**-**	**-**

Budget Projections

Five-Year Budgets (Nominal)

Category	**FY 2026**	**FY 2027**	**FY 2028**	**FY 2029**	**FY 2030**	**FY '26-'30**
Customer Incentives	$ 5,656,800	$ 6,069,100	$ 6,332,900	$ 6,486,200	$ 6,745,000	$ 31,290,000
Administration	252,000	262,000	268,000	275,000	281,000	1,338,000
Marketing	181,000	191,000	197,000	204,000	210,000	983,000
Inspections	88,000	95,000	98,000	102,000	106,000	489,000
Evaluation	-	50,000	-	60,000	-	110,000
Total	**$ 6,177,800**	**$ 6,667,100**	**$ 6,895,900**	**$ 7,127,200**	**$ 7,342,000**	**$ 34,210,000**

Participation Projections

Five-Year Participation Projections

Measure	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY '26-'30
Furnace - ENERGY STAR	4,600	4,900	4,900	5,000	5,100	**24,500**
Boiler - (94+ AFUE)	410	440	470	490	490	**2,300**
Combi Boiler - (94+ AFUE)	1,400	1,500	1,600	1,600	1,700	**7,800**
Smart Thermostat – ENERGY STAR	5,500	5,900	6,200	6,600	6,900	**31,100**
Tankless Water Heater - ENERGY STAR	1,130	1,210	1,280	1,360	1,360	**6,340**
Boiler Reset Control	50	130	170	260	330	**940**
Single Package Vertical Unit (SPVU)	50	50	100	100	150	**450**
Fireplace Insert	2	4	6	8	10	**30**
Total	**13,142**	**14,134**	**14,726**	**15,418**	**16,040**	**73,460**

Program Design

The RP program follows the same design as the current program of the same name. The same measures from the current program are also included with the same incentive levels. In addition, incentives for efficient natural gas fireplace inserts, boiler reset controls, and efficient single package vertical units ~~("~~(SPVUs~~")~~) are being offered. SPVUs are being offered to provide multi-family building owners and occupants with an efficient option for space heating where there are many barriers to installing efficient natural gas furnaces.

The RP program offers rebates for qualifying residential-sized space and water heating equipment. Customer rebates can be issued via mail or in the form of an instant rebate issued by qualified participating contractors or equipment distributors. ~~-~~Customers will be made aware of opportunities through traditional marketing efforts, such as bill inserts and media advertisements, as well as from installation contractors. ~~-~~For most measures, customers will have a contractor install the measure and

	receive a cash rebate to offset most of the incremental cost of the higher efficiency equipment. Smaller measures, such as Wi-Fi enabled thermostats, will only require a valid proof of purchase before a cash rebate is issued. UGI Gas will continue to examine other equipment for potential inclusion in the program, as well as the relative market adoption of equipment already receiving incentives. If program funds begin to run low each year, incentive levels may be lowered, or equipment removed from the program if additional budget adjustments cannot be made. UGI Gas will aim to provide as little interruption to customers as possible due to such adjustments.
Target Market and End Uses	The RP targets residential and small commercial consumers who use natural gas to heat their homes and/or generate hot water. In general, the program aims to incentivize only the highest levels of efficient equipment on the market. The minimum level of efficiency for measures offered through the RP program will be ENERGY STAR®, when available, and in some cases may exceed ENERGY STAR®. On the space heating side, the program provides incentives for ENERGY STAR® labeled smart thermostats, furnaces, high efficiency boilers, and combination boilers. ENERGY STAR® smart thermostats offer the potential for deeper savings than traditional programmable thermostats due to the wide range of features and feedback they offer. ENERGY STAR® requirements for furnaces drive customers toward the highest efficiency tier of condensing units (95+ AFUE) and require efficient fans that save electricity. The program would also require boilers to go towards the highest efficiency tier with an AFUE of at least 94. Offering incentives for combination space and water heating boilers

	addresses two types of end-use with one piece of equipment. These "combi boilers" also address issues with orphaned water heaters having existing atmospheric venting systems that are no longer adequate, when switching to condensing heating equipment. The program also addresses water heating savings by offering incentives for ENERGY STAR® tankless water heaters. Gas fireplace inserts have become increasingly popular in UGI's service territory. Because of this, UGI Gas is offering an incentive for customers to install a more efficient system. Incentives will be given to qualifying units achieving 70% efficiency or greater. The baseline efficiency for these fireplace inserts is 60%. UGI Gas will also offer incentives for boiler reset controls. These controls will be eligible on residential boilers that currently do not have a reset control that is controlling the feed water temperature based on the outdoor temperature. Finally, to better serve multi-family customers in UGI Gas's territory an incentive will be given for SPVUs. These units are the most popular space heating method in multi-family buildings. SPVUs do not have an ENERGY STAR® certification category, therefore, incentives will be given to qualifying units achieving 94% AFUE or greater. The baseline efficiency for SPVUs is 80%.

Financial Incentives

Incentives were designed to be in line with other offerings in the region and/or cover approximately half of the incremental cost of the measure. The table below lists the proposed incentive schedule.

Proposed Residential Prescriptive Program Rebates (Nominal)

Equipment	Minimum Efficiency	Initial Incentive	Maximum Incentive
Smart Thermostat	ENERGY STAR®	$50	$100
Furnace	ENERGY STAR®	$500	$500
Boiler	94+ AFUE	$1,200	$1,500
Combi Boiler	94+ AFUE	$1,500	$1,800
Tankless Water Heater	ENERGY STAR®	$400	$400
Boiler Reset Control	N/A	$300	$350
SPVU	94+ AFUE	$450	$500
Fireplace Insert	70+ FE	$150	$200

All equipment other than the Smart thermostat must be powered by natural gas.

Marketing Approach

The RP program will be a cornerstone of the two-pronged marketing approach for the portfolio. The program is expected to be a large portion of the general call-to-action on the residential side as well as a key part of trade ally outreach efforts. This will include placement on UGI's energy efficiency website, www.ugi.com/savesmart, as well as a general social media push. This program will also include more tailored messages for developers, owners, and managers of larger multi-family properties to make sure that high efficiency options are considered when bulk-purchasing decisions may be made.

Evaluation, Measurement, and Verification	Quality Assurance All applications will require proof of purchase and a valid UGI Gas account number. Rebates received as an instant rebate via a qualified participating contractor or equipment distributor will be accompanied by an invoice showing the point-of-sale discount passed on to the customer. The rebate processor will verify that the equipment is eligible for the rebate based on the model number before issuing any rebate. The program's rebate processor will maintain a real-time database of rebate activity, which will be periodically reviewed by UGI Gas and stored separately for long-term purposes. A third-party inspector will perform on-site inspections on approximately five percent (5%) of non-thermostat equipment rebates and approximately three percent (3%) of smart thermostat rebates in order to obtain a statistically significant sample of activity. The inspection will consist of verifying that the rebated equipment is installed and operational and conclude with a short informational interview with the participant. Evaluations A third-party vendor began evaluation activity on the existing UGI South and North programs at the end of FY 2018 and has continued through the existing consolidated programs. This vendor will continue to provide evaluation activity in conjunction with all applicable UGI Gas EE&C programs.
Program Administration	Rebate Processing

	The rebate processor will accept customer applications, track and verify application information, notify the customer of any issues, maintain a call center, and report results to UGI Gas. The rebate processor may also be responsible for other rebate programs in order to streamline portfolio management. UGI Gas plans to continue to utilize the existing rebate processor to help ensure a seamless transition and process for customers. Marketing and Outreach The UGI Gas marketing vendor and the UGI Gas internal team will handle marketing and outreach for the RP program. Inspector A separate contractor from the one installing any equipment will perform on-site inspections and collect customer feedback and is expected to be the same as that utilized by UGI Gas in order to standardize inspection workflows and data collection. Evaluator A third-party evaluator will be retained to perform regular evaluations approximately every two years.
Special Notes	In addition to offering cash rebates and instant rebates via a qualified participating contractor, customers will also have the option to purchase qualified smart thermostats via an online marketplace operated by the UGI Gas rebate processor. This website offers the most popular qualified smart thermostats, with the rebate being discounted from the purchase price instantly during checkout.

2.2 Residential New Construction

Objective

The Residential New Construction (RNC) ~~program~~Program is designed to overcome market barriers to energy efficient space and water heating equipment, as well as high efficiency thermal envelopes, in the residential new construction sector through rebates offered to builders and developers and through general potential buyer awareness. The program's objective is to avoid lost opportunities by encouraging builders and developers to install the most efficient ~~natural~~ gas heating technologies available instead of less efficient baseline equipment, as well as promote thermal envelope best practices. The program also aims to strengthen UGI Gas's relationship with builders, HVAC contractors, suppliers, and other trade allies.

Eligible Rate Class

R/RT

Cost-Effectiveness

Five-Year Cost-Effectiveness Results (2024$)

CE Test	PV Benefits	PV Costs	PV Net	BCR
TRC	~~44,157,230~~$ 47,847,114	~~12,559,344~~$ 13,406,651	~~31,597,886~~ $ 34,440,463	3.~~52~~57
PAC	~~24,494,425~~$ 25,420,468	$ 9,~~619,372~~693,216	~~14,875,053~~ $ 15,727,252	2.~~55~~62

Savings Projections

Five-Year Savings Projections

	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY '26-'30
Natural Gas (MMBtus)						
First Year	~~40,272~~47,485	~~40,272~~50,290	~~42,635~~38,976	~~45,028~~41,584	~~47,391~~44,161	~~**215,598**~~ 222,496

	Lifetime	926,259~~1,092,158~~	926,259~~1,156,666~~	980,610~~896,448~~	~~1,035,637~~ 956,440	1,~~089,988~~015,707	**~~4,958,753~~**5,117,418
	Electric Energy (kWh)						
	First Year	2,~~077,190~~475,193	2,~~077,190~~621,288	2,~~198,918~~075,081	2,~~322,269~~213,871	2,351,443~~,997~~	11,**~~119,564~~**736,865
	Lifetime	~~47,775,376.~~ 56,929,433	~~47,775,376.~~ 60,289,613	~~50,575,103~~ 47,726,857	~~53,412,193~~50,919,027	~~56,211,920.~~ 54,082,962	**~~255,749,966~~** 269,947,891
	Peak (kW)	~~926.3~~ 1,136.7	~~926.3~~ 1,203.6	~~980.~~41,103.2	1,~~035.~~4177.0	1,~~089.~~4250.1	**~~4,957.8~~**5,870.5
	Water (Gallons)						
	First Year	-	-	-	-	-	**-**
	Lifetime	-	-	-	-	-	**-**
Budget Projections	***Five-Year Budgets (Nominal)***						
	Category	**FY 2026**	**FY 2027**	**FY 2028**	**FY 2029**	**FY 2030**	**FY '26-'30**
	Customer Incentives	~~$~~ $ 1,~~486,243~~734,918	~~$~~ $ 1,~~486,243~~837,458	~~$~~ $ 1,~~573,558~~325,885	~~$~~ $ 1,~~661,888~~414,621	~~$~~ $ 1,~~749,203~~502,253	~~$~~$ 7,~~957~~815,135
	Administration	~~579~~$ 653,000	~~579~~$ 681,000	~~603~~$ 597,000	~~627~~$ 625,000	~~650~~$ 653,000	3,~~038~~209,000
	Marketing	$ 50,000	$ 50,000	$ 50,000	$ 50,000	$ 50,000	250,000
	Inspections	~~50~~$ 63,000	~~50,000~~ $ -	~~54~~$ 56,000	~~57~~$ 59,000	~~59~~$ 63,000	~~270~~ 241,000
	Evaluation	$ -	$ -	$ 50,000	$ -	$ -	50,000
	Total	**~~$~~ $ 2,~~165,243~~500,918**	**~~$~~ $ 2,~~165,243~~568,458**	**~~$~~ $ 2,~~330,558~~078,885**	**~~$~~ $ 2,~~395,888~~148,621**	**~~$~~ $ 2,~~508,203~~268,253**	**~~$~~$ 11,565,135**

Participation Projections	***Five-Year Participation Projections***

Project Type	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY '26-'30
HERS Track New Home (2021 Baseline)	~~1,079~~	~~1,079~~	1,~~142~~168	1,~~206~~246	1,~~269~~324	~~5,775~~3,738
ENERGY STAR New Home (2021 Baseline)			222	237	251	710
HERS Track New Home (2018 Baseline)	1,324	1,402				2,726
ENERGY STAR New Home (2018 Baseline)	251	~~251~~266	~~266~~	~~281~~	~~296~~	1,~~345~~517
Total	1,~~330~~575	1,~~330~~668	1,~~408~~390	1,~~487~~483	1,~~565~~575	7,~~120~~691

Program Design

Addressing efficiency when a building is being planned and built is the cheapest and longest lasting way to change energy consumption patterns. The RNC program offers incentives to builders and/or developers for going beyond building code to reduce natural gas consumption. UGI Gas will continue to use the current program administrator to review customer applications, assess the project plans, verify that each project meets program eligibility requirements, help the customer to achieve the highest feasible and cost-effective savings, and issue rebate payments.

Similar to the program design of the Act 129 EDCs, the program focuses on a whole home energy efficient building practice that is evaluated by the percentage of savings above a code-built home, as established through a Home Energy Rating System score ("HERS rating" or "HERS score"). The HERS rating will evaluate the savings above a baseline code construction home and will issue incentives based on the natural gas savings achieved. The RNC program encourages participants to go as deep as possible by addressing the space heating system, water heating system, and building envelope.

<table>
<tr><td>Target Market and End Uses</td><td>The RNC program targets all new residential construction projects (including “gut rehab”) contemplating use of natural gas to provide space and hot water heating. For the purposes of this program, gut rehabilitation is defined as a project where the interior space of the building exposes the studs or two or more of the mechanical systems are being replaced and are required to meet current energy code standards.

In general, the program aims to incentivize only the highest levels of efficient equipment and construction practices on the market. The RNC program takes a whole-building approach, acquiring savings from multiple measures compared to a baseline building that is designed to simply meet code. For single family and small multi-family buildings, measures might include thermal envelope insulation, air infiltration reduction, heating equipment, and water heating equipment and low-flow fixtures.</td></tr>
<tr><td>Financial Incentives</td><td>Residential builders and/or developers will receive a lump sum incentive for achieving the program required level of savings over code and/or a designated HERS rating score that will be designed to represent an average saving over code. An additional incentive category will be created to more deeply incentivize homes that achieve ENERGY ~~STAR®~~STAR certification in addition to the required level of savings over code and/or designated HERS score. The maximum incentive that UGI Gas will offer is $55/MMBtu. The following table provides an overview of proposed savings levels and associated incentives.

<table>
<tr><th>Code Baseline</th><th>Savings Over Code</th><th>Initial Base Incentive ($/MMBtu)</th><th>Initial Incentive ENERGY STAR® ($/MMBtu)</th><th>Incentive Cap/Home</th></tr>
</table>
</td></tr>
</table>

<table>
<tr><td></td><td>
<table>
<tr><td>2018 IECC (FY26-27)</td><td>15%</td><td>$35.00</td><td>$45.00</td><td>$1,750</td></tr>
<tr><td>2021 IECC (FY28-30)</td><td>15%</td><td>$35.00</td><td>$45.00</td><td>$1,750</td></tr>
</table>
</td></tr>
<tr><td>Marketing Approach</td><td>The RNC program will focus on tailored messages for developers, and builders (including ENERGY STAR® builders) to ensure that high efficiency options are considered when engaging in major rehab projects and new construction. UGI Gas will also explore ways in which to highlight the efficiency of homes to potential buyers, including through social media, signage placed at model homes and participating in builder events.</td></tr>
<tr><td>Evaluation, Measurement, and Verification</td><td>Quality Assurance

All applications will require information confirming installation and proof of UGI Gas service for heating. Inspections will be performed on 5% of residential new construction projects. Inspections must verify that the measures proposed for the building were installed as planned and that savings targets have been met and must conclude with a short informational interview with the owner and/or developer. The program's rebate processor will maintain a real-time database of rebate activity, which will be periodically reviewed by UGI Gas and stored separately for long-term purposes.

Evaluations</td></tr>
</table>

	The program evaluation activity will be expected to continue seamlessly with the current evaluation of the UGI Gas EE&C program. This vendor will continue to provide evaluation activity in conjunction with all applicable UGI Gas EE&C programs.

Program Administration	Technical Assistance and Rebate Processing UGI Gas plans to use the current program administrator to review customer applications, assess the project plans, verify that each project meets program eligibility requirements, help the customer to achieve the highest feasible and cost-effective savings, and issue rebate payments. Marketing and Outreach The UGI Gas marketing vendor and the UGI Gas internal team will handle marketing and outreach for the RNC program. Inspector A separate contractor will perform on-site inspections and collect customer feedback. The same firm responsible for providing technical assistance may perform this role. Evaluator A third-party evaluator will be retained to perform regular evaluations approximately every two years.
Special Notes	UGI Gas will follow the guidance from the Act 129 SWE regarding the baseline code level from which the program counts savings. Currently, UGI Gas anticipates that the code baseline for savings purposes will be IECC 2018 for FY26 and FY27, which went into effect on June 1, 2023. The code baseline will be updated to IECC 2021 for FY28 – FY30.

	The new construction market is highly cyclical and participation levels in the program will be highly influenced by broader economic trends beyond the control of UGI Gas. All projections in this program are based on historical program performance as a best practice.

