March 1, 2024

Mr. Will Rosquist
Chief Regulator
Montana Public Service Commission
1701 Prospect Avenue
PO Box 202601
Helena, MT 59620-2601

**RE: Docket No. 2024.01.003, NorthWestern's 2023 Electric Universal System Benefits (USB) Report**

NorthWestern Corporation d/b/a NorthWestern Energy ("NorthWestern") submits to the Montana Public Service Commission ("Commission") its 2023 Electric Universal System Benefits ("USB") Report and Electric Share of Wallet calculation.

On January 24, 2024, the Commission issued Order on Reconsideration 7860z in Docket No. 2022.07.078, directing NorthWestern to provide its share of wallet affordability calculations for the most recent five years with its annual USB reports, starting in March 2024. With this letter, NorthWestern submits its electric share of wallet calculations for federal fiscal years 2019 to 2024, in conjunction with a copy of its 2023 Electric USB Report. The share of wallet calculations include both residential customer share of wallet and residential low-income customer share of wallet by fiscal year.

Enclosed with this letter are the following attachments:

- **Attachment A –** Presents NorthWestern's 2023 Electric Universal System Benefits ("USB") Report as submitted to the Montana Department of Revenue.

- **Attachment B –** Presents NorthWestern's Electric Share of Wallet calculations.

NorthWestern's employee responsible for answering questions concerning this compliance filing is:

Cyndee Fang
Vice President Regulatory Affairs
208 N. Montana Ave, Suite 200
Helena, MT 59601
(406) 444-8114
cyndee.fang@northwestern.com

NorthWestern also requests that all electronic correspondence related to this filing be sent to glenda.gibson@northwestern.com and tracy.killoy@northwestern.com.

If there are any questions in this regard, I can be reached at (406) 444-8114.

Sincerely,

Cyndee Fang

Cyndee Fang
Vice President Regulatory Affairs

# Universal System Benefits Activities

# 2023 Annual Report

## March 2024

NorthWestern® Energy

*Delivering a Bright Future*

NorthWestern Energy
Delivering a Bright Future

March 1, 2024

Russ Christenson
Montana Department of Revenue
PO Box 5805
Helena, MT 59604-5805

Dear Mr. Christenson:

Enclosed with this letter is the 2023 Electric Universal System Benefits (USB) report for NorthWestern Energy. Copies of this report are also being provided to the Montana Public Service Commission and members of the Energy and Telecommunications Interim Committee of the Montana Legislature.

The report documents the revenues collected by NorthWestern Energy through the USB Charge; summarizes the qualifying expenditures made by the utility in the implementation of internal programs and activities, and the credits claimed; and documents the collection and reimbursement of the USB charge from NorthWestern Energy's Large Customers.

A total of $10,385,408 in electric USB revenues was collected from NorthWestern Energy's electric distribution customers in 2023.

As required by statute and Montana Public Service Commission Order No. 7458, 50% of the 2023 USB funds, or $5,192,704 was directed to Low Income by NorthWestern Energy. Large Customers funds accounted for 31% of the total 2023 electric USB revenues, or $3,225,997 with $41,929 self-directed to Low Income activities and $2,136,089 self-directed to energy reduction activities. Allocations by NorthWestern Energy to the other public purpose categories are as follows: $645,597 to Local Conservation, $412,249 to Market Transformation, and $908,862 to Renewable Resources and Research and Development.

Funds are being carried forward to 2024 as allowed by statute and with extensions of time granted by the Department of Revenue as allowed by Administrative Rules (ARM) of Montana, 42.29.111.

Included with the 2023 report are updates for the 2020, 2021, and 2022 reports.

No USB funds collected from NorthWestern Energy customers are being released to statewide USB funds.

If there are any questions, I can be reached at (406) 497-3516.

Sincerely,

Danie Williams

Danie Williams
Manager, Energy Efficiency/DSM Services

**NorthWestern Energy**
**Electric Universal System Benefits Activities**
**2023 Annual Report**

## Executive Summary

*NorthWestern Energy is committed to administering Universal System Benefits (USB) programs and activities to efficiently deliver public purpose benefits to its Montana distribution customers to the fullest extent possible.*

Since 1999, electric customers in NorthWestern Energy's Montana service territory have funded slightly more than $234 million to USB programs that includes $73.5 million of Large Customer credits. Through USB, opportunities have been initiated for NorthWestern Energy's customers, funding of Low Income programs has been increased, Local Conservation and Market Transformation programs have continued, and support of Renewable Energy and Research and Development programs continues.