2.3 Residential Retrofit

<table>
<tr><td>Objective</td><td>The Residential Retrofit (RR) ~~program~~Program is designed to overcome market barriers to energy efficiency in the existing residential sector through rebates offered either to customers undergoing a retrofit project or to their installation contractor(s). The program encourages improvements to the thermal envelope of the structure, particularly reductions in building air leakage and increases in insulation levels. –The program also aims to strengthen UGI Gas's relationship with Home Performance contractors, suppliers, and other trade allies.</td></tr>
<tr><td>Eligible Rate Class</td><td>R/RT</td></tr>
<tr><td>Cost-Effectiveness</td><td>Five-Year Cost-Effectiveness Results (2024$)
<table>
<tr><th>CE Test</th><th>PV Benefits</th><th>PV Costs</th><th>PV Net</th><th>BCR</th></tr>
<tr><td>TRC</td><td>~~3,699,060~~2,212,364</td><td>~~5,513,278~~4,667,879</td><td>(~~1,814,217~~2,455,515)</td><td>0.~~67~~47</td></tr>
<tr><td>PAC</td><td>~~2,857,306~~1,685,151</td><td>4,~~857,790~~196,985</td><td>(2,~~000,484~~511,834)</td><td>0.~~59~~40</td></tr>
</table></td></tr>
<tr><td>Savings Projections</td><td>Five-Year Savings Projections
<table>
<tr><th></th><th>FY 2026</th><th>FY 2027</th><th>FY 2028</th><th>FY 2029</th><th>FY 2030</th><th>FY '26-'30</th></tr>
<tr><td>Natural Gas (MMBtus)</td><td></td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td>First Year</td><td>~~4,666~~3,063</td><td>~~5,420~~3,108</td><td>~~5,779~~3,108</td><td>~~6,800~~3,108</td><td>~~7,158~~3,147</td><td>~~29,822~~15,534</td></tr>
<tr><td>Lifetime</td><td>~~89,274~~69,261</td><td>~~105,203~~70,458</td><td>~~111,683~~70,458</td><td>~~131,692~~70,458</td><td>~~138,172~~71,257</td><td>~~576,023~~351,892</td></tr>
</table></td></tr>
</table>

	Electric Energy (kWh)					
	First Year	~~48,956~~35,479	~~57,109~~36,069	~~60,810~~36,069	~~71,635~~36,069	~~75,335~~36,477	**~~313,844~~180,163**
	Lifetime	~~1,043,698~~871,139	~~1,225,013~~887,542	~~1,301,585~~887,542	~~1,537,305~~887,542	~~1,613,877~~896,608	**~~6,721,478~~4,430,373**
	Peak (kW)	~~23.5~~22	~~29.3~~22.4	~~30.6~~22.4	~~36.2~~22.4	~~37.5~~22.7	**~~157.1~~111.9**
	Water (Gallons)					
	First Year	~~369,807~~172,723	~~394,461~~174,334	~~431,442~~174,334	~~505,403~~174,334	~~542,384~~175,783	**~~2,243,497~~871,508**
	Lifetime	~~3,393,284~~1,606,163	~~3,619,503~~1,621,139	~~3,958,832~~1,621,139	~~4,637,489~~1,621,139	~~4,976,817~~1,634,617	**~~20,585,925~~8,104,197**
Budget Projections	***Five-Year Budgets (Nominal)***						
	Category	**FY 2026**	**FY 2027**	**FY 2028**	**FY 2029**	**FY 2030**	**FY '26-'30**
		$	$	$	$	$	$
	Customer Incentives	~~315,561~~390,497	~~353,598~~402,748	~~380,655~~402,748	~~449,267~~402,748	~~476,323~~404,908	~~1,975,403~~2,003,650
	Administration	~~335,000~~346,476	~~337,000~~341,225	~~340,000~~3341,225	~~346,000~~341,225	~~349,000~~342,425	1,~~707,000~~712,576
	Marketing	~~100,000~~105,617	~~100,000~~99,914	~~101,000~~99,656	~~101,000~~99,074	~~102,000~~97,916	~~504,000~~502,177
	Inspections	~~10~~6,000	~~11~~6,000	~~12~~6,000	~~14~~6,000	~~15~~6,000	~~62~~30,000
	Evaluation	-	70,000	-	70,000	-	140,000
	Total	**$ ~~760,561~~848,590**	**$ ~~871,598~~919,887**	**$ ~~833,655~~849,629**	**$ ~~980,267~~919,047**	**$ ~~942,323~~851,249**	**$ 4,388,403**

Participation Projections	***Five-Year Participation Projections***

Project Type	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY '26-'30
~~Customer~~Market Rate Customers Receiving Assessments	~~300~~ 185	~~320~~185	~~350~~ 185	~~410~~ 185	~~440~~ 187	~~1,820~~ **927**
Market Rate Assessments Converted to Full Projects	~~130~~83	~~150~~83	~~160~~ 83	~~190~~ 83	~~200~~ 84	~~830~~ **416**
Low-Income Pilot Assessments	48	50	50	50	50	**248**
Low-Income Pilot Full Projects	33	35	35	35	35	**173**

Note: Full projects are also included in the count of customers receiving assessments

Program Design	The RR program offers incentives to customers and/or their installing contractor(s) for retrofitting or weatherizing their homes by installing low-cost energy savings measures and making thermal envelope improvements through use of approved contractors who may also receive an incentive to encourage comprehensiveness. Customers must have an in-home energy assessment performed, which will cost up to $100. The assessment may include the direct installation of energy saving measures as well as a visual inspection of the thermal envelope and the space and water heating equipment in the home. During the assessment, the customer will be provided with a gas savings kit that may be directly installed by the contractor. This kit will include a smart thermostat, low-flow devices, outlet and switch gaskets, and a carbon monoxide detector, for health and safety purposes. After the assessment, the customer will receive a list of recommended efficiency improvements for their consideration, in addition to those

	measures that were directly installed. The customer can then have a contractor perform the recommended efficiency improvements. –The customer may receive an instant rebate from the contractor and allow the contractor to collect the subsequent rebate. Audits and thermal envelope improvements must be made by a contractor previously selected by the program as meeting program standards for high quality and technical performance, as well as possessing Building Performance Institute ("BPI") certifications appropriate with their job responsibilities. The rebate will be given to the customer and/or the contractor upon submission of suitable documentation. Thermal envelope improvement rebates will require submittal of pre- and post-blower door measurements to document leakage rate reductions, and pre- and post-R-values, along with affected square footage, to document insulation improvements. Program participation levels will dictate allocation of funds from year to year, as well as the incentive levels offered. Incentive levels will be designed to give a percentage of the total project cost and as a mechanism to control program budgets will include a cap per rebate. UGI Gas will aim to provide as little interruption due to any program adjustments made to accommodate market conditions. A total budget of $1,250,000 will be allocated for a Pilot program in Phase II dedicated to serving customers at or below 200% of the FPL who do not meet the usage threshold for UGI Gas's LIURP. Qualifying Customers will receive, at no cost to them, an energy assessment and direct installation of air sealing and/or insulation at their home by an approved contractor up to a maximum of $5,000 per job, if recommended as part of the free energy assessment and if the customer agrees. Those

	air sealing and insulation measures will be directly installed within a reasonable time after the conclusion of the energy assessment. If insulation and air sealing measures are not performed following the result of the free energy assessment: (1) UGI Gas's contractors will offer a free energy savings kit during the assessment on a leave-behind basis; (2) UGI Gas's contractors will leave behind the energy savings kit upon customer acceptance; and (3) the consenting Qualifying Customer will be responsible for installing the kit measure. Projected spending categories and participation is outlined in the Budget Projection and Participation Projection sections above.
Target Market and End Uses	The RR program targets all residential homes that can benefit from improvements to the building envelope by encouraging a whole house approach to consider the full implications of specific measures to the overall performance of the house. The program offers a low-cost Home Energy Assessment, that may include the direct installation of gas saving measures, with the goal of convincing homeowners to install a more comprehensive project. For comprehensive projects, the program aims to incentivize only the most impactful thermal envelope improvements. A Home Energy Assessment may include, but is not limited to, the following gas saving measures: • ENERGY STAR® Smart Thermostat • Kitchen and Bathroom Faucet Aerator • Low flow Showerhead • Water Heater Tank Temperature Turndown

	In addition, the assessment may include the installation of health and safety measures, such as a Carbon Monoxide Detector. A comprehensive project is a project that goes beyond a Home Energy Assessment to include air sealing and insulation as part of the home retrofit package. To qualify for even the lowest incentive tier, customers are guided toward the most impactful envelope improvements.
Financial Incentives	Customers will pay up to $100 for a home energy assessment, and contractors will be compensated up to $200 plus the cost of installed measures for a home energy assessment. The customer fee may be waived for qualifying low-income customers that that are not eligible for LIURP services due to usage levels, or as a marketing promotion to assist with program ramp-up. Incentives for comprehensive jobs are designed to be in line with other offerings in the region and/or other companion programs in the UGI Gas portfolio, such as the RP program. UGI Gas anticipates an incentive of approximately 25% of the project cost with an incentive cap being put into place up to $3,000. This incentive is designed to provide a significant contribution to the cost of qualifying thermal envelope improvements. Qualifying Customers will receive, at no cost to them, an energy assessment and direct installation of air sealing and/or insulation at their home by an approved contractor up to a maximum of $5,000 per job, if recommended as part of the free energy assessment and if the customer agrees. Those air sealing and insulation measures will be directly installed within a reasonable time after the conclusion of the energy assessment. If insulation and air sealing measures are not performed

	following the result of the free energy assessment: (1) UGI Gas's contractors will offer a free energy savings kit during the assessment on a leave-behind basis; (2) UGI Gas's contractors will leave behind the energy savings kit upon customer acceptance; and (3) the consenting Qualifying Customer will be responsible for installing the kit measure.
Marketing Approach	Customers will be made aware of the RR program through the general media and bill inserts, as well as through equipment distributors, Home Performance contractors, and others in a position to affect equipment installation and thermal envelope improvement choices. The contractor network will play a large role in generating program leads. Approved program contractors will be encouraged to do their own marketing to enlist high quality leads for promoting high lead conversion rates, and to up-serve comprehensive retrofit packages qualifying for the highest incentive tier(s). They will be supported in these efforts through training and the development of co-branding materials that the contractor can use to promote the program. The Company will perform targeted outreach/marketing to Qualifying Customers about the Pilot program. For Qualifying Customers who respond to the targeted outreach/marketing identified in the prior sentence, the Company will refer those Qualifying Customers to the RR program. At the time of referral, the Company will inform Qualifying Customers that: (1) they are eligible under the RR program – at no expense to the customer – for a home energy assessment; and (2) if an RR program assessment occurs and if recommended by the assessment, the Qualifying Customers will be eligible

	for air sealing and/or insulation measures only – at no expense to the Qualifying Customers, up to $5,000. Any assessment measure costs over the $5,000 job cap will be the customer's responsibility.
Evaluation, Measurement, and Verification	Quality Assurance A contractor approved by UGI Gas will supervise all assessments and installation work. All approved contractors must employ a BPI-certified employee to conduct both the in-home energy assessment and as crew leader for the installation of weatherization measures. –Approved contractors must employ site technicians and site supervisors with BPI professional certifications appropriate to their duties. The approved contractor must also be trained in program protocols, and the contractor's first three projects will require confirmation of quality installation by an approved third party before moving from probationary status to becoming fully approved. Subsequent contractor work will be sampled up to 10% of projects submitted. Following approval into the program, an approved contractor will be required to meet a variety of criteria to remain in good standing with the program. These criteria will include, but not be limited to, customer satisfaction, quality assurance results, program activity, and ongoing training. Rebate Processing UGI Gas plans to use the current program administrator to review customer applications, assess the project plans, verify that each project meets program eligibility requirements, help the customer to achieve the highest feasible and cost-effective savings, and issue rebate payments.

	Evaluations A third-party vendor will continue to provide evaluation activity in conjunction with all applicable UGI Gas EE&C programs.
Program Administration	Contractor Network UGI Gas will put in place an approved contractor network that will perform energy audits, natural gas retrofit projects, and submit project and incentive application information to the program administrator. Program Manager As part of the scope of work for the program administrator duties, UGI Gas will engage a program administrator to oversee the contractor network, accept program applications, track and verify application information, communicate with customers if necessary, and report results to UGI Gas. Marketing and Outreach UGI Gas and the program administrator will handle marketing and outreach for the RR program. Inspector A separate contractor will perform on-site inspections and collect customer feedback. The inspector may also spend a portion of their time directed towards onsite mentoring for contractors. The program administrator may also perform the inspection role.

	Evaluator A third-party evaluator will be retained to perform regular evaluations approximately every two years.
Special Notes	UGI Gas will explore ways in which to encourage contractors to install measures that achieve deeper savings. This may include setting aside a portion of incentives to go directly towards contractors in the form of a performance bonus. Should other marketing efforts fail to achieve the audit and job targets projected in this plan, UGI Gas may consider implementing a program offering where a customer has the option to fill out an online self-assessment of their home to be used as a customer educational tool and as a lead mechanism for energy audits. Customers that fill out this self-assessment may be provided with a free energy saving kit as an incentive to fill out the self-assessment.

2.4 Nonresidential

Objective

The Nonresidential (NR) program will provide incentives for overcoming market barriers for natural gas efficiency in commercial, industrial, and multifamily buildings with a commercial account. The program's objective is to encourage business owners to install the most efficient ~~natural~~ gas heating and process technologies available when replacing older, less efficient equipment and to perform comprehensive natural gas energy savings retrofits of existing buildings. Natural gas energy savings in new construction or gut renovations will also be incentivized. The program also aims to strengthen UGI Gas's relationship with HVAC contractors, suppliers, mechanical contractors, energy service companies ("ESCOs"), energy engineering firms, and other trade allies.

Eligible Rate Class

N/NT, DS, LFD

Cost-Effectiveness

Five-Year Cost-Effectiveness Results (2024$)

CE Test	PV Benefits	PV Costs	PV Net	BCR
TRC	33,932,197	27,866,711	6,065,486	1.22
PAC	32,139,843	11,121,952	21,017,891	2.89

Savings Projections

Five-Year Savings Projections

	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY '26-'30
Natural Gas (MMBtus)						
First Year	76,856	84,305	91,278	100,036	104,692	**457,167**
Lifetime	1,641,793	1,794,044	1,941,573	2,118,684	2,216,016	**9,712,110**
Electric Energy (kWh)						
First Year	289,328	311,485	333,487	355,956	374,554	**1,664,811**
Lifetime	6,281,159	6,763,024	7,243,331	7,728,308	8,122,516	**36,138,339**
Peak (kW)	36.4	39.2	42.0	44.8	47.2	**209.7**

	Water (Gallons)					
	First Year	341,838	347,281	352,723	358,166	362,520	**1,762,527**
	Lifetime	5,412,052	5,531,788	5,651,523	5,771,258	5,867,046	**28,233,667**

Budget Projections

Five-Year Budgets (Nominal)

Category	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY '26-'30
Customer Incentives	$ 1,465,716	$ 1,596,716	$ 1,732,080	$ 1,880,862	$ 1,975,256	$ 8,650,630
Administration	755,843	708,639	721,334	734,330	744,636	3,664,782
Marketing	71,000	74,000	77,000	81,000	84,000	387,000
Inspections	28,000	30,000	33,000	34,000	36,000	161,000
Evaluation	-	-	75,000	-	75,000	150,000
Total	**$ 2,320,559**	**$ 2,409,355**	**$ 2,638,414**	**$ 2,730,192**	**$ 2,914,892**	**$ 13,013,412**

Participation Projections

Five-Year Participation Projections

Measure Name	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY '26 - FY '30
Commercial Space Heating						
Commercial Boiler (ENERGY STAR)	14	14	20	23	24	95
Unit Heater (Warm Air)	16	21	24	32	32	125
Steam Trap (<15 PSIG)	9	17	26	35	44	131
Advanced Rooftop Controls	23	26	28	33	41	151
Gas Heat Pump	-	-	-	-	-	-
Commercial Water Heating						
Commercial Water Heater (Storage & Tankless)	56	67	72	78	83	356
Commercial Kitchen						
Fryers (ENERGY STAR - Small Vat)	7	7	7	7	7	35
Fryers (ENERGY STAR - Large Vat)	1	1	1	1	1	5
Griddle (ENERGY STAR - 6 SF)	5	5	5	5	5	25
Griddle (ENERGY STAR - 8 SF)	2	2	2	2	2	10
Griddle (ENERGY STAR - 10SF)	1	1	1	1	1	5
Dishwasher (Low Temp - Under Counter)	2	2	2	2	2	10
Dishwasher (Low Temp - Stationary Single Tank Door)	2	2	2	2	2	10
Dishwasher (Low Temp - Single Tank Conveyor)	-	-	-	-	-	-
Dishwasher (High Temp - Under Counter)	2	2	2	2	2	10
Dishwasher (High Temp - Stationary Single Tank Door)	1	1	1	1	1	5

	Dishwasher (High Temp - Single Tank Conveyor)	-	-	-	-	-	-
	Nonresidential Custom						
	Custom Projects	65	70	75	80	84	374
	Total	**206**	**238**	**268**	**304**	**331**	**1,347**

Program Design	The NR will be broken into two pathways: a Prescriptive Pathway, which offers rebates for qualifying commercial-sized space heating equipment, commercial-sized water heating equipment, and commercial kitchen equipment; and a Custom Pathway, which offers incentives to commercial buildings and multi-family projects that aim to upgrade some portion of an existing building's performance or incorporate cost-effective efficiency upgrades over code baseline in new construction. Customers will be made aware of opportunities through traditional marketing efforts, such as bill inserts and media advertisements, installation contractors, and supply houses. The program will rely heavily on marketing through the participating Trade Allies who will be designing, selling, and installing these projects for customers. With more small businesses finding it hard to make investments in energy saving projects, natural gas energy saving measures may also be offered to small business customers (Rates N/NT) as a direct install measure in order to provide this

	customer class with easy, low-cost ways to save energy and also provide an opportunity to educate these customers more effectively on other ways to save natural gas. The details of the Prescriptive and Custom Pathways are as follows: **Prescriptive Pathway:** Customers will have the qualifying measures installed and receive a cash rebate to offset a portion of the incremental cost of installing the high-efficiency equipment. To relieve busy business owners of the paperwork and to create a more customer-focused process, UGI Gas will also explore batching rebates and paying them directly to contractors and/or supply houses, with the rebate amount clearly indicated on the participant's invoice. The Prescriptive Pathway offers rebates for qualifying commercial-sized space heating, water heating, and kitchen equipment. For this new phase, a new measure has been added to the Prescriptive Pathway offering to further expand prescriptive energy saving opportunities for customers. The new measure being added is Advanced Rooftop Controls, to enable customers to improve the efficiency and performance of building rooftop units, which are the most popular method for space heating in commercial buildings. UGI Gas will continue to examine other equipment for potential inclusion in the program, as well as the relative market adoption of equipment already receiving incentives. For example, UGI Gas has screened Commercial Gas Heat Pumps for cost-effectiveness and has included them in the

	equipment table above. ~~-~~However, there are no projections or rebates provided for this equipment in the initial plan.~~–~~ UGI Gas may include a rebate for the installation of this newer technology as it becomes more available in the marketplace. If the Company begins offering a commercial gas heat pump as a measure in the Plan, UGI Gas will file a one-time informational letter and serve the parties at Docket No. M-2024-3048418. The filing shall detail the level of the incentive and the forecasted number of measures to be rebated by year throughout the Plan period. Additionally, the Company will indicate any impacts to the Plan's budgets due to the inclusion of commercial gas heat pumps in the Plan. Moreover, before offering any gas-fired heat pump incentives, UGI Gas will undertake a study for the hypothetical, informational analysis of a generic 20-unit multifamily building that uses a master-metered natural gas account and installs a gas-fired heat pump. This analysis will include lifecycle energy savings, customer costs (including installation, billing, and maintenance costs), and cost-effectiveness analysis. UGI Gas will provide such hypothetical, informational analysis to the parties at Docket No. M-2024-3048418 to review before offering these incentives. **Custom Pathway:** Customers will have a cost-effective natural gas energy saving project designed and specified by a Trade Ally. A technical assistance provider will evaluate projects for both savings opportunities and

	cost-effectiveness. A custom package of measures that is determined to be cost-effective will have an incentive offer extended to the customer based on the project's financial characteristics. The customer then has a set amount of time to perform the upgrades and may need to receive a test-out audit after which the incentive will be paid. To relieve busy business owners of the paperwork and to create a more customer-focused process, UGI Gas may also provide the incentive directly to the installing contractor, with the rebate amount clearly indicated on the customer's invoice.
Target Market and End Uses	The NR will serve the small business, commercial and industrial market such as office buildings, restaurants, agricultural facilities, manufacturing facilities, campuses, government buildings, and laundry facilities. Within the two program pathways, any cost-effective measure that saves natural gas is eligible, with space heating, water heating, and process heating expected to be the largest opportunities. The NR is also expected to cover technology with more site-specific applications, such as heat-recovery systems, controls, range-hood ventilation, make-up air systems, and others. The NR Custom Pathway will be a source for identifying potential technologies to include as prescriptive rebates.
Financial Incentives	Incentives were designed to be generally in-line with the current UGI Gas programs of the same name. The Prescriptive Pathway incentives are designed to offset approximately ~~one-half~~two-thirds of the incremental cost to install efficient equipment. The Custom Pathway incentives will be based on the financial characteristics of a cost-effective energy-saving project. UGI Gas will negotiate with the customer to find an incentive that makes the project attractive enough for the customer to pursue

without paying too much of the incremental cost. The incentive for a single project will be capped at the lesser of the project's gas benefits, incremental cost, or $100,000.

The table below lists the proposed incentive schedule for the Prescriptive Pathway, with the addition of advanced rooftop controls.

Proposed Nonresidential Prescriptive Pathway Rebates (Nominal)

Equipment	Minimum Efficiency	Initial Incentive
Commercial Boiler (>= 300MBh)	ENERGY STAR®	$2 / MBh + $2,000
Unit Heater (Warm Air)	90+ Et/AFUE	$2 / MBh
Steam Trap	<15 PSIG	$50
Advanced Rooftop Controls	N/A	$950
Gas Heat Pump	N/A	N/A
Commercial Water Heater	ENERGY STAR efficiency*	$4 / MBh
Commercial Fryer	ENERGY STAR®	$500
Commercial Fryer (Large)	ENERGY STAR®	$750
Commercial Griddle	ENERGY STAR®	$400
Dishwasher (Low Temp – Undercounter)	ENERGY STAR®	$400
Dishwasher (Low Temp – Door)	ENERGY STAR®	$800
Dishwasher (Low Temp – Conveyor)	ENERGY STAR®	$1,000
Dishwasher (High Temp – Undercounter)	ENERGY STAR®	$700
Dishwasher (High Temp – Door)	ENERGY STAR®	$400
Dishwasher (High Temp – Conveyor)	ENERGY STAR®	$1,100

All equipment must be powered by natural gas, except for commercial dishwashers.

*Commercial water heaters must meet all ENERGY STAR® efficiency requirements and be intended for use in the commercial market.

Marketing Approach	The NR marketing approach focuses on targeted outreach to trade allies and supply houses, as well as regular communication to end-use customers. Outreach efforts will attempt to reach the decision

	maker at the time of, and in advance of, the need for equipment replacement. UGI Gas will provide regular outreach and training sessions on efficiency opportunities with HVAC contractors, heating suppliers, kitchen equipment suppliers, local business organizations, and other parties that deal with commercial equipment to provide education on opportunities for engagement with the program, hand out rebate applications, and encourage the stocking of high efficiency equipment. Good penetration rates will rely heavily on an educated contractor network to understand how to up-serve participants with more efficient products when a service call is requested, or new equipment is needed. Contractor training will be provided to those already part of the existing contractor network and qualified for commercial work. UGI Gas will promote the program through its energy efficiency website, www.ugi.com/savesmart, and other marketing activities.
Evaluation, Measurement, and Verification	Quality Assurance – Prescriptive Pathway All applications will require proof of purchase and a valid UGI Gas account number. All rebates will require proof of equipment installation, including information about the installer. –The rebate processor will verify that the equipment is eligible for the rebate based on the model number before issuing any rebate. The program's rebate processor will maintain a real-time database of rebate activity, which will be periodically reviewed by UGI Gas and stored separately for long-term purposes. A third-party inspector will perform on-site inspections on approximately five percent (5%) of all prescriptive rebates in order to get a statistically significant sample of ongoing activity. The inspection

	will verify that the rebated equipment is installed and operational and conclude with a short informational interview with the participant. Quality Assurance – Custom Pathway The administrator will monitor all projects from the outset. This includes monitoring the installation specifications and practices as well as the final project inspection to verify that all program requirements have been met for issuance of the requested incentive. Evaluations A third-party evaluator will be retained to perform regular evaluations approximately every two years.
Program Administration	Conservation Service Provider The rebate processor will accept customer applications, track and verify application information, notify the customer of any issues, maintain a call center, and report results to UGI Gas. The rebate processor may also be responsible for other rebate programs in order to streamline portfolio management. UGI Gas plans to use the current program administrator to help ensure a seamless transition and process for customers. Marketing and Outreach

	UGI Gas and the Conservation Service Provider will handle marketing and outreach for the NR program. Inspector The Conservation Service Provider will perform on-site inspections and collect customer feedback. Evaluator A third-party evaluator will be retained to perform evaluations approximately every two years. Administrator The Conservation Service Provider will work with customers to improve the energy efficiency of their projects. –The CSP will also provide technical review of projects, verify eligibility of installed equipment, and process/issue rebate payments. UGI Gas EE&C staff will maintain a separate project tracking system that will house energy savings calculations, efficiency modeling, and/or equipment specifications for each project, to be uploaded by the CSP.
Special Notes	Due to the complex nature of the nonresidential equipment market, the exact mix of measures and adoption of different technologies is not easily predicted. While UGI Gas is confident that the projected budget levels are appropriate, the exact mix of measures may vary. If program funds begin to run low in any given year, incentive levels may be lowered, or equipment may be removed from the program if additional budget adjustments cannot be made. UGI Gas will aim to provide as little interruption to customers as possible due to such adjustments.

2.5 Combined Heat and Power

Objective

The Combined Heat and Power (CHP ~~program~~) Program seeks to promote the installation of cost-effective and net-primary-energy-saving CHP projects and to provide meaningful CO_2 emission reductions. A CHP plant produces electricity at a commercial or industrial site while at the same time using the waste heat from the production of the electricity to serve a thermal load. Net efficiencies come from the recovered heat that is typically wasted in grid electricity production, and from the avoided transmission and distribution losses from delivering the electricity from the generator to the customer site.

Eligible Rate Class

DS, LFD

Cost-Effectiveness

Five-Year Cost-Effectiveness Results (2024$)

CE Test	PV Benefits	PV Costs	PV Net	BCR
TRC	31,227,956	22,666,549	8,561,408	1.38

Savings Projections

Five-Year Savings Projections

	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY '26-'30
Net Primary Energy Savings (MMBtus)						
First Year	65,382	65,382	65,382	65,382	65,382	**326,911**
Lifetime	1,307,643	1,307,643	1,307,643	1,307,643	1,307,643	**6,538,217**
Net Customer Gas Usage Increase (MMBtus)						
First Year	60,574	60,574	60,574	60,574	60,574	**302,872**
Lifetime	1,211,487	1,211,487	1,211,487	1,211,487	1,211,487	**6,057,435**

Budget Projections

Five-Year Budgets (Nominal)

Category	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY '26-'30
Customer Incentives	$250,000	$250,000	$250,000	$250,000	$250,000	**$1,250,000**
Administration	50,000	50,000	50,000	50,000	50,000	**250,000**
Marketing	15,000	15,000	15,000	15,000	15,000	**75,000**
Inspections*	-	-	-	-	-	**0**
Evaluation	20,000	20,000	20,000	20,000	20,000	**100,000**
Total	**$335,000**	**$335,000**	**$335,000**	**$335,000**	**$335,000**	**$1,675,000**

**Each project will have an evaluation, so no inspection costs are proposed.*

Participation Projections

Five-Year Participation Projections

Project Type	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY '26-'30
1426 kW CHP	1	1	1	1	1	**5**
Total	**1**	**1**	**1**	**1**	**1**	**5**

Program Design

The CHP program is a continuation of the same program as that offered under the current UGI Gas Phase I EE&C Plan. Customers that are considering CHP need to submit the project details including CHP installation costs, annual electricity production, and gas usage before and after the CHP project is completed. Based on the particular CHP project details, verified by UGI Gas or its contractor, UGI Gas will determine whether the proposed project is cost-effective from the TRC perspective and reduces net primary energy usage. If these criteria are met, then the CHP project is eligible for an incentive from UGI Gas.

Though the customer has primary responsibility for developing the CHP costs, savings, and technical details, UGI Gas may provide some technical assistance, as well as business development for new projects.

Target Market and End Uses	The CHP Program targets large commercial and industrial customers with high thermal and electric loads. This program is most likely applicable to customers with year-round thermal requirements and high hours of use. Customer types that are likely candidates include hospitals, campuses and multi-shift industrial. Based on current electric and gas avoided costs, only larger CHP projects (over 1,000 kW) are typically cost-effective from the TRC perspective. If avoided costs change or the costs for micro turbines decline, then some smaller projects may become cost-effective. UGI Gas will continue to closely monitor the CHP market and identify opportunities for all ranges of CHP technology and sizes.
Financial Incentives	$750/kW with a maximum of $250,000 per CHP project and no more than 50% of the CHP project cost.
Marketing Approach	UGI Gas will leverage its Relationship Managers to identify specific customers that may be likely candidates for CHP.
Evaluation, Measurement, and Verification	Every CHP project will be inspected and documentation will be reviewed to ensure that the expected technology is correctly installed and operational. A third-party evaluator will be chosen to assess the actual versus projected electric and gas generation and usage, respectively. Since the number of projects anticipated to be completed under the program is small, evaluations will be more focused on a "case study" approach that verifies performance once a project is complete and sufficient post data is collected.

Program Administration	The CHP program may be implemented either solely by UGI Gas or with assistance from an implementation contractor.
Special Notes	The CHP Program's costs and savings will be reported separately from the other efficiency programs, due to this program's increase in gas usage, whereas the other efficiency programs decrease gas usage. While UGI Gas is asking for general flexibility regarding the annual program costs for the entire EE&C Portfolio, this flexibility is particularly important for the CHP program. CHP projects are complex and require long-term planning. Moreover, incentives represent a large percentage of the program budget. Because of these factors, it is difficult to predict the outcome for a single year. UGI Gas will limit its total spending to the five-year projected total spending, and under-spending from one year may be carried over to the next year. In addition, if by the end of Program Year 4 there are no additional projects in the pipeline and/or significant budget remaining, then the Company will move those budgeted funds to another commercial program to generate additional savings.

3 Appendices

3.1 Avoided Cost Tables

Gas Avoided Costs (2024$)

	NG Base	NG Space Heat	NG DHW
	$/MMBtu	$/MMBtu	$/MMBtu
2024	3.15	7.13	4.15
2025	3.93	8.16	4.99
2026	3.94	8.28	5.02
2027	3.81	8.13	4.89
2028	3.71	7.97	4.77
2029	3.67	7.90	4.73
2030	3.69	7.90	4.74
2031	3.84	8.04	4.89
2032	3.97	8.12	5.01
2033	4.01	8.05	5.02
2034	3.56	7.51	4.55
2035	3.37	7.21	4.33
2036	3.41	7.22	4.37
2037	3.53	7.33	4.48
2038	3.46	7.22	4.40
2039	3.59	7.35	4.53
2040	3.67	7.41	4.61
2041	3.67	7.38	4.60
2042	3.61	7.30	4.53
2043	3.58	7.25	4.50
2044	3.59	7.23	4.50
2045	3.59	7.21	4.49
2046	3.56	7.16	4.46
2047	3.55	7.13	4.44
2048	3.50	7.05	4.39
2049	3.49	7.03	4.38
2050	3.51	7.03	4.39
2051	3.53	7.03	4.40
2052	3.55	7.03	4.42
2053	3.57	7.03	4.43
2054	3.58	7.03	4.45
2055	3.60	7.04	4.46
2056	3.62	7.04	4.48
2057	3.64	7.05	4.49
2058	3.66	7.05	4.51
2059	3.68	7.06	4.53
2060	3.70	7.06	4.54
2061	3.72	7.07	4.56
2062	3.74	7.08	4.58
2063	3.76	7.09	4.59

	NG Base	NG Space Heat	NG DHW
	$/MMBtu	$/MMBtu	$/MMBtu
2024	3.15	7.13	4.15
2025	3.93	8.16	4.99
2026	3.94	8.28	5.02
2027	3.81	8.13	4.89
2028	3.71	7.97	4.77
2029	3.67	7.90	4.73
2030	3.69	7.90	4.74
2031	3.84	8.04	4.89
2032	3.97	8.12	5.01
2033	4.01	8.05	5.02
2034	3.56	7.51	4.55
2035	3.37	7.21	4.33
2036	3.41	7.22	4.37
2037	3.53	7.33	4.48
2038	3.46	7.22	4.40
2039	3.59	7.35	4.53
2040	3.67	7.41	4.61
2041	3.67	7.38	4.60
2042	3.61	7.30	4.53
2043	3.58	7.25	4.50
2044	3.59	7.23	4.50
2045	3.59	7.21	4.49
2046	3.56	7.16	4.46
2047	3.55	7.13	4.44
2048	3.50	7.05	4.39
2049	3.49	7.03	4.38
2050	3.51	7.03	4.39
2051	3.53	7.03	4.40
2052	3.55	7.03	4.42
2053	3.57	7.03	4.43
2054	3.58	7.03	4.45
2055	3.60	7.04	4.46
2056	3.62	7.04	4.48
2057	3.64	7.05	4.49
2058	3.66	7.05	4.51
2059	3.68	7.06	4.53
2060	3.70	7.06	4.54
2061	3.72	7.07	4.56
2062	3.74	7.08	4.58
2063	3.76	7.09	4.59

Developed by Resource Insight, Inc.

Electric Avoided Costs – EE Programs (2024$)

Period:	All-Year Energy	Summer Generation Capacity	Transm. & Dist Capacity
Units:	$/kWh	$/kW-yr	$/kW-yr
2024	0.0334	52.807	117.426
2025	0.0332	52.805	117.429
2026	0.0335	52.807	117.428
2027	0.0348	52.808	117.429
2028	0.0367	52.807	117.427
2029	0.0384	52.805	117.428
2030	0.0398	52.806	117.427
2031	0.0412	52.806	117.427
2032	0.0424	52.808	117.426
2033	0.0426	52.807	117.425
2034	0.0428	52.805	117.428
2035	0.0429	52.808	117.428
2036	0.0431	52.804	117.428
2037	0.0437	52.806	117.428
2038	0.0435	52.805	117.428
2039	0.0433	52.805	117.427
2040	0.0436	52.805	117.426
2041	0.0438	52.805	117.428
2042	0.0438	52.805	117.428
2043	0.0438	52.805	117.428
2044	0.0438	52.805	117.428
2045	0.0438	52.805	117.428
2046	0.0438	52.805	117.428
2047	0.0438	52.805	117.428
2048	0.0438	52.805	117.428
2049	0.0438	52.805	117.428
2050	0.0438	52.805	117.428
2051	0.0438	52.805	117.428
2052	0.0438	52.805	117.428
2053	0.0438	52.805	117.428
2054	0.0438	52.805	117.428
2055	0.0438	52.805	117.428
2056	0.0438	52.805	117.428
2057	0.0438	52.805	117.428
2058	0.0438	52.805	117.428
2059	0.0438	52.805	117.428
2060	0.0438	52.805	117.428
2061	0.0438	52.805	117.428
2062	0.0438	52.805	117.428
2063	0.0438	52.805	117.428

Period:	All-Year Energy	Summer Generation Capacity	Transm. & Dist Capacity
Units:	$/kWh	$/kW-yr	$/kW-yr
2024	0.0334	52.807	117.426
2025	0.0332	52.805	117.429
2026	0.0335	52.807	117.428
2027	0.0348	52.808	117.429
2028	0.0367	52.807	117.427
2029	0.0384	52.805	117.428
2030	0.0398	52.806	117.427
2031	0.0412	52.806	117.427
2032	0.0424	52.808	117.426
2033	0.0426	52.807	117.425
2034	0.0428	52.805	117.428
2035	0.0429	52.808	117.428
2036	0.0431	52.804	117.428
2037	0.0437	52.806	117.428
2038	0.0435	52.805	117.428
2039	0.0433	52.805	117.427
2040	0.0436	52.805	117.426
2041	0.0438	52.805	117.428
2042	0.0438	52.805	117.428
2043	0.0438	52.805	117.428
2044	0.0438	52.805	117.428
2045	0.0438	52.805	117.428
2046	0.0438	52.805	117.428
2047	0.0438	52.805	117.428
2048	0.0438	52.805	117.428
2049	0.0438	52.805	117.428
2050	0.0438	52.805	117.428
2051	0.0438	52.805	117.428
2052	0.0438	52.805	117.428
2053	0.0438	52.805	117.428
2054	0.0438	52.805	117.428
2055	0.0438	52.805	117.428
2056	0.0438	52.805	117.428
2057	0.0438	52.805	117.428
2058	0.0438	52.805	117.428
2059	0.0438	52.805	117.428
2060	0.0438	52.805	117.428
2061	0.0438	52.805	117.428
2062	0.0438	52.805	117.428
2063	0.0438	52.805	117.428

Developed by Resource Insight, Inc**.**

3.2 Detailed Program and Portfolio Cost-Effectiveness

Energy Efficiency Programs' Cost-effectiveness over Five-Year Portfolio (2024$)

	Total Resource					Gas Energy System				
	Present Value		PV of Net	Benefit-Cost	Levelized Cost	Present Value		PV of Net	Benefit-Cost	Levelized Cost
	Benefit [2]	Cost [3]	Benefits [4]	Ratio [5]	$/MMBTU	Benefit [10]	Cost [11]	Benefits [12]	Ratio [13]	$/MCF
Portfolio Total	$155,834,338	$96,643,333	$59,191,005	1.61	4.80	$132,271,706	$57,885,228	$74,386,478	2.29	2.88
Non-Measure Costs		$14,916,552					$14,916,552			
Total Measure Costs	$155,834,338	$81,726,781	$74,107,557	1.91	4.06	$132,271,706	$42,968,676	$89,303,030	3.08	2.13
Program										
Residential Prescriptive (RP)										
Program Total	$74,045,850	$46,868,197	$27,177,653	1.58	4.67	$72,780,132	$28,450,312	$44,329,821	2.56	2.83
Non-Measure Costs		$2,430,050					$2,430,050			
Total Measure Costs	$74,045,850	$44,438,147	$29,607,703	1.67	4.42	$72,780,132	$26,020,262	$46,759,871	2.80	2.59
Residential New Construction (RNC)										
Program Total	$44,157,230	$12,559,344	$31,597,886	3.52	3.88	$24,494,425	$9,619,372	$14,875,053	2.55	2.97
Non-Measure Costs		$3,003,774					$3,003,774			
Total Measure Costs	$44,157,230	$9,555,570	$34,601,660	4.62	2.95	$24,494,425	$6,615,598	$17,878,827	3.70	2.04
Residential Retrofit (RR)										
Program Total	$3,699,060	$5,513,278	$(1,814,217)	0.67	14.59	$2,857,306	$4,857,790	$(2,000,484)	0.59	12.86
Non-Measure Costs		$2,012,414					$2,012,414			
Total Measure Costs	$3,699,060	$3,500,864	$198,196	1.06	9.27	$2,857,306	$2,845,376	$11,929	1.00	7.53
Nonresidential (NR)										
Program Total	$33,932,197	$27,866,711	$6,065,486	1.22	4.31	$32,139,843	$11,121,952	$21,017,891	2.89	1.72
Non-Measure Costs		$3,634,512					$3,634,512			
Total Measure Costs	$33,932,197	$24,232,199	$9,699,998	1.40	3.75	$32,139,843	$7,487,440	$24,652,403	4.29	1.16
Portfoliowide Costs										
Program Total	-	$3,835,802	$(3,835,802)	-	-	-	$3,835,802	$(3,835,802)	-	-
Non-Measure Costs		$3,835,802					$3,835,802			
Total Measure Costs	-	-	-	-	-	-	-	-	-	-

	Total Resource					Electric & Gas Energy System			
	Present Value		PV of Net	Benefit-Cost	Levelized Cost	Present Value		PV of Net	Benefit-Cost
	Benefit [2]	Cost [3]	Benefits [4]	Ratio [5]	$/MMBTU	Benefit [14]	Cost [15]	Benefits [16]	Ratio [17]
Portfolio Total	$158,037,526	$96,645,241	$61,392,285	1.64	4.81	$157,667,142	$57,298,268	$100,368,874	2.75
Non-Measure Costs		$15,023,546					$15,023,546		
Total Measure Costs	$158,037,526	$81,621,694	$76,415,831	1.94	4.06	$157,667,142	$42,274,721	$115,392,421	3.73
Program									
Residential Prescriptive (RP)									
Program Total	$74,045,850	$46,868,197	$27,177,653	1.58	4.67	$74,045,850	$28,450,312	$45,595,538	2.60
Non-Measure Costs		$2,430,050					$2,430,050		
Total Measure Costs	$74,045,850	$44,438,147	$29,607,703	1.67	4.42	$74,045,850	$26,020,262	$48,025,588	2.85
Residential New Construction (RNC)									
Program Total	$47,847,114	$13,406,651	$34,440,463	3.57	3.99	$47,847,114	$9,693,216	$38,153,898	4.94
Non-Measure Costs		$3,131,110					$3,131,110		
Total Measure Costs	$47,847,114	$10,275,541	$37,571,573	4.66	3.06	$47,847,114	$6,562,106	$41,285,008	7.29
Residential Retrofit (RR)									
Program Total	$2,212,364	$4,667,879	$(2,455,515)	0.47	20.87	$2,123,069	$4,196,985	$(2,073,916)	0.51
Non-Measure Costs		$1,992,072					$1,992,072		
Total Measure Costs	$2,212,364	$2,675,807	$(463,443)	0.83	11.96	$2,123,069	$2,204,913	$(81,845)	0.96
Nonresidential (NR)									
Program Total	$33,932,197	$27,866,711	$6,065,486	1.22	4.31	$33,651,109	$11,121,952	$22,529,157	3.03
Non-Measure Costs		$3,634,512					$3,634,512		
Total Measure Costs	$33,932,197	$24,232,199	$9,699,998	1.40	3.75	$33,651,109	$7,487,440	$26,163,669	4.49
Portfoliowide Costs									
Program Total	-	$3,835,802	$(3,835,802)	-	-	-	$3,835,802	$(3,835,802)	-
Non-Measure Costs		$3,835,802					$3,835,802		
Total Measure Costs	-	-	-	-	-	-	-	-	-

CHP Program's Cost-Effectiveness over Five-Year Portfolio (2024$)

PV 2024$	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	Total
TRC Benefits	6,421,676	6,352,081	6,264,282	6,156,261	6,033,655	**31,227,956**
TRC Costs	4,799,862	4,662,723	4,529,503	4,400,088	4,274,372	**22,666,549**
Utility Costs	335,000	335,000	335,000	335,000	335,000	**1,675,000**
TRC Net Benefits	1,621,814	1,689,358	1,734,780	1,756,173	1,759,284	**8,561,408**
TRC BCR	1.34	1.36	1.38	1.40	1.41	**1.38**

UGI Utilities, Inc. – Gas Division

Phase II Energy Efficiency and Conservation Plan October 1, 2025 – September 30, 2030

Initially Filed: April 15, 2024

Compliance Filed: November 19, 2025

Table of Contents

1 Introduction and Background

1.1 Plan Overview

This plan provides a detailed description of the design and implementation of the energy efficiency and conservation portfolio ("EE&C Portfolio" or "Portfolio") that UGI Utilities, Inc. – Gas Division ("UGI Gas" or "the Company") is proposing to offer in its Phase II Energy Efficiency and Conservation Plan ("EE&C Plan" or "Plan"). The Plan will have a five-year duration, beginning in UGI Gas's fiscal year ("FY") 2026 through FY 2030,[1] and will include both natural gas energy efficiency ("EE") programs and a combined heat and power ("CHP") program.