A total of $10,385,408 was collected from NorthWestern Energy's electric distribution customers in 2023. When compared to 2022, revenues are approximately $42,700 less—with Large Customer revenues increased by nearly $8,185 and non-Large Customer revenues decreased by about $50,911.

The 2023 electric USB funds have been allocated to the categories consistent with guidelines provided in Montana Public Service Commission (MPSC) Order Nos. 6679e and 7458. MPSC Order No. 6679e recognizes and allows for the pooling of electric and natural gas USB funds for the Energy Audit program, Free Weatherization for low income customers, and emergency energy assistance through Energy Share of Montana. MPSC Order No. 7458 directs 50% of the total electric Universal System Benefits Charge (USBC) revenues to the Low Income category, consistent with statute, and proportionally reduces allocations between the Local Conservation and Market Transformation categories, and the Renewable Generation and Research and Development categories. Consistent with past practice, NorthWestern Energy may reallocate between Local Conservation and Market Transformation, and Renewables and Research and Development.

Of the 2023 electric USBC revenues collected, $5,192,704 or 50% were allocated to Low Income by NorthWestern Energy separate of low income allocations from the Large

Customer category. Two Large Customers self-directed a total of $41,929 to Low Income activities, bringing the 2023 Low Income electric USB funds total to $5,234,634.

NorthWestern Energy implements USB programs and activities within the requirements of legislation for USB, the Department of Revenue (DOR) Administrative Rules of Montana (ARM) for USB programs, and tariffs and orders of the MPSC. NorthWestern Energy's allocations for 2023 are consistent with these requirements and with well-established past practices. To the extent that substantial changes have been made to programmatic or funding levels outside of those required by MPSC Order, these changes are noted in the appropriate activity summary.

The activities for 2023 are summarized and the qualifying expenditures and credits claimed by NorthWestern Energy are documented within the 2023 Annual Report. No funds are being released to the statewide USB fund(s). Large Customers that self-direct their funds are required to separately report those activities to the DOR. To the extent that a Large Customer has informed NorthWestern Energy that it has directed funds to Low Income activities, the totals have been reported.

Funds are being carried forward to 2024 as allowed by statute and with extensions of time granted by the DOR as allowed by ARM 42.29.111.

Separate from the electric USB-funded activities referenced herein, NorthWestern Energy customers also fund Local Conservation and Low Income programs and activities with natural gas USB funds. Other energy efficiency programs are included in NorthWestern Energy's electric and natural gas supply portfolios and are funded through supply rates.

The 2023 Annual Report includes USBC Revenues, USB Expenditures, USB Results that include highlights of each USB category, and Conclusion. This report also includes 2023 USB appendices, and addendums for 2020, 2021, and 2022.

# UNIVERSAL SYSTEM BENEFITS CHARGE REVENUES

NorthWestern Energy's USBC tariffs went into effect January 1, 1999. As required in law, the tariffs were established to collect nearly $8.6M (2.4% of 1995 revenues) in a weather-normal year based upon 1998 electric loads. The electric USBC generated $10,385,408 of revenue in 2023. The table below shows that the 2023 electric USBC revenues are based upon electrical usage (kilowatt-hours or kWh), lists the electric USBC tariff rates by customer class, and shows the percentage of electric USBC revenues each sector contributed.

| Customer Class | USBC Tariffs | Rate/kWh | % USBC Revenue by Class |
|---|---|---|---|
| Residential | Residential | $0.001334 | *36%* |
| General Service | GS-1 & GS-2 < 1000 kW | $0.001143 | *31%* |
| Large Customer | GS-1 & GS-2 ≥ 1000 kW | $0.000900 | *31%* |
| Irrigation | Irrigation | $0.001144 | *1%* |
| Lighting | Lighting | $0.003404 | *1%* |

A typical NorthWestern Energy residential customer using 750 kWh/month pays about $1 each month for electric USBC. The Large Customer USBC rate of $0.0009 per kWh was set by the Montana Legislature.

Large Customers are classified as customers with an individual qualifying load greater than 1,000 kilowatt (kW) average monthly demand in the previous calendar year. By law, Large Customers may self-direct their USB funds to qualifying public purposes. The Large Customer USBC rate is applied to the qualifying load and all associated demand metered accounts. Large Customers, representing 56 customers and the 543 associated accounts, make up approximately $3.23 million of the electric USBC revenues.

Appendix 1, 2023 Electric USBC Revenues, provides additional information regarding electric USBC revenues by customer class.