UGI Gas's EE&C Plan was developed based on the Company's existing gas EE&C Plan that was approved as part of the UGI Gas base rate proceeding in 2019.[2] As discussed in more detail below, the Plan contains the same types of programs, Technical Reference Manual ("TRM"), and Total Resource Cost ("TRC") Test that are employed in the current Plan approved by the Pennsylvania Public Utility Commission ("Commission"). Though UGI Gas is not mandated to enact an EE&C Plan under Act 129 of 2008 ("Act 129"), UGI Gas's voluntary Phase II EE&C Plan was developed using the guiding principles of the Commission's Act 129 *Phase IV Implementation Order*.[3]

Over the five years of the EE&C Plan, UGI Gas plans to spend $69.5 million on four energy efficiency programs and one CHP program.[4] Altogether, the EE&C Portfolio is cost-effective, providing $70 million in net resource benefits with a TRC benefit-cost ratio ("BCR") of 1.59, which generally increases the economic wellbeing of UGI Gas's customers.

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[1] UGI Gas's fiscal year runs October 1st to September 30th.
[2] *See Pa. PUC v. UGI Utilities, Inc.*, Docket No. R-2018-3006814 (Order entered Oct. 4, 2019) ("*2019 Rate Case Order*"). The current EE&C Plan is referred to as the Consolidated EE&C Plan or Phase I EE&C Plan.
[3] *See Energy Efficiency and Conservation Program*, Docket No. M-2020-3015228 (Order entered June 18, 2020) ("*Phase IV Implementation Order*"), *clarified*, Docket No. M-2020-3015228 (Order entered March 12, 2020).
[4] All dollars are nominal unless otherwise noted.

The four energy efficiency programs are projected to cost $67.8 million, save 1,478 BBtus of natural gas during the first five years of the Plan, and save 29,819 BBtus of natural gas over the lifetime of the measures installed. From a total resource perspective, the four energy efficiency programs' present value of benefits is $158 million, with $96.6 million in present value of costs, leading to a present value of net benefits of $61.4 million and a TRC BCR of 1.64. Furthermore, the four energy efficiency programs are expected to save 351,569 MWh of electricity, 36.3 million gallons of water, create between 895 and 1,789 jobs, and avoid the emission of CO_2 equivalent to over 34,163[5] cars being removed from the road.

UGI Gas is also proposing the investment of $1.68 million in a CHP program over five years. This program would provide net energy savings to customers over the five years of the Plan of 327 BBtus, and 6,538 BBtus over the lifetime of the CHP projects installed. The CHP program is projected to provide present value of net benefits of $8.6 million from a total resource perspective, with a TRC BCR of 1.38.

1.2 Natural Gas and Energy Efficiency

Natural gas is an abundant resource and an important component of the Pennsylvania economy. The Appalachian Basin, which includes the Marcellus and Utica shale formations, is the largest natural gas-producing region in the United States, constituting nearly one-third of total U.S. production in 2022.[6] More than 90% of the natural gas UGI Gas delivers to its customers comes from the Marcellus Shale. UGI Gas's customers receive reliable, locally sourced gas that provides economic benefits to both UGI Gas's customers, in the form of lower natural gas supply costs, and the Commonwealth of Pennsylvania.

Natural gas also has many important advantages as an end-use fuel source. When compared to the use of electricity generated from natural gas or most other

[5] United States EPA greenhouse gases equivalences calculator
[6] https://www.eia.gov/todayinenergy/detail.php?id=57080

fuels, the direct end-use of natural gas is more efficient and environmentally preferable. Natural gas has a source-to-site efficiency of 92%, meaning the vast majority of the energy from natural gas is associated with on-site consumption. Electricity on the other hand, has system losses totaling 65%, meaning that only one third of generated electric energy is used at the site.[7]

As natural gas has continued to grow in importance as a fuel source, natural gas energy efficiency programs have also shown steady growth. According to the American Gas Association ("AGA"), natural gas utilities spent approximately $1.6 billion on energy efficiency programs in 2020, representing a 391% increase compared to 2007, as shown in Figure 1. Spending even stayed consistent from 2019 through 2020 with the myriad of uncertainty and challenges presented by the COVID Pandemic.[8] A 2020 AGA report also estimates that natural gas utility energy efficiency programs saved 259 trillion Btu of energy and offset 13.7 million metric tons of carbon dioxide emissions from 2012 through 2018[9].

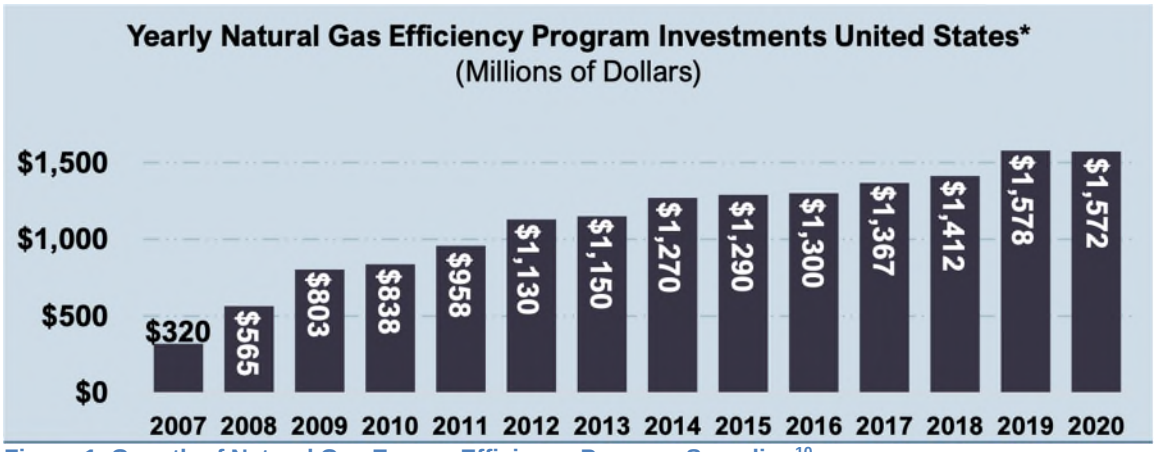

Figure 1. Growth of Natural Gas Energy Efficiency Program Spending[10]

The 2022 American Council for an Energy Efficient Economy ("ACEEE") State Energy Scorecard shows that budgets for natural gas energy-efficiency programs

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[7] https://www.eia.gov/energyexplained/us-energy-facts/images/consumption-by-source-and-sector.pdf

[8] American Gas Association, Natural Gas Efficiency Programs Report, 2020 Program Year, Miles Vondra, Morgan Hoy

[9] https://www.aga.org/wp-content/uploads/2022/02/aga-net-zero-emissions-opportunities-for-gas-utilities.pdf

[10] https://www.aga.org/research/reports/natural-gas-efficiency-programs-2016-program-year/ .

have grown to $1.7 billion nationally.[11] Within Pennsylvania, a number of gas utilities have undertaken voluntary energy efficiency programs, including the third phase of Philadelphia Gas Works ("PGW") natural gas efficiency portfolio and the first phase of Columbia Gas of Pennsylvania, Inc.'s ("Columbia") WARM wise natural gas energy efficiency rebate program.

As the energy market is becoming increasingly customer driven, utilities around the country are recognizing the opportunity to drive economic growth and an efficient economy by sponsoring energy efficiency and conservation programs. For natural gas utilities, the opportunity to invest in helping customers save money, increase comfort, and reduce the impact they have on the environment is now a crucial component of joining the next generation of energy utilities and benefiting the communities that they serve.

1.3 Goals

UGI Gas has the following core goals:

- Help its customers save energy cost-effectively through a holistic approach to energy efficiency and conservation;
- Avoid lost opportunities and provide deep levels of savings;
- Provide a wide range of services for its diverse customer base; and
- Contribute to the economic welfare of its customers and Pennsylvania.

To reach these goals, UGI Gas will utilize four energy efficiency programs and a CHP program. For its energy efficiency programs, UGI Gas plans to invest approximately $67.8 million over five years with the goal of returning $61.4 million dollars in present value of total resource net benefits. As a secondary goal for efficiency programs, UGI Gas expects to save customers 29,819 BBtus of natural gas and 2 million tons of CO_2 emissions over the lifetime of installed measures during the five-year portfolio.

[11] ACEEE (American Council for an Energy-Efficient Economy), *The 2022 State Energy Efficiency Scorecard*, Weston Berg, et al, December 2022, p. 40.

For the CHP program, UGI Gas plans to invest approximately $1.68 million over five years with the goal of returning $8.6 million dollars in present value of total resource net benefits.

1.4 Plan Development

The UGI Gas Phase II EE&C Plan was developed based on the following principles:

1. Maintain continuity with the current UGI Gas EE&C Plan while leveraging experience gained from the past six years of EE&C Program activity to improve program design and projections.
2. Include new cost-effective measures to the suite of rebate offerings to provide more energy saving opportunities to UGI Gas's customers.
3. Expand existing programs based on market demand to reduce natural gas consumption and energy bills, improving the overall financial well-being of UGI Gas's customers.

UGI Gas's market information was gathered and characterized, including avoided costs for natural gas and electricity, demographic, building stock, and equipment market characteristics. These were combined with the measure and project characterizations from the UGI Gas EE&C Portfolio for cost-effectiveness screening using the TRC Test. The cost-effective measures and projects were then used to calculate achievable savings and participation levels based on experience with the prior EE&C Program activity. The achievable scenario was adjusted to allow for program ramp up, and budget constraints to come up with a final portfolio.

The proposed programs are based on the Company's Phase I EE&C Plan, with some updates based on lessons learned from previous program experience. Updated program offerings include the combination of the Nonresidential Prescriptive Program and the Nonresidential Custom Program into a single Nonresidential program with two unique pathways. The modifications to the

current program offerings are outlined in the following table showing the proposed programs.

Table 1. Proposed Programs

Proposed Program	Existing Program	Disposition	Modifications
	Residential Programs		
Residential Prescriptive (RP)	Residential Prescriptive (RP)	Modified	Updated Projections and Incentives, Added Measures
Residential New Construction (RNC)	Residential New Construction (RNC)	Continued	Updated Projections and Baseline
Residential Retrofit (RR)	Residential Retrofit (RR)	Continued	Updated Projections
	Nonresidential Programs		
Nonresidential (NR)	Nonresidential Prescriptive (NR) and Nonresidential Custom (NC)	Merged and Modified	Merged Prescriptive and Custom into single program with two pathways, Added Measures

1.4.1 Settlement Provisions from Previous Proceedings

The following settlement items from previous proceedings were adhered to in the development of the Phase II EE&C Plan:

- UGI Gas will establish four EE&C rate classes: (1) R/RT; (2) N/NT; (3) DS; and (4) LFD. Each rate class will only have costs allocated to it for the programs for which that rate class is eligible.
- All appliances and equipment qualifying for rebates or incentives under the Phase II EE&C Plan must meet or exceed U.S. Department of Energy "EnergyStar" Minimum Standards to the extent such standards exist.
- UGI Gas will submit an annual report in January, approximately three months after the end of a program year. UGI Gas shall also hold an annual stakeholder meeting (Parties to this proceeding and other entities that

express interest) to review and discuss the EE&C Plan's progress, as well as receive input from stakeholders on potential modifications to the EE&C Plan, if any. Each annual stakeholder meeting shall be held: (1) at a time and place chosen by UGI Gas; and (2) within three months after UGI Gas submits its EE&C Plan annual report to the Commission. UGI Gas will provide a copy of its annual EE&C Plan report to the stakeholders at the time it is submitted to the Commission and will review and discuss the report at the stakeholder meeting.

- UGI Gas will continue to develop targeted marketing materials for existing residential multi-family customers and new multi-family residential construction, including master-metered multifamily residences, with such materials focusing on targeting of property management companies and landlords. The materials will be applicable to both residential and commercial class multifamily structures.
- UGI Gas will continue to refer potentially eligible customers to its Low-Income Usage Reduction Program ("LIURP") and will include LIURP messaging on applications and marketing materials, including a direct phone number to contact UGI Gas to pursue enrollment if the customer believes that they may qualify.
- UGI Gas will, over the five-year term of the EE&C Plan, limit recoverable utility costs (including incentives, program administration, marketing, inspections, and evaluation but excluding portfolio wide costs) for the Nonresidential Program to 55 percent of the overall aggregated TRC costs for the Nonresidential Program. Grant funding will be considered a source of participant funding. To the extent that UGI Gas deems that utility contributions in excess of 55 percent of overall program costs are required to achieve UGI Gas's desired participation levels, UGI Gas may voluntarily make the necessary contributions without EE&C cost recovery.
- EE&C program budgets will be restricted so that program funds cannot be moved between residential and nonresidential rate classes without Commission approval. Budget flexibility with a rate class's portfolio will be

limited to twenty-five (25) percent of a program's five-year total budget. The Company will petition the Commission for approval of changes of twenty-five (25) percent or more of a five-year total program budget within a rate class.

- EE&C Plan evaluation costs will be allocated amongst all rate classes for ratemaking recovery as they are incurred.
- The Company will not seek to recover in rates EE&C Plan administrative costs in excess of the projections included in this filing.

Overall, spending was still restricted by a ceiling of 2% of revenue (approximately $16.6 million per year), which is in-line with Act 129 EE&C Plan spending limits, and the overall portfolio has a TRC BCR greater than 1.0.

1.4.2 Compliance Plan Updates

The following modifications to the EE&C Plan were approved as part of the Phase II Gas EE&C Plan Settlement:

- For customers with income at or below 200% FPL who do not meet the LIURP minimum usage threshold and are UGI Gas heating customers ("Qualifying Customers"), UGI Gas will conduct a low-income EE&C Pilot program ("Pilot"). UGI Gas will conduct a Pilot within its Phase II EE&C Plan that will end on September 30, 2030, incorporating the following provisions for Qualifying Customers up to 200% FPL:
    - The Company will perform targeted outreach/marketing to Qualifying Customers.
    - For Qualifying Customers who respond to the targeted outreach/marketing identified in subpart a of this section, the Company will refer those Qualifying Customers to the Residential Retrofit ("RR") program. At the time of referral, the Company will inform Qualifying Customers that:
        - They are eligible under the RR program – at no expense to the customer – for a home energy assessment; and
        - If an RR program assessment occurs and if recommended by the assessment, the Qualifying Customers will be eligible for air sealing and/or insulation measures only – at no expense to the Qualifying Customers, up to $5,000. Any assessment measure costs over the $5,000 job cap will be the customer's responsibility.

- For consenting Qualifying Customers, waive the fee for energy assessment.
- For consenting Qualifying Customers, the Company will cover the direct installation costs of air sealing and/or insulation up to a maximum of $5,000 per job, if recommended as part of the free energy assessment and if the customer agrees. These measures will be directly installed within a reasonable time after the conclusion of the energy assessment.
- For consenting Qualifying Customers who undergo an energy assessment where insulation and air sealing measures are not performed following the result of the free energy assessment, (1) UGI Gas's Contractors will offer a free energy savings kit during the assessment on a leave-behind basis; (2) UGI Gas's Contractors will leave behind the energy savings kit upon customer acceptance;[12] and (3) the consenting Qualifying Customer will be responsible for installing the kit measures.[13]
- The Company will budget $250,000 annually to cover the costs of the provisions set forth in the preceding bullets (i.e., targeted outreach/marketing, RR program referrals, fee waivers of energy assessments, energy efficiency kits and direct installation of energy efficiency measures for air sealing and/or insulation at a per job cap of $5,000). The $250,000 budget is a part of and not incremental to the RR program budget.
- Participation in the Pilot program will not prevent participants from accessing the RP program.
- The Company will report progress on spending in its annual EE&C report, including: (1) the number of customers receiving air sealing and/or insulation; and (2) the cost per job.

In addition to the modifications set forth above, updates to the RNC program have been made to reflect changes to the Pennsylvania Building Code. Starting in FY 2028, UGI Gas will begin using the IECC 2021 as adopted in Pennsylvania as the code baseline to calculate savings over code.

1.5 Total Plan's Costs

The following table provides an overview of the spending by year and program for the total EE&C Plan. The maximum spend in a year is approximately $15 million in FY 2030, which is approximately 1.8% of UGI Gas's FY 2019 actual

[12] Kits will not be provided to customers who decline the offer.
[13] UGI Gas's Contractors will not be responsible for the direct installation of the kit measures.

revenues. This level is well under the 2% cap that Act 129 imposes on electric EE&C Plans in Pennsylvania.[14]

Table 2. Projected Spending for EE&C Plan by Program

Program	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY '26-'30
EE&C Total	**$ 13,082,867**	**$ 13,799,800**	**$ 13,722,828**	**$ 14,185,060**	**$ 14,661,395**	**$ 69,451,949**
Residential Prescriptive (RP)	6,177,800	6,667,100	6,895,900	7,127,200	7,342,000	34,210,000
Residential New Construction (RNC)	2,500,918	2,568,458	2,078,885	2,148,621	2,268,253	11,565,135
Residential Retrofit (RR)	848,590	919,887	849,629	919,047	851,249	4,388,403
Nonresidential (NR)	2,320,559	2,409,355	2,638,414	2,730,192	2,914,892	13,013,412
Portfolio-wide Costs	900,000	900,000	925,000	925,000	950,000	4,600,000
EE Total	12,747,867	13,464,800	13,387,828	13,850,060	14,326,395	67,776,949
CHP Program	335,000	335,000	335,000	335,000	335,000	1,675,000

1.6 Energy Efficiency Programs' Costs and Benefits

1.6.1 Energy Efficiency Programs' Costs

The following table provides an overview of the spending by year and by sector on the EE programs. The EE programs will cost approximately $13.6 million per year over the five-year life of the EE&C Plan.

Table 3. Projected Energy Efficiency Portfolio Budgets by Sector

Sector	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY '26- '30
Nominal	**$12,747,867**	**$13,464,800**	**$13,387,828**	**$13,850,060**	**$14,326,395**	**$67,776,949**
Residential	$10,284,666	$10,910,377	$10,585,820	$10,949,039	$11,234,931	$ 53,964,834
Nonresidential	$ 2,463,201	$ 2,554,422	$ 2,802,008	$ 2,901,021	$ 3,091,463	$ 13,812,115

The following table shows the projected EE budgets by program.

Table 4. Projected Energy Efficiency Portfolio Budgets by Program

Program	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY'26-'30
EE Total	**$ 12,747,867**	**$ 13,464,800**	**$ 13,387,828**	**$ 13,850,060**	**$ 14,326,395**	**$ 67,776,949**
Residential Prescriptive (RP)	6,177,800	6,667,100	6,895,900	7,127,200	7,342,000	34,210,000
Residential New Construction (RNC)	2,500,918	2,568,458	2,078,885	2,148,621	2,268,253	11,565,135
Residential Retrofit (RR)	848,590	919,887	849,629	919,047	851,249	4,388,403
Nonresidential (NR)	2,320,559	2,409,355	2,638,414	2,730,192	2,914,892	13,013,412
Portfolio-wide Costs	900,000	900,000	925,000	925,000	950,000	4,600,000

[14] *See* 66 Pa.C.S. § 2806.1(g) (limiting the total cost of an electric distribution company's ("EDC") EE&C Plan to 2% of the EDC's total annual revenue as of December 31, 2006).

The portfolio-wide cost lines from the previous table are costs that apply to all programs in the EE portfolio. They are costs incurred at the portfolio level for program development, design, tracking, reporting, and administrative overhead. In the final year, the portfolio-wide costs represent 6.6% of the portfolio total cost, and, over the five-year period, they represent 6.8% of the portfolio's costs. The following table provides a portfolio-level look at costs by category.

Table 5. Projected Energy Efficiency Portfolio Budgets by Category

Category	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY '26-'30
EE Total	**$ 12,747,867**	**$ 13,464,800**	**$ 13,387,828**	**$ 13,850,060**	**$ 14,326,395**	**$ 67,776,949**
Customer Incentives	$9,247,931	$9,906,022	$9,793,613	$10,184,431	$10,627,417	$49,759,415
Administration	2,907,319	2,892,864	2,852,559	2,900,555	2,971,061	14,524,358
Marketing	407,617	414,914	423,656	434,074	441,916	2,122,177
Inspections	185,000	131,000	193,000	201,000	211,000	921,000
Evaluation	-	120,000	125,000	130,000	75,000	450,000

1.6.2 Natural Gas Savings

The following tables provide projected natural gas savings by program and sector for the energy efficiency programs in the EE&C Portfolio.

Table 6. Projected First Year Gas Savings by Program (MMBtus)

Program	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY '26-'30
Portfolio Total	**269,502**	**290,017**	**291,215**	**307,029**	**320,494**	**1,478,256**
Residential Prescriptive (RP)	142,097	152,313	157,852	162,300	168,495	783,058
Residential New Construction (RNC)	47,485	50,290	38,976	41,584	44,161	222,496
Residential Retrofit (RR)	3,063	3,108	3,108	3,108	3,147	15,535
Nonresidential (NR)	76,856	84,305	91,278	100,036	104,692	457,167

Table 7. Projected Lifetime Gas Savings by Program (MMBtus)

Program	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY '26-'30
Portfolio Total	5,467,134	5,874,687	5,862,717	6,173,142	6,441,610	29,819,289
Residential Prescriptive (RP)	2,663,922	2,853,519	2,954,238	3,027,560	3,138,629	14,637,868
Residential New Construction (RNC)	1,092,158	1,156,666	896,448	956,440	1,015,707	5,117,418
Residential Retrofit (RR)	69,262	70,458	70,458	70,458	71,257	351,894
Nonresidential (NR)	1,641,793	1,794,044	1,941,573	2,118,684	2,216,016	9,712,110

Table 8. Projected Gas Savings by Sector (MMBtus)

Sector	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY '26-'30
First Year Gas Savings	**269,502**	**290,017**	**291,215**	**307,029**	**320,494**	**1,478,256**
Residential	192,646	205,711	199,936	206,993	215,803	1,021,089
Nonresidential	76,856	84,305	91,278	100,036	104,692	457,167
Lifetime Gas Savings	**5,467,134**	**5,874,687**	**5,862,717**	**6,173,142**	**6,441,610**	**29,819,289**
Residential	3,825,341	4,080,643	3,921,143	4,054,458	4,225,593	20,107,179
Nonresidential	1,641,793	1,794,044	1,941,573	2,118,684	2,216,016	9,712,110

1.6.3 Electric Savings

The following table shows electric savings for measures installed under the energy efficiency programs in the EE&C Portfolio. The electric savings are secondary savings from measures that primarily save natural gas, such as air-conditioning savings from increased levels of insulation and smart thermostat installations.

Table 9. Projected Electric Savings by Sector

Sector	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY '26-'30
First Year Energy (MWh)	3,460	3,677	3,189	3,398	3,590	17,314
Residential	3,171	3,365	2,855	3,042	3,216	15,649
Nonresidential	289	311	333	356	375	1,665
Lifetime Energy (MWh)	**71,342**	**75,728**	**64,042**	**68,247**	**72,210**	**351,569**
Residential	65,061	68,965	56,798	60,519	64,088	**315,430**
Nonresidential	6,281	6,763	7,243	7,728	8,123	**36,138**
Summer Peak (kW)	1,195	1,265	1,168	1,244	1,320	6,192
Residential	1,159	1,226	1,126	1,199	1,273	5,982
Nonresidential	36	39	42	45	47	210

1.6.4 Water Savings

This section contains ancillary water savings from gas efficiency measures that also save water, such as low-flow faucet aerators and showerheads.

Table 10. Projected Water Savings by Sector (Million Gallons)

Sector	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY '26-'30
First Year Water Savings	**0.51**	**0.52**	**0.53**	**0.53**	**0.54**	**2.63**
Residential	0.17	0.17	0.17	0.17	0.18	**0.87**
Nonresidential	0.34	0.35	0.35	0.36	0.36	**1.76**
Lifetime Water Savings	7.02	7.15	7.27	7.39	7.50	36.34
Residential	1.61	1.62	1.62	1.62	1.63	8.10
Nonresidential	5.41	5.53	5.65	5.77	5.87	28.23

1.6.5 Emission Reductions

This section contains projections for CO_2 emission reductions due to the energy efficiency programs. The total savings of 2 million tons of CO_2 is equivalent to removing 34,060 cars off the road each year. The following table breaks out the emission reductions due to gas savings and electric savings. While the emissions reductions are projected below, the main TRC test for the portfolio does not include any value for these emissions reductions.

Table 11. Projected CO_2 Emission Reductions by Energy Source (Short Tons)

Sector	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY '26-'30
First Year Reductions	**18,667**	**20,049**	**19,710**	**20,810**	**21,760**	**100,996**
From Gas Savings	15,766	16,966	17,036	17,961	18,749	**86,478**
From Electric Savings	2,901	3,083	2,674	2,849	3,011	**14,518**
Lifetime Reductions	**379,647**	**407,167**	**396,668**	**418,354**	**437,382**	**2,039,219**
From Gas Savings	319,827	343,669	342,969	361,129	376,834	**1,744,428**
From Electric Savings	59,820	63,498	53,699	57,225	60,548	**294,790**

1.6.6 Job Creation

UGI Gas estimates that its gas energy efficiency programs portfolio will generate between 895 and 1,789 net additional jobs over the lifetime of the efficiency measures installed over the next five-years. This range is based on assuming that each TBtu of gas savings creates between 30 and 60 full-time equivalent jobs in Pennsylvania.

Investing in cost-effective energy efficiency creates jobs in two ways, one direct and the other indirect, as discussed in a 2012 white paper from the ACEEE.[15] Direct job creation results from hiring related to implementing the programs. Indirect job creation results from the substitution of capital spent on natural gas with capital spent in the local economy. Additional jobs are created by the indirect or income effect from cost-effective energy efficiency investment. Further, the net economic benefits from efficiency investment reduce household and business gas bills and raise household disposable incomes and business profitability.

[15] "Energy Efficiency Job Creation: Real World Experiences" Bell, Casey J. American Council for an Energy-Efficiency Economy. October 2012.

Customers will tend to spend most of this additional money and save the rest. This additional spending creates a "multiplier" effect through the cycle of re-spending of the initial cost savings, which stimulates aggregate demand for goods and services. Satisfying increased demand for goods and services requires more labor. While some of the jobs created leak into the broader U.S. and global economy, a good portion (possibly higher than 80%) of jobs created due to energy efficiency stay within the Commonwealth. The approach of looking at net job creation through both direct means and with economic multiplier effects is endorsed in the 2012 white paper from ACEEE.[16]

The number of jobs created from investments in energy efficiency directly relates to the total resource value of the energy that these measures save. Studies of employment impacts of Demand Side Management ("DSM") use energy savings as a surrogate for total resource value. A meta-study of U.S. data found that estimates for the number of jobs created had a wide range, but that most studies estimate that between 30 and 60 net jobs are created by saving one TBtu.[17] In New York, New Jersey, and Pennsylvania, the ACEEE projected that 164,320 jobs, or 59 for every TBtu saved, could be attributed to EE in 1997 through 2010.[18]

1.7 CHP Program's Costs and Benefits

The following table provides the annual projected budgets for the CHP Program in nominal dollars.

Table 12. Projected CHP Program's Budgets

Spending	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY '26-'30
Nominal	$335,000	$335,000	$335,000	$335,000	$335,000	**$1,675,000**

[16] Energy Efficiency Job Creation: Real World Experiences" Bell, Casey J. American Council for an Energy-Efficiency Economy. October 2012.
[17] Laitner, Skip, and Vanessa McKinney. June 2008. *Positive Returns: State Energy Efficiency Analyses Can Inform U.S. Energy Policy Assessments*. Washington, D.C.: American Council for an Energy Efficiency Economy.
[18] Nadel, Steven, Skip Laitner, Marshall Goldberg, Neal Elliott, John DeCicco, Howard Geller, and Robert Mowris. 1997. *Energy Efficiency and Economic Development in New York, New Jersey, and Pennsylvania. Washington, D.C.*: American Council for an Energy Efficiency Economy.

The following table provides the net primary energy savings installed annually for the CHP Program.

Table 13. Projected Net Primary Energy Savings from CHP (MMBtus) - Cumulative Annual

Savings	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
First Year	**65,382**	**130,764**	**196,147**	**261,529**	**326,911**
Lifetime	**1,307,643**	**2,615,287**	**3,922,930**	**5,230,573**	**6,538,217**

The following table provides the net CO_2 emission reductions due to the CHP Program. Over the five years of the program, it is anticipated to generate more than 33,000 tons of avoided carbon emissions. Over the lifetime of the program, that number grows to more than 676,000 tons of avoided emissions.

Table 14. Net CO_2 Emission Reductions due to CHP (Short Tons)

Savings	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
First Year	**6,766**	**13,532**	**20,298**	**27,065**	**33,831**
Lifetime	**135,323**	**270,645**	**405,968**	**541,290**	**676,613**

1.8 Cost-Effectiveness Analysis

The Company's cost-effectiveness methodology is described in detail in this section of its Plan. The following table provides cost-effectiveness projections for the EE&C Portfolio using the TRC Test, which is the primary metric by which UGI Gas evaluates the EE&C Plan.

Table 15. TRC Cost-effectiveness Summary of EE&C Portfolio (2024$)

Program	Total Resource PV Benefits	Total Resource PV Costs	Total Resource PV Net Benefits	Total Resource BCR
EE&C Total	$189,265,482	$119,311,789	$69,953,693	1.59
Residential Prescriptive (RP)	74,045,850	46,868,197	27,177,653	1.58
Residential New Construction (RNC)	47,847,114	13,406,651	34,440,463	3.57
Residential Retrofit (RR)	2,212,364	4,667,879	(2,455,515)	0.47
Nonresidential (NR)	33,932,197	27,866,711	6,065,486	1.22
Portfolio-wide Costs	-	3,835,802	(3,835,802)	-
EE Total	158,037,526	96,645,241	61,392,285	1.64
CHP Program	31,227,956	22,666,549	8,561,408	1.38

1.8.1 Cost-Effectiveness Analysis Methodology

The cost-effectiveness results reported in the Plan followed standard industry practices for utilizing the TRC Test for cost-effectiveness. The TRC Test methodology used is the same as that used by the Company in its current EE&C Plans. To calculate benefits, projected natural gas, electricity, and water savings are multiplied by avoided costs, and this stream of future values is discounted to the present. For measures that have an increase in resource usage, such as CHP projects, the increase in usage may offset some, or all, of the positive benefit derived from resource savings. The cost side of the test consists of the present value of all incremental costs incurred by participants, including net operation and maintenance costs, and the non-incentive costs incurred by the portfolio administrator. If the benefits outweigh the costs (the benefit-cost ratio is above one), then the total cost of energy services for an average customer within the territory will fall, and the portfolio is considered cost-effective.

The analysis used the same discount rate as the Act 129 electric distribution companies ("EDCs") for the TRC test, including a nominal rate of 5% and an inflation rate of 2%.

1.8.2 Avoided Costs

UGI Gas developed avoided costs consistent with its Phase I EE&C Plan. The costs of baseload and peaking capacity were included (paralleling the inclusion of generation capacity in the electric avoided costs), along with avoidable local distribution costs.

The avoided commodity costs for baseload were computed as the cost of the projected Henry Hub price, minus a weighted average basis for delivery to TetCo M2, TCO Pool, Transco Leidy, and Tennessee Zone 4 Marcellus, using futures pricing from August 15, 2023. To this was added the weighted average capacity charge, commodity cost and gas retention rate for baseload supplies, using a representative marginal contract for each supply system (TETCo,

Columbia, Transco and Tennessee), using annual deliveries to the various UGI Gas regions.

Futures prices were blended with 2023 Annual Energy Outlook ("AEO") values for 2030 through 2035, and the AEO projections were used thereafter.

The avoided costs for heating load were computed in the same manner as baseload, reflecting the different amount of heating load in each month, and a mix of baseload and storage resources, again weighted across the four pipelines serving UGI Gas. This was then combined with capacity costs for a liquefied natural gas peaking contract to cover the design-day load. The peaking capacity in annual dollars per Dth-day of capacity is multiplied by the ratio of the load-weighted design-day peak, equivalent to 69.9 HDD, divided over the annual heating load, which averages about 5,214 HDD.

Avoided transmission and distribution were updated to include the actual plant additions for reliability (Budget Group 12O), Station Equipment (09O) and the much smaller Miscellaneous Plant Equipment (01O) and Supply Equipment (13O) for 2017 through 2022 (restated in constant dollars), from the Annual Asset Optimization Plan (“AAOP”) filings. All investments identified as replacement were excluded, along with all investments for new business, which are not in the AAOPs. The total investment was divided by an estimate of the associated design-day growth in that same period, from Section 14 of the §1307(f) filings. The result represents an estimate of the investment required to accommodate one Dth/day of design peak growth by the customers eligible for the efficiency programs.

The load growth estimate includes growth due to new business, even though new business investments are excluded from the computation. Thus, it will tend to be underestimated. Growth in 2019 was anomalously high, due to the addition of a large Rate XD customer, so the average growth in the other years was imputed.

Evaluation of some gas-efficiency programs and CHP also requires estimates of avoided electric costs. Electric avoided costs were taken directly from the analysis performed by the Statewide Evaluator (“SWE”). Specifically, to

develop UGI Gas's avoided electric costs, the Company utilized a blend of 50% PPL Electric Utilities Corporation, 25% FirstEnergy – Penelec, and 25% FirstEnergy - MetEd, the major EDCs whose service territories overlap with UGI Gas's service territory, restated to constant 2023 dollars. Both the electric and gas avoided costs are also provided with the benefits of reduced supply prices and the internalized market price for carbon emissions included. A table showing the annual values for gas and electric avoided costs is included in Appendix 3.1.

1.9 Implementation

1.9.1 Program Staging

All programs are projected to be operating by October 1, 2025, given timely approval by the Commission, since all the programs exist, in some form or another, as part of the Company's current Phase I EE&C Plan. However, programs may have some ramp up time due to program design changes.

1.9.2 Marketing

General Awareness and Branding

UGI Gas will leverage much of the Company's already established marketing infrastructure. This will create cost-effective and consistent messaging regarding UGI Gas's efficiency and conservation efforts. Marketing efforts may include, but not be limited to, www.ugi.com/savesmart, print, radio and digital advertisements, billboards, social media, bill inserts, and trade ally outreach. Once a customer reaches the website, the customer will be guided towards appropriate programs and incentives through targeted links. While the website will be a primary component of marketing the Plan, it will also be supplemented with additional marketing collateral such as flyers and application forms.

In addition, UGI Gas will promote how incentives may align and be eligible for additional savings through Inflation Reduction Act ("IRA") rebates. This may include, but not be limited to, URL links to aligned IRA incentives, guidance on the Company's website, and cross promotion of IRA Home Energy Performance-Based, Whole-House Rebates ("HOMES") and High-Efficiency Electric Home

Rebate Act (“HEEHRA”) program availability as part of supporting DEP’s roll out of measures targeting residential customer equipment through inclusion in its EE&C marketing materials.

Multi-family Outreach

UGI Gas will market directly to residential multi-family customers and multi-family new construction, including master-metered multifamily residences. These efforts will focus on residents, landlords, and management companies, regardless of the rate class structure of the property.

Low-income Customers

Customers who contact UGI Gas or its Conservation Service Providers (“CSPs”) with interest in participating in the EE&C Plan will be informed that they might qualify for LIURP if they are income qualified. Any interested customers will be referred to UGI Gas’s LIURP.

Further, within 180 days of the Commission’s approval of the Phase II EE&C Plan, UGI Gas will convene a meeting and invite representatives from EDCs with overlapping territory to discuss improved coordination with electric utilities’ Act 129 programs and LIURP programs to install measures with long term bill savings.

Targeted Outreach and Partnerships

UGI Gas will continue to leverage and enhance partnerships with trade allies. These efforts are likely to be the best way to drive nonresidential participation. Successful activities involve all sectors within the community and may include as activities such as:

- Partnering with local businesses and trade organizations (builders, contractors, plumbers, HVAC service providers, equipment suppliers, etc.) to familiarize them with program opportunities, energy efficiency practices, and implementation requirements and to utilize them, where appropriate, as one of the program’s service delivery channels.
- Targeting equipment manufacturers, distributors, installation contractors, and retailers/vendors to make sure they offer high-efficiency equipment and can make customers aware of available incentives.

- Connecting with local business organizations to provide opportunities to address their specific needs and translate them to their tenants, management, and facility operations personnel.
- Working with administrators of Act 129 EDCs' EE&C Plans to combine marketing and delivery options and address all aspects of efficiency at the same time.

In addition, once per year, UGI Gas will attend and present at a dedicated multifamily stakeholder meeting, to the extent such a meeting is scheduled and held by CAUSE-PA, where the meeting participants will discuss the extent to which they can provide UGI Gas with information that the Company can use to identify any low-income multifamily efficiency project opportunities. If any such project opportunities are identified through this process, the Company will perform targeted EE&C outreach to those properties.

Moreover, although UGI Gas is permitted to continue including fuel switching, and offering rebates to all of its gas customers, in its Phase II Gas EE&C Plan, UGI Gas will continue to not specifically target electric to gas fuel switching as part of its EE&C program.

Marketing Plan

UGI Gas will establish a formalized marketing plan annually, as required by Paragraph 28 of the Commission-approved Phase II Gas EE&C Plan Settlement. The marketing plan will detail how the Company will achieve the projections in its Phase II EE&C Plan.

1.9.3 Administration

The table below describes the main roles in the management of the EE&C Plan.

Table 16. Overview of Administration Roles

Role	Description
Plan Administrator	Primarily responsible for program and portfolio planning, management and reporting. Supervises and manages all other roles.
Implementation and Design Consultants	Provide assistance in the design and implementation on multiple aspects of the portfolio, including, but not limited to, program design, reporting, marketing, and training. UGI Gas will leverage internal resources wherever possible to provide these services.
Implementation Contractor	Directly responsible for main aspects of program delivery, including, but not limited to, customer engagement and retention, technical assistance, measure installation, rebate processing, program tracking, and reporting.
Third-party Inspector	Responsible for measure and project inspections that are conducted separately from the implementation contractor.
Evaluator	Performs independent program and portfolio evaluations that are used to verify savings and guide future plans.

1.9.4 Reporting

UGI Gas will submit an annual report on the EE&C Plan each January, three months after the close of the program year. This report will provide information on activity for the previous year and progress towards five-year goals, including, but not limited to:

- First year and lifetime savings;
- Participation;
- Spending;
- Cost-effectiveness;
- Highlights of portfolio and program activity; and
- Updates to program delivery and design.

To tie savings and costs together as effectively as possible, results will be reported based on commitments made. UGI Gas will also report on any participation by buildings with more than one unit.

The annual report also will provide the following information, as required under Paragraphs 33, 34, 35(h)(i)-(ii), and 36(a) of the Phase II Gas EE&C Plan Settlement approved by the Commission:

- Program participation (unique customers and total number of rebates issued) under the Residential Prescriptive ("RP") Program by rate class (R/RT, N/NT);
- Program participation (unique customers and total number of rebates issued) under the Nonresidential ("NR") Program by rate class (N/NT, DS, LFD);
- The number of confirmed low income, inclusive of self-reported, customers up to 150% Federal Poverty Level ("FPL") participating in each of the RP and RR programs;
- The specific measures in aggregate accessed by confirmed low income, inclusive of self-reported, participants up to 150% FPL in the RP and RR programs;
- The total spending in aggregate on confirmed low income, inclusive of self-reported, participants up to 150% FPL in the RP and RR programs;
- The net energy savings in aggregate achieved by confirmed low income, inclusive of self-reported participants up to 150% FPL in the RP and RR programs;
- The number of EE&C referrals made to LIURP;
- The number of EE&C referrals that received LIURP services;
- Progress on spending, including: (1) the number of customers receiving air sealing and/or insulation; and (2) the cost per job; and
- The number of residential customers who converted their heating system from electric to gas and received an EE&C rebate during the Program Year.

1.9.5 Program Flexibility

To make sure that the EE&C Portfolio can address changing market conditions and improve service delivery as quickly as possible, UGI Gas requires flexibility in the allocation of budgets and implementation of program improvements. This plan document provides the principles and five-year goals that UGI Gas is seeking, but certain adjustments, such as providing incentives for

new measures or moving budgets between years and programs, may be required to meet these goals. UGI Gas will include any such adjustments in its annual report but does not anticipate seeking initial approval for such updates. However, UGI Gas will file an updated EE&C Plan in anticipation of material changes that may have a serious effect on five-year goals, such as:

- The addition or removal of a program;
- A need for total funding levels above those approved for the five-year period;
- The need to transfer funds between programs, but within the same sector (Residential or Commercial) more than 25% of a program's five-year total budget; and
- Significant changes to cost-effectiveness projections, such as an update to avoided costs or a large reduction in portfolio spending projections.

1.9.6 Technical Reference Manual

To accommodate the additional measures being added to the Plan, UGI Gas is submitting an updated Technical Reference Manual ("TRM") along with the proposed Phase II EE&C Plan. Any results from program evaluations that affect deemed savings calculations will be added to the TRM and provided in subsequent annual report filings throughout the five-year Plan period.

1.9.7 Tracking System

UGI Gas will require CSPs to collect all relevant customer, application, measure, and contractor information and that this data is provided to UGI Gas in a timely fashion. UGI Gas will in turn maintain a program and portfolio-level aggregation of this information to be used for program management and assessment, as well as for annual reporting.

1.9.8 Third-party Inspections

Each program will have a third-party inspector, separate from the contractor that performed the work, who will solicit customer feedback and will examine whether the work was done properly and whether the installed measures match the application data. Inspections for large, complex, and custom projects will be mandatory. Inspection rates for prescriptive programs will be designed to gather

a statistically significant sample of program activity. See individual program plans for additional details.

1.9.9 Evaluation, Measurement, and Verification

UGI Gas will monitor the ongoing progress of the EE&C Plan to provide the highest possible service to customers, while maintaining rigorous processes and controls to ensure that savings and costs are being properly accounted for. UGI Gas will closely track program data, perform independent inspections of completed projects, and perform periodic evaluations for all programs.

UGI Gas will evaluate each of its programs once adequate participation levels have been reached and after a full 12 months of post-participation billing data has been collected. The programs may be evaluated again after another two years have passed. As part of the initial program development, UGI Gas will work with the selected evaluator to establish the methodology and goals of the process evaluation. Initial objectives include:

- Verifying energy savings and associated costs;
- Assessing market attitudes towards the program, including contractors, customers, and efficient equipment suppliers; and
- Measuring the effectiveness of current program design, marketing, and service delivery.

The evaluation section of the individual program descriptions includes additional details on evaluation schedules and goals unique to that program.

UGI Gas will file and serve the Company's program evaluations to the parties at Docket No. M-2024-3048418.

2 Program Plans

2.1 Residential Prescriptive

<table>
<tr><td>Objective</td><td>The Residential Prescriptive (RP) program is designed to overcome market barriers to energy efficient space and water heating equipment in the residential and small commercial sectors through rebates and customer awareness. The program's objective is to avoid lost opportunities by encouraging consumers to install the most efficient gas heating technologies available when replacing older, less efficient equipment. The program also aims to strengthen UGI Gas's relationship with HVAC contractors, suppliers, and other trade allies.</td></tr>
<tr><td>Eligible Rate Class</td><td>R/RT, N/NT</td></tr>
<tr><td>Cost-Effectiveness</td><td>Five-Year Cost-Effectiveness Results (2024$)
<table>
<tr><th>CE Test</th><th>PV Benefits</th><th>PV Costs</th><th>PV Net</th><th>BCR</th></tr>
<tr><td>TRC Test</td><td>74,045,850</td><td>46,868,197</td><td>27,177,653</td><td>1.58</td></tr>
<tr><td>Gas Admin Test</td><td>72,780,132</td><td>28,450,312</td><td>44,329,821</td><td>2.56</td></tr>
</table></td></tr>
<tr><td>Savings Projections</td><td>Five-Year Savings Projections
<table>
<tr><th></th><th>FY 2026</th><th>FY 2027</th><th>FY 2028</th><th>FY 2029</th><th>FY 2030</th><th>FY '26-'30</th></tr>
<tr><td>Natural Gas (MMBtus)</td><td></td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td>First Year</td><td>142,097</td><td>152,313</td><td>157,852</td><td>162,300</td><td>168,495</td><td>783,058</td></tr>
<tr><td>Lifetime</td><td>2,663,922</td><td>2,853,519</td><td>2,954,238</td><td>3,027,560</td><td>3,138,629</td><td>14,637,868</td></tr>
<tr><td>Electric Energy (kWh)</td><td></td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td>First Year</td><td>660,000</td><td>708,000</td><td>744,000</td><td>792,000</td><td>828,000</td><td>3,732,000</td></tr>
</table></td></tr>
</table>

	Lifetime	7,260,000	7,788,000	8,184,000	8,712,000	9,108,000	**41,052,000**
	Peak (kW)	**-**	**-**	**-**	**-**	**-**	**-**
	Water (Gallons)						
	First Year	**-**	**-**	**-**	**-**	**-**	**-**
	Lifetime	**-**	**-**	**-**	**-**	**-**	**-**

Budget Projections

Five-Year Budgets (Nominal)

Category	**FY 2026**	**FY 2027**	**FY 2028**	**FY 2029**	**FY 2030**	**FY '26-'30**
Customer Incentives	$ 5,656,800	$ 6,069,100	$ 6,332,900	$ 6,486,200	$ 6,745,000	$ 31,290,000
Administration	252,000	262,000	268,000	275,000	281,000	1,338,000
Marketing	181,000	191,000	197,000	204,000	210,000	983,000
Inspections	88,000	95,000	98,000	102,000	106,000	489,000
Evaluation	-	50,000	-	60,000	-	110,000
Total	**$ 6,177,800**	**$ 6,667,100**	**$ 6,895,900**	**$ 7,127,200**	**$ 7,342,000**	**$ 34,210,000**

Participation Projections

Five-Year Participation Projections

Measure	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY '26-'30
Furnace - ENERGY STAR	4,600	4,900	4,900	5,000	5,100	**24,500**
Boiler - (94+ AFUE)	410	440	470	490	490	**2,300**
Combi Boiler - (94+ AFUE)	1,400	1,500	1,600	1,600	1,700	**7,800**
Smart Thermostat – ENERGY STAR	5,500	5,900	6,200	6,600	6,900	**31,100**
Tankless Water Heater - ENERGY STAR	1,130	1,210	1,280	1,360	1,360	**6,340**
Boiler Reset Control	50	130	170	260	330	**940**
Single Package Vertical Unit (SPVU)	50	50	100	100	150	**450**
Fireplace Insert	2	4	6	8	10	**30**
Total	**13,142**	**14,134**	**14,726**	**15,418**	**16,040**	**73,460**

Program Design

The RP program follows the same design as the current program of the same name. The same measures from the current program are also included with the same incentive levels. In addition, incentives for efficient natural gas fireplace inserts, boiler reset controls, and efficient single package vertical units (SPVUs) are being offered. SPVUs are being offered to provide multi-family building owners and occupants with an efficient option for space heating where there are many barriers to installing efficient natural gas furnaces.

The RP program offers rebates for qualifying residential-sized space and water heating equipment. Customer rebates can be issued via mail or in the form of an instant rebate issued by qualified participating contractors or equipment distributors. Customers will be made aware of opportunities through traditional marketing efforts, such as bill inserts and media advertisements, as well as from installation contractors. For most measures, customers will have a contractor install the measure and

	receive a cash rebate to offset most of the incremental cost of the higher efficiency equipment. Smaller measures, such as Wi-Fi enabled thermostats, will only require a valid proof of purchase before a cash rebate is issued. UGI Gas will continue to examine other equipment for potential inclusion in the program, as well as the relative market adoption of equipment already receiving incentives. If program funds begin to run low each year, incentive levels may be lowered, or equipment removed from the program if additional budget adjustments cannot be made. UGI Gas will aim to provide as little interruption to customers as possible due to such adjustments.
Target Market and End Uses	The RP targets residential and small commercial consumers who use natural gas to heat their homes and/or generate hot water. In general, the program aims to incentivize only the highest levels of efficient equipment on the market. The minimum level of efficiency for measures offered through the RP program will be ENERGY STAR®, when available, and in some cases may exceed ENERGY STAR®. On the space heating side, the program provides incentives for ENERGY STAR® labeled smart thermostats, furnaces, high efficiency boilers, and combination boilers. ENERGY STAR® smart thermostats offer the potential for deeper savings than traditional programmable thermostats due to the wide range of features and feedback they offer. ENERGY STAR® requirements for furnaces drive customers toward the highest efficiency tier of condensing units (95+ AFUE) and require efficient fans that save electricity. The program would also require boilers to go towards the highest efficiency tier with an AFUE of at least 94. Offering incentives for combination space and water heating boilers

	addresses two types of end-use with one piece of equipment. These “combi boilers” also address issues with orphaned water heaters having existing atmospheric venting systems that are no longer adequate, when switching to condensing heating equipment. The program also addresses water heating savings by offering incentives for ENERGY STAR® tankless water heaters. Gas fireplace inserts have become increasingly popular in UGI’s service territory. Because of this, UGI Gas is offering an incentive for customers to install a more efficient system. Incentives will be given to qualifying units achieving 70% efficiency or greater. The baseline efficiency for these fireplace inserts is 60%. UGI Gas will also offer incentives for boiler reset controls. These controls will be eligible on residential boilers that currently do not have a reset control that is controlling the feed water temperature based on the outdoor temperature. Finally, to better serve multi-family customers in UGI Gas’s territory an incentive will be given for SPVUs. These units are the most popular space heating method in multi-family buildings. SPVUs do not have an ENERGY STAR® certification category, therefore, incentives will be given to qualifying units achieving 94% AFUE or greater. The baseline efficiency for SPVUs is 80%.

<table>
<tr><td>Financial Incentives</td><td>Incentives were designed to be in line with other offerings in the region and/or cover approximately half of the incremental cost of the measure. The table below lists the proposed incentive schedule.

Proposed Residential Prescriptive Program Rebates (Nominal)

<table>
<tr><th>Equipment</th><th>Minimum Efficiency</th><th>Initial Incentive</th><th>Maximum Incentive</th></tr>
<tr><td>Smart Thermostat</td><td>ENERGY STAR®</td><td>$50</td><td>$100</td></tr>
<tr><td>Furnace</td><td>ENERGY STAR®</td><td>$500</td><td>$500</td></tr>
<tr><td>Boiler</td><td>94+ AFUE</td><td>$1,200</td><td>$1,500</td></tr>
<tr><td>Combi Boiler</td><td>94+ AFUE</td><td>$1,500</td><td>$1,800</td></tr>
<tr><td>Tankless Water Heater</td><td>ENERGY STAR®</td><td>$400</td><td>$400</td></tr>
<tr><td>Boiler Reset Control</td><td>N/A</td><td>$300</td><td>$350</td></tr>
<tr><td>SPVU</td><td>94+ AFUE</td><td>$450</td><td>$500</td></tr>
<tr><td>Fireplace Insert</td><td>70+ FE</td><td>$150</td><td>$200</td></tr>
</table>
All equipment other than the Smart thermostat must be powered by natural gas.</td></tr>
<tr><td>Marketing Approach</td><td>The RP program will be a cornerstone of the two-pronged marketing approach for the portfolio. The program is expected to be a large portion of the general call-to-action on the residential side as well as a key part of trade ally outreach efforts. This will include placement on UGI’s energy efficiency website, www.ugi.com/savesmart, as well as a general social media push. This program will also include more tailored messages for developers, owners, and managers of larger multi-family properties to make sure that high efficiency options are considered when bulk-purchasing decisions may be made.</td></tr>
</table>

Evaluation, Measurement, and Verification	Quality Assurance All applications will require proof of purchase and a valid UGI Gas account number. Rebates received as an instant rebate via a qualified participating contractor or equipment distributor will be accompanied by an invoice showing the point-of-sale discount passed on to the customer. The rebate processor will verify that the equipment is eligible for the rebate based on the model number before issuing any rebate. The program's rebate processor will maintain a real-time database of rebate activity, which will be periodically reviewed by UGI Gas and stored separately for long-term purposes. A third-party inspector will perform on-site inspections on approximately five percent (5%) of non-thermostat equipment rebates and approximately three percent (3%) of smart thermostat rebates in order to obtain a statistically significant sample of activity. The inspection will consist of verifying that the rebated equipment is installed and operational and conclude with a short informational interview with the participant. Evaluations A third-party vendor began evaluation activity on the existing UGI South and North programs at the end of FY 2018 and has continued through the existing consolidated programs. This vendor will continue to provide evaluation activity in conjunction with all applicable UGI Gas EE&C programs.
Program Administration	Rebate Processing

	The rebate processor will accept customer applications, track and verify application information, notify the customer of any issues, maintain a call center, and report results to UGI Gas. The rebate processor may also be responsible for other rebate programs in order to streamline portfolio management. UGI Gas plans to continue to utilize the existing rebate processor to help ensure a seamless transition and process for customers. Marketing and Outreach The UGI Gas marketing vendor and the UGI Gas internal team will handle marketing and outreach for the RP program. Inspector A separate contractor from the one installing any equipment will perform on-site inspections and collect customer feedback and is expected to be the same as that utilized by UGI Gas in order to standardize inspection workflows and data collection. Evaluator A third-party evaluator will be retained to perform regular evaluations approximately every two years.
Special Notes	In addition to offering cash rebates and instant rebates via a qualified participating contractor, customers will also have the option to purchase qualified smart thermostats via an online marketplace operated by the UGI Gas rebate processor. This website offers the most popular qualified smart thermostats, with the rebate being discounted from the purchase price instantly during checkout.

2.2 Residential New Construction

Objective

The Residential New Construction (RNC) Program is designed to overcome market barriers to energy efficient space and water heating equipment, as well as high efficiency thermal envelopes, in the residential new construction sector through rebates offered to builders and developers and through general potential buyer awareness. The program's objective is to avoid lost opportunities by encouraging builders and developers to install the most efficient gas heating technologies available instead of less efficient baseline equipment, as well as promote thermal envelope best practices. The program also aims to strengthen UGI Gas's relationship with builders, HVAC contractors, suppliers, and other trade allies.

Eligible Rate Class

R/RT

Cost-Effectiveness

Five-Year Cost-Effectiveness Results (2024$)

CE Test	PV Benefits	PV Costs	PV Net	BCR
TRC	$ 47,847,114	$ 13,406,651	$ 34,440,463	3.57
PAC	$ 25,420,468	$ 9,693,216	$ 15,727,252	2.62

Savings Projections

Five-Year Savings Projections

	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY '26-'30
Natural Gas (MMBtus)						
First Year	47,485	50,290	38,976	41,584	44,161	222,496
Lifetime	1,092,158	1,156,666	896,448	956,440	1,015,707	5,117,418
Electric Energy (kWh)						

	First Year	2,475,193	2,621,288	2,075,081	2,213,871	2,351,443	11,736,865
	Lifetime	56,929,433	60,289,613	47,726,857	50,919,027	54,082,962	269,947,891
	Peak (kW)	1,136.7	1,203.6	1,103.2	1,177.0	1,250.1	5,870.5
	Water (Gallons)						
	First Year	-	-	-	-	-	**-**
	Lifetime	-	-	-	-	-	**-**

Budget Projections

Five-Year Budgets (Nominal)

Category	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY '26-'30
Customer Incentives	$ 1,734,918	$ 1,837,458	$ 1,325,885	$ 1,414,621	$ 1,502,253	$ 7,815,135
Administration	$ 653,000	$ 681,000	$ 597,000	$ 625,000	$ 653,000	3,209,000
Marketing	$ 50,000	$ 50,000	$ 50,000	$ 50,000	$ 50,000	250,000
Inspections	$ 63,000	$ -	$ 56,000	$ 59,000	$ 63,000	241,000
Evaluation	$ -	$ -	$ 50,000	$ -	$ -	50,000
Total	**$ 2,500,918**	**$ 2,568,458**	**$ 2,078,885**	**$ 2,148,621**	**$ 2,268,253**	**$ 11,565,135**

Participation Projections

Five-Year Participation Projections

Project Type	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY '26-'30
HERS Track New Home (2021 Baseline)			1,168	1,246	1,324	3,738
ENERGY STAR New Home (2021 Baseline)			222	237	251	710
HERS Track New Home (2018 Baseline)	1,324	1,402				2,726
ENERGY STAR New Home (2018 Baseline)	251	266				517
Total	1,575	1,668	1,390	1,483	1,575	7,691

Program Design	Addressing efficiency when a building is being planned and built is the cheapest and longest lasting way to change energy consumption patterns. The RNC program offers incentives to builders and/or developers for going beyond building code to reduce natural gas consumption. UGI Gas will continue to use the current program administrator to review customer applications, assess the project plans, verify that each project meets program eligibility requirements, help the customer to achieve the highest feasible and cost-effective savings, and issue rebate payments. Similar to the program design of the Act 129 EDCs, the program focuses on a whole home energy efficient building practice that is evaluated by the percentage of savings above a code-built home, as established through a Home Energy Rating System score ("HERS rating" or "HERS score"). The HERS rating will evaluate the savings above a baseline code construction home and will issue incentives based on the natural gas savings achieved. The RNC program encourages participants to go as deep as possible by addressing the space heating system, water heating system, and building envelope.
Target Market and End Uses	The RNC program targets all new residential construction projects (including "gut rehab") contemplating use of natural gas to provide space and hot water heating. For the purposes of this program, gut rehabilitation is defined as a project where the interior space of the building exposes the studs or two or more of the mechanical systems are being replaced and are required to meet current energy code standards.

<table>
<tr><td></td><td>In general, the program aims to incentivize only the highest levels of efficient equipment and construction practices on the market. The RNC program takes a whole-building approach, acquiring savings from multiple measures compared to a baseline building that is designed to simply meet code. For single family and small multi-family buildings, measures might include thermal envelope insulation, air infiltration reduction, heating equipment, and water heating equipment and low-flow fixtures.</td></tr>
<tr><td>Financial Incentives</td><td>Residential builders and/or developers will receive a lump sum incentive for achieving the program required level of savings over code and/or a designated HERS rating score that will be designed to represent an average saving over code. An additional incentive category will be created to more deeply incentivize homes that achieve ENERGY STAR certification in addition to the required level of savings over code and/or designated HERS score. The maximum incentive that UGI Gas will offer is $55/MMBtu. The following table provides an overview of proposed savings levels and associated incentives.
<table>
<tr><th>Code Baseline</th><th>Savings Over Code</th><th>Initial Base Incentive ($/MMBtu)</th><th>Initial Incentive ENERGY STAR® ($/MMBtu)</th><th>Incentive Cap/Home</th></tr>
<tr><td>2018 IECC (FY26-27)</td><td>15%</td><td>$35.00</td><td>$45.00</td><td>$1,750</td></tr>
<tr><td>2021 IECC (FY28-30)</td><td>15%</td><td>$35,00</td><td>$45.00</td><td>$1,750</td></tr>
</table>
</td></tr>
</table>

Marketing Approach	The RNC program will focus on tailored messages for developers, and builders (including ENERGY STAR® builders) to ensure that high efficiency options are considered when engaging in major rehab projects and new construction. UGI Gas will also explore ways in which to highlight the efficiency of homes to potential buyers, including through social media, signage placed at model homes and participating in builder events.
Evaluation, Measurement, and Verification	<u>Quality Assurance</u> All applications will require information confirming installation and proof of UGI Gas service for heating. Inspections will be performed on 5% of residential new construction projects. Inspections must verify that the measures proposed for the building were installed as planned and that savings targets have been met and must conclude with a short informational interview with the owner and/or developer. The program's rebate processor will maintain a real-time database of rebate activity, which will be periodically reviewed by UGI Gas and stored separately for long-term purposes. <u>Evaluations</u> The program evaluation activity will be expected to continue seamlessly with the current evaluation of the UGI Gas EE&C program. This vendor will continue to provide evaluation activity in conjunction with all applicable UGI Gas EE&C programs.
Program Administration	<u>Technical Assistance and Rebate Processing</u>

	UGI Gas plans to use the current program administrator to review customer applications, assess the project plans, verify that each project meets program eligibility requirements, help the customer to achieve the highest feasible and cost-effective savings, and issue rebate payments. Marketing and Outreach The UGI Gas marketing vendor and the UGI Gas internal team will handle marketing and outreach for the RNC program. Inspector A separate contractor will perform on-site inspections and collect customer feedback. The same firm responsible for providing technical assistance may perform this role. Evaluator A third-party evaluator will be retained to perform regular evaluations approximately every two years.
Special Notes	UGI Gas will follow the guidance from the Act 129 SWE regarding the baseline code level from which the program counts savings. Currently, UGI Gas anticipates that the code baseline for savings purposes will be IECC 2018 for FY26 and FY27, which went into effect on June 1, 2023. The code baseline will be updated to IECC 2021 for FY28 – FY30. The new construction market is highly cyclical and participation levels in the program will be highly influenced by broader economic trends beyond the control of UGI Gas. All projections in this program are based on historical program performance as a best practice.

2.3 Residential Retrofit

Objective

The Residential Retrofit (RR) Program is designed to overcome market barriers to energy efficiency in the existing residential sector through rebates offered either to customers undergoing a retrofit project or to their installation contractor(s). The program encourages improvements to the thermal envelope of the structure, particularly reductions in building air leakage and increases in insulation levels. The program also aims to strengthen UGI Gas's relationship with Home Performance contractors, suppliers, and other trade allies.

Eligible Rate Class

R/RT

Cost-Effectiveness

Five-Year Cost-Effectiveness Results (2024$)

CE Test	PV Benefits	PV Costs	PV Net	BCR
TRC	2,212,364	4,667,879	(2,455,515)	0.47
PAC	1,685,151	4,196,985	(2,511,834)	0.40

Savings Projections

Five-Year Savings Projections

	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY '26-'30
Natural Gas (MMBtus)						
First Year	3,063	3,108	3,108	3,108	3,147	**15,534**
Lifetime	69,261	70,458	70,458	70,458	71,257	**351,892**
Electric Energy (kWh)						
First Year	35,479	36,069	36,069	36,069	36,477	**180,163**
Lifetime	871,139	887,542	887,542	887,542	896,608	**4,430,373**

	Peak (kW)	22	22.4	22.4	22.4	22.7	**111.9**
	Water (Gallons)						
	First Year	172,723	174,334	174,334	174,334	175,783	**871,508**
	Lifetime	1,606,163	1,621,139	1,621,139	1,621,139	1,634,617	**8,104,197**

Budget Projections

Five-Year Budgets (Nominal)

Category	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY '26-'30
Customer Incentives	$ 390,497	$ 402,748	$ 402,748	$ 402,748	$ 404,908	$ 2,003,650
Administration	346,476	341,225	3341,225	341,225	342,425	1,712,576
Marketing	105,617	99,914	99,656	99,074	97,916	502,177
Inspections	6,000	6,000	6,000	6,000	6,000	30,000
Evaluation	-	70,000	-	70,000	-	140,000
Total	**$ 848,590**	**$ 919,887**	**$ 849,629**	**$ 919,047**	**$ 851,249**	**$ 4,388,403**

Participation Projections

Five-Year Participation Projections

Project Type	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY '26-'30
Market Rate Customers Receiving Assessments	185	185	185	185	187	**927**
Market Rate Assessments Converted to Full Projects	83	83	83	83	84	**416**
Low-Income Pilot Assessments	48	50	50	50	50	**248**
Low-Income Pilot Full Projects	33	35	35	35	35	**173**

Note: Full projects are also included in the count of customers receiving assessments

Program Design	The RR program offers incentives to customers and/or their installing contractor(s) for retrofitting or weatherizing their homes by installing low-cost energy savings measures and making thermal envelope improvements through use of approved contractors who may also receive an incentive to encourage comprehensiveness. Customers must have an in-home energy assessment performed, which will cost up to $100. The assessment may include the direct installation of energy saving measures as well as a visual inspection of the thermal envelope and the space and water heating equipment in the home. During the assessment, the customer will be provided with a gas savings kit that may be directly installed by the contractor. This kit will include a smart thermostat, low-flow devices, outlet and switch gaskets, and a carbon monoxide detector, for health and safety purposes. After the assessment, the customer will receive a list of recommended efficiency improvements for their consideration, in addition to those measures that were directly installed. The customer can then have a contractor perform the recommended efficiency improvements. The customer may receive an instant rebate from the contractor and allow the contractor to collect the subsequent rebate. Audits and thermal envelope improvements must be made by a contractor previously selected by the program as meeting program standards for high quality and technical performance, as well as possessing Building Performance Institute (“BPI”) certifications appropriate with their job responsibilities. The rebate will be given to the customer and/or the contractor upon submission of suitable documentation. Thermal envelope improvement rebates will require submittal of pre- and post-

	blower door measurements to document leakage rate reductions, and pre- and post-R-values, along with affected square footage, to document insulation improvements. Program participation levels will dictate allocation of funds from year to year, as well as the incentive levels offered. Incentive levels will be designed to give a percentage of the total project cost and as a mechanism to control program budgets will include a cap per rebate. UGI Gas will aim to provide as little interruption due to any program adjustments made to accommodate market conditions. A total budget of $1,250,000 will be allocated for a Pilot program in Phase II dedicated to serving customers at or below 200% of the FPL who do not meet the usage threshold for UGI Gas's LIURP. Qualifying Customers will receive, at no cost to them, an energy assessment and direct installation of air sealing and/or insulation at their home by an approved contractor up to a maximum of $5,000 per job, if recommended as part of the free energy assessment and if the customer agrees. Those air sealing and insulation measures will be directly installed within a reasonable time after the conclusion of the energy assessment. If insulation and air sealing measures are not performed following the result of the free energy assessment: (1) UGI Gas's contractors will offer a free energy savings kit during the assessment on a leave-behind basis; (2) UGI Gas's contractors will leave behind the energy savings kit upon customer acceptance; and (3) the consenting Qualifying Customer will be responsible for installing the kit measure. Projected spending categories and participation is outlined in the Budget Projection and Participation Projection sections above.

Target Market and End Uses	The RR program targets all residential homes that can benefit from improvements to the building envelope by encouraging a whole house approach to consider the full implications of specific measures to the overall performance of the house. The program offers a low-cost Home Energy Assessment, that may include the direct installation of gas saving measures, with the goal of convincing homeowners to install a more comprehensive project. For comprehensive projects, the program aims to incentivize only the most impactful thermal envelope improvements. A Home Energy Assessment may include, but is not limited to, the following gas saving measures: • ENERGY STAR® Smart Thermostat • Kitchen and Bathroom Faucet Aerator • Low flow Showerhead • Water Heater Tank Temperature Turndown In addition, the assessment may include the installation of health and safety measures, such as a Carbon Monoxide Detector. A comprehensive project is a project that goes beyond a Home Energy Assessment to include air sealing and insulation as part of the home retrofit package. To qualify for even the lowest incentive tier, customers are guided toward the most impactful envelope improvements.
Financial Incentives	Customers will pay up to $100 for a home energy assessment, and contractors will be compensated up to $200 plus the cost of installed measures for a home energy assessment. The customer fee

	may be waived for qualifying low-income customers that that are not eligible for LIURP services due to usage levels, or as a marketing promotion to assist with program ramp-up. Incentives for comprehensive jobs are designed to be in line with other offerings in the region and/or other companion programs in the UGI Gas portfolio, such as the RP program. UGI Gas anticipates an incentive of approximately 25% of the project cost with an incentive cap being put into place up to $3,000. This incentive is designed to provide a significant contribution to the cost of qualifying thermal envelope improvements. Qualifying Customers will receive, at no cost to them, an energy assessment and direct installation of air sealing and/or insulation at their home by an approved contractor up to a maximum of $5,000 per job, if recommended as part of the free energy assessment and if the customer agrees. Those air sealing and insulation measures will be directly installed within a reasonable time after the conclusion of the energy assessment. If insulation and air sealing measures are not performed following the result of the free energy assessment: (1) UGI Gas's contractors will offer a free energy savings kit during the assessment on a leave-behind basis; (2) UGI Gas's contractors will leave behind the energy savings kit upon customer acceptance; and (3) the consenting Qualifying Customer will be responsible for installing the kit measure.
Marketing Approach	Customers will be made aware of the RR program through the general media and bill inserts, as well as through equipment distributors, Home Performance contractors, and others in a position to affect equipment installation and thermal envelope improvement choices.

	The contractor network will play a large role in generating program leads. Approved program contractors will be encouraged to do their own marketing to enlist high quality leads for promoting high lead conversion rates, and to up-serve comprehensive retrofit packages qualifying for the highest incentive tier(s). They will be supported in these efforts through training and the development of co-branding materials that the contractor can use to promote the program. The Company will perform targeted outreach/marketing to Qualifying Customers about the Pilot program. For Qualifying Customers who respond to the targeted outreach/marketing identified in the prior sentence, the Company will refer those Qualifying Customers to the RR program. At the time of referral, the Company will inform Qualifying Customers that: (1) they are eligible under the RR program – at no expense to the customer – for a home energy assessment; and (2) if an RR program assessment occurs and if recommended by the assessment, the Qualifying Customers will be eligible for air sealing and/or insulation measures only – at no expense to the Qualifying Customers, up to $5,000. Any assessment measure costs over the $5,000 job cap will be the customer's responsibility.
Evaluation, Measurement, and Verification	<u>Quality Assurance</u> A contractor approved by UGI Gas will supervise all assessments and installation work. All approved contractors must employ a BPI-certified employee to conduct both the in-home energy assessment and as crew leader for the installation of weatherization measures. Approved contractors must employ site technicians and site supervisors with BPI professional certifications appropriate to their duties. The approved contractor must also be trained in program protocols, and the contractor's first

	three projects will require confirmation of quality installation by an approved third party before moving from probationary status to becoming fully approved. Subsequent contractor work will be sampled up to 10% of projects submitted. Following approval into the program, an approved contractor will be required to meet a variety of criteria to remain in good standing with the program. These criteria will include, but not be limited to, customer satisfaction, quality assurance results, program activity, and ongoing training. Rebate Processing UGI Gas plans to use the current program administrator to review customer applications, assess the project plans, verify that each project meets program eligibility requirements, help the customer to achieve the highest feasible and cost-effective savings, and issue rebate payments. Evaluations A third-party vendor will continue to provide evaluation activity in conjunction with all applicable UGI Gas EE&C programs.
Program Administration	Contractor Network UGI Gas will put in place an approved contractor network that will perform energy audits, natural gas retrofit projects, and submit project and incentive application information to the program administrator. Program Manager

	As part of the scope of work for the program administrator duties, UGI Gas will engage a program administrator to oversee the contractor network, accept program applications, track and verify application information, communicate with customers if necessary, and report results to UGI Gas. Marketing and Outreach UGI Gas and the program administrator will handle marketing and outreach for the RR program. Inspector A separate contractor will perform on-site inspections and collect customer feedback. The inspector may also spend a portion of their time directed towards onsite mentoring for contractors. The program administrator may also perform the inspection role. Evaluator A third-party evaluator will be retained to perform regular evaluations approximately every two years.
Special Notes	UGI Gas will explore ways in which to encourage contractors to install measures that achieve deeper savings. This may include setting aside a portion of incentives to go directly towards contractors in the form of a performance bonus. Should other marketing efforts fail to achieve the audit and job targets projected in this plan, UGI Gas may consider implementing a program offering where a customer has the option to fill out an online self-assessment of their home to be used as a customer educational tool and as a lead

	mechanism for energy audits. Customers that fill out this self-assessment may be provided with a free energy saving kit as an incentive to fill out the self-assessment.

2.4 Nonresidential

Objective

The Nonresidential (NR) program will provide incentives for overcoming market barriers for natural gas efficiency in commercial, industrial, and multifamily buildings with a commercial account. The program's objective is to encourage business owners to install the most efficient gas heating and process technologies available when replacing older, less efficient equipment and to perform comprehensive natural gas energy savings retrofits of existing buildings. Natural gas energy savings in new construction or gut renovations will also be incentivized. The program also aims to strengthen UGI Gas's relationship with HVAC contractors, suppliers, mechanical contractors, energy service companies ("ESCOs"), energy engineering firms, and other trade allies.

Eligible Rate Class

N/NT, DS, LFD

Cost-Effectiveness

Five-Year Cost-Effectiveness Results (2024$)

CE Test	PV Benefits	PV Costs	PV Net	BCR
TRC	33,932,197	27,866,711	6,065,486	1.22
PAC	32,139,843	11,121,952	21,017,891	2.89

Savings Projections

Five-Year Savings Projections

	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY '26-'30
Natural Gas (MMBtus)						
First Year	76,856	84,305	91,278	100,036	104,692	**457,167**
Lifetime	1,641,793	1,794,044	1,941,573	2,118,684	2,216,016	**9,712,110**
Electric Energy (kWh)						
First Year	289,328	311,485	333,487	355,956	374,554	**1,664,811**
Lifetime	6,281,159	6,763,024	7,243,331	7,728,308	8,122,516	**36,138,339**
Peak (kW)	36.4	39.2	42.0	44.8	47.2	**209.7**

Water (Gallons)						
First Year	341,838	347,281	352,723	358,166	362,520	**1,762,527**
Lifetime	5,412,052	5,531,788	5,651,523	5,771,258	5,867,046	**28,233,667**

Budget Projections

Five-Year Budgets (Nominal)

Category	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY '26-'30
Customer Incentives	$ 1,465,716	$ 1,596,716	$ 1,732,080	$ 1,880,862	$ 1,975,256	$ 8,650,630
Administration	755,843	708,639	721,334	734,330	744,636	3,664,782
Marketing	71,000	74,000	77,000	81,000	84,000	387,000
Inspections	28,000	30,000	33,000	34,000	36,000	161,000
Evaluation	-	-	75,000	-	75,000	150,000
Total	**$ 2,320,559**	**$ 2,409,355**	**$ 2,638,414**	**$ 2,730,192**	**$ 2,914,892**	**$ 13,013,412**

Participation Projections

Five-Year Participation Projections

Measure Name	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY '26 - FY '30
Commercial Space Heating						
Commercial Boiler (ENERGY STAR)	14	14	20	23	24	95
Unit Heater (Warm Air)	16	21	24	32	32	125
Steam Trap (<15 PSIG)	9	17	26	35	44	131
Advanced Rooftop Controls	23	26	28	33	41	151
Gas Heat Pump	-	-	-	-	-	-
Commercial Water Heating						
Commercial Water Heater (Storage & Tankless)	56	67	72	78	83	356
Commercial Kitchen						
Fryers (ENERGY STAR - Small Vat)	7	7	7	7	7	35
Fryers (ENERGY STAR - Large Vat)	1	1	1	1	1	5
Griddle (ENERGY STAR - 6 SF)	5	5	5	5	5	25
Griddle (ENERGY STAR - 8 SF)	2	2	2	2	2	10
Griddle (ENERGY STAR - 10SF)	1	1	1	1	1	5
Dishwasher (Low Temp - Under Counter)	2	2	2	2	2	10
Dishwasher (Low Temp - Stationary Single Tank Door)	2	2	2	2	2	10
Dishwasher (Low Temp - Single Tank Conveyor)	-	-	-	-	-	-
Dishwasher (High Temp - Under Counter)	2	2	2	2	2	10
Dishwasher (High Temp - Stationary Single Tank Door)	1	1	1	1	1	5

	Dishwasher (High Temp - Single Tank Conveyor)	-	-	-	-	-	-
	Nonresidential Custom						
	Custom Projects	65	70	75	80	84	374
	Total	**206**	**238**	**268**	**304**	**331**	**1,347**

Program Design	The NR will be broken into two pathways: a Prescriptive Pathway, which offers rebates for qualifying commercial-sized space heating equipment, commercial-sized water heating equipment, and commercial kitchen equipment; and a Custom Pathway, which offers incentives to commercial buildings and multi-family projects that aim to upgrade some portion of an existing building's performance or incorporate cost-effective efficiency upgrades over code baseline in new construction. Customers will be made aware of opportunities through traditional marketing efforts, such as bill inserts and media advertisements, installation contractors, and supply houses. The program will rely heavily on marketing through the participating Trade Allies who will be designing, selling, and installing these projects for customers. With more small businesses finding it hard to make investments in energy saving projects, natural gas energy saving measures may also be offered to small business customers (Rates N/NT) as a direct install measure in order to provide this

	customer class with easy, low-cost ways to save energy and also provide an opportunity to educate these customers more effectively on other ways to save natural gas. The details of the Prescriptive and Custom Pathways are as follows: **Prescriptive Pathway:** Customers will have the qualifying measures installed and receive a cash rebate to offset a portion of the incremental cost of installing the high-efficiency equipment. To relieve busy business owners of the paperwork and to create a more customer-focused process, UGI Gas will also explore batching rebates and paying them directly to contractors and/or supply houses, with the rebate amount clearly indicated on the participant's invoice. The Prescriptive Pathway offers rebates for qualifying commercial-sized space heating, water heating, and kitchen equipment. For this new phase, a new measure has been added to the Prescriptive Pathway offering to further expand prescriptive energy saving opportunities for customers. The new measure being added is Advanced Rooftop Controls, to enable customers to improve the efficiency and performance of building rooftop units, which are the most popular method for space heating in commercial buildings. UGI Gas will continue to examine other equipment for potential inclusion in the program, as well as the relative market adoption of equipment already receiving incentives. For example, UGI Gas has screened Commercial Gas Heat Pumps for cost-effectiveness and has included them in the equipment table above. However, there are no projections or rebates provided for this equipment in

	the initial plan. UGI Gas may include a rebate for the installation of this newer technology as it becomes more available in the marketplace. If the Company begins offering a commercial gas heat pump as a measure in the Plan, UGI Gas will file a one-time informational letter and serve the parties at Docket No. M-2024-3048418. The filing shall detail the level of the incentive and the forecasted number of measures to be rebated by year throughout the Plan period. Additionally, the Company will indicate any impacts to the Plan's budgets due to the inclusion of commercial gas heat pumps in the Plan. Moreover, before offering any gas-fired heat pump incentives, UGI Gas will undertake a study for the hypothetical, informational analysis of a generic 20-unit multifamily building that uses a master-metered natural gas account and installs a gas-fired heat pump. This analysis will include lifecycle energy savings, customer costs (including installation, billing, and maintenance costs), and cost-effectiveness analysis. UGI Gas will provide such hypothetical, informational analysis to the parties at Docket No. M-2024-3048418 to review before offering these incentives. **Custom Pathway:** Customers will have a cost-effective natural gas energy saving project designed and specified by a Trade Ally. A technical assistance provider will evaluate projects for both savings opportunities and cost-effectiveness. A custom package of measures that is determined to be cost-effective will have an incentive offer extended to the customer based on the project's financial characteristics. The customer then has a set amount of time to perform the upgrades and may need to receive a test-out

	audit after which the incentive will be paid. To relieve busy business owners of the paperwork and to create a more customer-focused process, UGI Gas may also provide the incentive directly to the installing contractor, with the rebate amount clearly indicated on the customer's invoice.
Target Market and End Uses	The NR will serve the small business, commercial and industrial market such as office buildings, restaurants, agricultural facilities, manufacturing facilities, campuses, government buildings, and laundry facilities. Within the two program pathways, any cost-effective measure that saves natural gas is eligible, with space heating, water heating, and process heating expected to be the largest opportunities. The NR is also expected to cover technology with more site-specific applications, such as heat-recovery systems, controls, range-hood ventilation, make-up air systems, and others. The NR Custom Pathway will be a source for identifying potential technologies to include as prescriptive rebates.
Financial Incentives	Incentives were designed to be generally in-line with the current UGI Gas programs of the same name. The Prescriptive Pathway incentives are designed to offset approximately two-thirds of the incremental cost to install efficient equipment. The Custom Pathway incentives will be based on the financial characteristics of a cost-effective energy-saving project. UGI Gas will negotiate with the customer to find an incentive that makes the project attractive enough for the customer to pursue without paying too much of the incremental cost. The incentive for a single project will be capped at the lesser of the project's gas benefits, incremental cost, or $100,000.

The table below lists the proposed incentive schedule for the Prescriptive Pathway, with the addition of advanced rooftop controls.

Proposed Nonresidential Prescriptive Pathway Rebates (Nominal)

Equipment	Minimum Efficiency	Initial Incentive
Commercial Boiler (>= 300MBh)	ENERGY STAR®	$2 / MBh + $2,000
Unit Heater (Warm Air)	90+ Et/AFUE	$2 / MBh
Steam Trap	<15 PSIG	$50
Advanced Rooftop Controls	N/A	$950
Gas Heat Pump	N/A	N/A
Commercial Water Heater	ENERGY STAR efficiency*	$4 / MBh
Commercial Fryer	ENERGY STAR®	$500
Commercial Fryer (Large)	ENERGY STAR®	$750
Commercial Griddle	ENERGY STAR®	$400
Dishwasher (Low Temp – Undercounter)	ENERGY STAR®	$400
Dishwasher (Low Temp – Door)	ENERGY STAR®	$800
Dishwasher (Low Temp – Conveyor)	ENERGY STAR®	$1,000
Dishwasher (High Temp – Undercounter)	ENERGY STAR®	$700
Dishwasher (High Temp – Door)	ENERGY STAR®	$400
Dishwasher (High Temp – Conveyor)	ENERGY STAR®	$1,100

All equipment must be powered by natural gas, except for commercial dishwashers.

*Commercial water heaters must meet all ENERGY STAR efficiency requirements and be intended for use in the commercial market.

Marketing Approach

The NR marketing approach focuses on targeted outreach to trade allies and supply houses, as well as regular communication to end-use customers. Outreach efforts will attempt to reach the decision maker at the time of, and in advance of, the need for equipment replacement. UGI Gas will provide regular outreach and training sessions on efficiency opportunities with HVAC contractors, heating

	suppliers, kitchen equipment suppliers, local business organizations, and other parties that deal with commercial equipment to provide education on opportunities for engagement with the program, hand out rebate applications, and encourage the stocking of high efficiency equipment. Good penetration rates will rely heavily on an educated contractor network to understand how to up-serve participants with more efficient products when a service call is requested, or new equipment is needed. Contractor training will be provided to those already part of the existing contractor network and qualified for commercial work. UGI Gas will promote the program through its energy efficiency website, www.ugi.com/savesmart, and other marketing activities.
Evaluation, Measurement, and Verification	<u>Quality Assurance – Prescriptive Pathway</u> All applications will require proof of purchase and a valid UGI Gas account number. All rebates will require proof of equipment installation, including information about the installer. The rebate processor will verify that the equipment is eligible for the rebate based on the model number before issuing any rebate. The program's rebate processor will maintain a real-time database of rebate activity, which will be periodically reviewed by UGI Gas and stored separately for long-term purposes. A third-party inspector will perform on-site inspections on approximately five percent (5%) of all prescriptive rebates in order to get a statistically significant sample of ongoing activity. The inspection will verify that the rebated equipment is installed and operational and conclude with a short informational interview with the participant.

	Quality Assurance – Custom Pathway The administrator will monitor all projects from the outset. This includes monitoring the installation specifications and practices as well as the final project inspection to verify that all program requirements have been met for issuance of the requested incentive. Evaluations A third-party evaluator will be retained to perform regular evaluations approximately every two years.
Program Administration	Conservation Service Provider The rebate processor will accept customer applications, track and verify application information, notify the customer of any issues, maintain a call center, and report results to UGI Gas. The rebate processor may also be responsible for other rebate programs in order to streamline portfolio management. UGI Gas plans to use the current program administrator to help ensure a seamless transition and process for customers. Marketing and Outreach UGI Gas and the Conservation Service Provider will handle marketing and outreach for the NR program. Inspector The Conservation Service Provider will perform on-site inspections and collect customer feedback.

	Evaluator A third-party evaluator will be retained to perform evaluations approximately every two years. Administrator The Conservation Service Provider will work with customers to improve the energy efficiency of their projects. The CSP will also provide technical review of projects, verify eligibility of installed equipment, and process/issue rebate payments. UGI Gas EE&C staff will maintain a separate project tracking system that will house energy savings calculations, efficiency modeling, and/or equipment specifications for each project, to be uploaded by the CSP.
Special Notes	Due to the complex nature of the nonresidential equipment market, the exact mix of measures and adoption of different technologies is not easily predicted. While UGI Gas is confident that the projected budget levels are appropriate, the exact mix of measures may vary. If program funds begin to run low in any given year, incentive levels may be lowered, or equipment may be removed from the program if additional budget adjustments cannot be made. UGI Gas will aim to provide as little interruption to customers as possible due to such adjustments.

2.5 Combined Heat and Power

Objective

The Combined Heat and Power (CHP) Program seeks to promote the installation of cost-effective and net-primary-energy-saving CHP projects and to provide meaningful CO_2 emission reductions. A CHP plant produces electricity at a commercial or industrial site while at the same time using the waste heat from the production of the electricity to serve a thermal load. Net efficiencies come from the recovered heat that is typically wasted in grid electricity production, and from the avoided transmission and distribution losses from delivering the electricity from the generator to the customer site.

Eligible Rate Class

DS, LFD

Cost-Effectiveness

Five-Year Cost-Effectiveness Results (2024$)

CE Test	PV Benefits	PV Costs	PV Net	BCR
TRC	31,227,956	22,666,549	8,561,408	1.38

Savings Projections

Five-Year Savings Projections

	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY '26-'30
Net Primary Energy Savings (MMBtus)						
First Year	65,382	65,382	65,382	65,382	65,382	**326,911**
Lifetime	1,307,643	1,307,643	1,307,643	1,307,643	1,307,643	**6,538,217**
Net Customer Gas Usage Increase (MMBtus)						
First Year	60,574	60,574	60,574	60,574	60,574	**302,872**
Lifetime	1,211,487	1,211,487	1,211,487	1,211,487	1,211,487	**6,057,435**

Budget Projections

Five-Year Budgets (Nominal)

Category	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY '26-'30
Customer Incentives	$250,000	$250,000	$250,000	$250,000	$250,000	**$1,250,000**
Administration	50,000	50,000	50,000	50,000	50,000	**250,000**
Marketing	15,000	15,000	15,000	15,000	15,000	**75,000**
Inspections*	-	-	-	-	-	**0**
Evaluation	20,000	20,000	20,000	20,000	20,000	**100,000**
Total	**$335,000**	**$335,000**	**$335,000**	**$335,000**	**$335,000**	**$1,675,000**

**Each project will have an evaluation, so no inspection costs are proposed.*

Participation Projections

Five-Year Participation Projections

Project Type	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY '26-'30
1426 kW CHP	1	1	1	1	1	**5**
Total	**1**	**1**	**1**	**1**	**1**	**5**

Program Design

The CHP program is a continuation of the same program as that offered under the current UGI Gas Phase I EE&C Plan. Customers that are considering CHP need to submit the project details including CHP installation costs, annual electricity production, and gas usage before and after the CHP project is completed. Based on the particular CHP project details, verified by UGI Gas or its contractor, UGI Gas will determine whether the proposed project is cost-effective from the TRC perspective and reduces net primary energy usage. If these criteria are met, then the CHP project is eligible for an incentive from UGI Gas.

Though the customer has primary responsibility for developing the CHP costs, savings, and technical details, UGI Gas may provide some technical assistance, as well as business development for new projects.

Target Market and End Uses	The CHP Program targets large commercial and industrial customers with high thermal and electric loads. This program is most likely applicable to customers with year-round thermal requirements and high hours of use. Customer types that are likely candidates include hospitals, campuses and multi-shift industrial. Based on current electric and gas avoided costs, only larger CHP projects (over 1,000 kW) are typically cost-effective from the TRC perspective. If avoided costs change or the costs for micro turbines decline, then some smaller projects may become cost-effective. UGI Gas will continue to closely monitor the CHP market and identify opportunities for all ranges of CHP technology and sizes.
Financial Incentives	$750/kW with a maximum of $250,000 per CHP project and no more than 50% of the CHP project cost.
Marketing Approach	UGI Gas will leverage its Relationship Managers to identify specific customers that may be likely candidates for CHP.
Evaluation, Measurement, and Verification	Every CHP project will be inspected and documentation will be reviewed to ensure that the expected technology is correctly installed and operational. A third-party evaluator will be chosen to assess the actual versus projected electric and gas generation and usage, respectively. Since the number of projects anticipated to be completed under the program is small, evaluations will be more focused on a “case study” approach that verifies performance once a project is complete and sufficient post data is collected.

Program Administration	The CHP program may be implemented either solely by UGI Gas or with assistance from an implementation contractor.
Special Notes	The CHP Program's costs and savings will be reported separately from the other efficiency programs, due to this program's increase in gas usage, whereas the other efficiency programs decrease gas usage. While UGI Gas is asking for general flexibility regarding the annual program costs for the entire EE&C Portfolio, this flexibility is particularly important for the CHP program. CHP projects are complex and require long-term planning. Moreover, incentives represent a large percentage of the program budget. Because of these factors, it is difficult to predict the outcome for a single year. UGI Gas will limit its total spending to the five-year projected total spending, and under-spending from one year may be carried over to the next year. In addition, if by the end of Program Year 4 there are no additional projects in the pipeline and/or significant budget remaining, then the Company will move those budgeted funds to another commercial program to generate additional savings.

3 Appendices

3.1 Avoided Cost Tables

Gas Avoided Costs (2024$)

	NG Base	NG Space Heat	NG DHW
	$/MMBtu	$/MMBtu	$/MMBtu
2024	3.15	7.13	4.15
2025	3.93	8.16	4.99
2026	3.94	8.28	5.02
2027	3.81	8.13	4.89
2028	3.71	7.97	4.77
2029	3.67	7.90	4.73
2030	3.69	7.90	4.74
2031	3.84	8.04	4.89
2032	3.97	8.12	5.01
2033	4.01	8.05	5.02
2034	3.56	7.51	4.55
2035	3.37	7.21	4.33
2036	3.41	7.22	4.37
2037	3.53	7.33	4.48
2038	3.46	7.22	4.40
2039	3.59	7.35	4.53
2040	3.67	7.41	4.61
2041	3.67	7.38	4.60
2042	3.61	7.30	4.53
2043	3.58	7.25	4.50
2044	3.59	7.23	4.50
2045	3.59	7.21	4.49
2046	3.56	7.16	4.46
2047	3.55	7.13	4.44
2048	3.50	7.05	4.39
2049	3.49	7.03	4.38
2050	3.51	7.03	4.39
2051	3.53	7.03	4.40
2052	3.55	7.03	4.42
2053	3.57	7.03	4.43
2054	3.58	7.03	4.45
2055	3.60	7.04	4.46
2056	3.62	7.04	4.48
2057	3.64	7.05	4.49
2058	3.66	7.05	4.51
2059	3.68	7.06	4.53
2060	3.70	7.06	4.54
2061	3.72	7.07	4.56
2062	3.74	7.08	4.58
2063	3.76	7.09	4.59

Developed by Resource Insight, Inc.

Electric Avoided Costs – EE Programs (2024$)

Period:	All-Year Energy	Summer Generation Capacity	Transm. & Dist Capacity
Units:	$/kWh	$/kW-yr	$/kW-yr
2024	0.0334	52.807	117.426
2025	0.0332	52.805	117.429
2026	0.0335	52.807	117.428
2027	0.0348	52.808	117.429
2028	0.0367	52.807	117.427
2029	0.0384	52.805	117.428
2030	0.0398	52.806	117.427
2031	0.0412	52.806	117.427
2032	0.0424	52.808	117.426
2033	0.0426	52.807	117.425
2034	0.0428	52.805	117.428
2035	0.0429	52.808	117.428
2036	0.0431	52.804	117.428
2037	0.0437	52.806	117.428
2038	0.0435	52.805	117.428
2039	0.0433	52.805	117.427
2040	0.0436	52.805	117.426
2041	0.0438	52.805	117.428
2042	0.0438	52.805	117.428
2043	0.0438	52.805	117.428
2044	0.0438	52.805	117.428
2045	0.0438	52.805	117.428
2046	0.0438	52.805	117.428
2047	0.0438	52.805	117.428
2048	0.0438	52.805	117.428
2049	0.0438	52.805	117.428
2050	0.0438	52.805	117.428
2051	0.0438	52.805	117.428
2052	0.0438	52.805	117.428
2053	0.0438	52.805	117.428
2054	0.0438	52.805	117.428
2055	0.0438	52.805	117.428
2056	0.0438	52.805	117.428
2057	0.0438	52.805	117.428
2058	0.0438	52.805	117.428
2059	0.0438	52.805	117.428
2060	0.0438	52.805	117.428
2061	0.0438	52.805	117.428
2062	0.0438	52.805	117.428
2063	0.0438	52.805	117.428

Developed by Resource Insight, Inc**.**

3.2 Detailed Program and Portfolio Cost-Effectiveness

Energy Efficiency Programs' Cost-effectiveness over Five-Year Portfolio (2024$)

	Total Resource					Electric & Gas Energy System			
	Present Value		PV of Net	Benefit-Cost	Levelized Cost	Present Value		PV of Net	Benefit-Cost
	Benefit [2]	Cost [3]	Benefits [4]	Ratio [5]	$/MMBTU	Benefit [14]	Cost [15]	Benefits [16]	Ratio [17]
Portfolio Total	$158,037,526	$96,645,241	$61,392,285	1.64	4.81	$157,667,142	$57,298,268	$100,368,874	2.75
Non-Measure Costs		$15,023,546					$15,023,546		
Total Measure Costs	$158,037,526	$81,621,694	$76,415,831	1.94	4.06	$157,667,142	$42,274,721	$115,392,421	3.73
Program									
Residential Prescriptive (RP)									
Program Total	$74,045,850	$46,868,197	$27,177,653	1.58	4.67	$74,045,850	$28,450,312	$45,595,538	2.60
Non-Measure Costs		$2,430,050					$2,430,050		
Total Measure Costs	$74,045,850	$44,438,147	$29,607,703	1.67	4.42	$74,045,850	$26,020,262	$48,025,588	2.85
Residential New Construction (RNC)									
Program Total	$47,847,114	$13,406,651	$34,440,463	3.57	3.99	$47,847,114	$9,693,216	$38,153,898	4.94
Non-Measure Costs		$3,131,110					$3,131,110		
Total Measure Costs	$47,847,114	$10,275,541	$37,571,573	4.66	3.06	$47,847,114	$6,562,106	$41,285,008	7.29
Residential Retrofit (RR)									
Program Total	$2,212,364	$4,667,879	$(2,455,515)	0.47	20.87	$2,123,069	$4,196,985	$(2,073,916)	0.51
Non-Measure Costs		$1,992,072					$1,992,072		
Total Measure Costs	$2,212,364	$2,675,807	$(463,443)	0.83	11.96	$2,123,069	$2,204,913	$(81,845)	0.96
Nonresidential (NR)									
Program Total	$33,932,197	$27,866,711	$6,065,486	1.22	4.31	$33,651,109	$11,121,952	$22,529,157	3.03
Non-Measure Costs		$3,634,512					$3,634,512		
Total Measure Costs	$33,932,197	$24,232,199	$9,699,998	1.40	3.75	$33,651,109	$7,487,440	$26,163,669	4.49
Portfoliowide Costs									
Program Total	-	$3,835,802	$(3,835,802)	-	-	-	$3,835,802	$(3,835,802)	-
Non-Measure Costs		$3,835,802					$3,835,802		
Total Measure Costs	-	-	-	-	-	-	-	-	-

CHP Program's Cost-Effectiveness over Five-Year Portfolio (2024$)

PV 2024$	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	Total
TRC Benefits	6,421,676	6,352,081	6,264,282	6,156,261	6,033,655	**31,227,956**
TRC Costs	4,799,862	4,662,723	4,529,503	4,400,088	4,274,372	**22,666,549**
Utility Costs	335,000	335,000	335,000	335,000	335,000	**1,675,000**
TRC Net Benefits	1,621,814	1,689,358	1,734,780	1,756,173	1,759,284	**8,561,408**
TRC BCR	1.34	1.36	1.38	1.40	1.41	**1.38**