**Segregated USB Account**

NorthWestern Energy segregates the electric and natural gas USB funds from other utility operating funds by depositing them into a separate interest-bearing bank account, per MPSC Order No. 6504a. The net gain in 2023 interest to USB was $317,269, where $215,743 was credited on a pro rata basis to electric USB categories and the balance was credited to natural gas USB categories.

# UNIVERSAL SYSTEM BENEFITS EXPENDITURES

All 2023 electric USB funds collected from NorthWestern Energy customers have been spent and/or committed to qualifying public purposes. No funds are being released to the statewide USB fund(s).

The 2023 Annual Report includes information about the 2023 USB programs and activities for NorthWestern Energy customers. Sections are provided for Low Income, Local Conservation, Market Transformation, Renewable Resources, and Research and Development. A general summary of the Large Customer self-directed activities is provided. NorthWestern Energy does not qualify Large Customer self-directed activities and, therefore, only provides the funding obligation and basic expenditure information. See Appendix 2, 2023 Electric USB Program Expenditures and Commitments, for a summary of the 2023 revenue allocations and expenditures and Appendix 3, 2023 Electric USB Funding Savings and Participation Summary, for detailed information.

NorthWestern Energy's mix of programs and activities has been guided by the MPSC through Order Nos. 5986 f, g, and i; Order No. 6514; Order No. 6504a; Order No. 6574c; Order Nos. 6679a, b, c, and e; and Order No. 7458; advice from members of NorthWestern Energy's USB Advisory Committee; input from the Montana Department of Health and Human Services (MDPHHS) and local Human Resource Development Councils (HRDCs) for the Free Weatherization program; NorthWestern Energy's experience in program design and implementation; and in response to customer needs and market conditions.

As provided for in the ARM and Montana Statute, NorthWestern Energy implemented qualifying utility programs and activities in 2023 and has financial commitments to execute additional activities/projects for completion in 2024. These programs and activities are described in this report. The breakdown between qualifying expenditures in the current year and financial commitments for completion in 2024 is documented in Appendix 2, 2023 Electric USB Program Expenditures and Commitments, and Appendix 3, 2023 Electric USB Funding Savings and Participation Summary, to this report.

NorthWestern Energy requested, and was granted by the DOR, time extensions for projects with modified timelines that require more time for completion as reported in the Addendums for the 2020, 2021, and 2022 Annual Reports.

# UNIVERSAL SYSTEM BENEFITS RESULTS

From 1999 through 2023, NorthWestern Energy has delivered USB activities to various customer classes and across all public purpose categories. General descriptions of the programs or activities for 2023, along with the funding total per Order No. 7458 for each category, follow.

## *Local Conservation – $645,597*

*The mix of energy conservation and market transformation programs offered by NorthWestern Energy with USB funding has been more limited as some programs have been shifted to the electric supply portfolio as Demand Side Management (DSM) acquisition. The primary focus of the USB-funded energy conservation and market transformation programs is to provide energy savings across customer sectors—residential, commercial, institutional, and small industrial facilities on NorthWestern Energy's system. Customers meeting Large Customer USB criteria are not eligible to participate in these USB-funded programs.*

### Energy Audit

The Home EnergyCheck is offered as either an on-site or virtual home energy assessment for residential customers whose space and/or water heating fuels are delivered by NorthWestern Energy.

The Home EnergyCheck program kicked off virtually in late 2020, and in mid-2023 the on-site offering was reestablished. The home energy assessment is a flagship of energy efficiency for NorthWestern Energy's non-low income customers. The Home EnergyCheck provides water-related energy efficiency measures, pipe insulation, switch plate/outlet gasket covers, and energy efficiency education materials to the customer. Customer education about where their energy dollar is going and specific suggestions are provided to the customer to help them better manage their home or change behaviors to achieve greater energy-efficiency. Customers receive a report specific to their home and energy use habits. The customer-specific report breaks out historical energy usage by end-use, provides recommendations on cost-effective weatherization measures, and offers tips on energy efficient practices. When applicable, customers may receive a water heater insulation blanket and/or a blower door test. In 2023, 825 customers participated in the Home EnergyCheck; 341 were virtual and 484 were on-site.

Customers who received a Home EnergyCheck have the opportunity to provide comments about their experience:

- "Thanks so much for the energy audit. The gentleman who performed our energy audit was just great! He answered all my questions, I had 15 of them to start with

and added more. This will really help since I have to put a new roof and am installing a new gas furnace."

- "I was extremely pleased with the helpfulness of the person performing the energy audit. I've already recommended this service to a friend. Excellent Job!"

- "I had an in person energy audit just after I bought my mobile home in 2008 and wanted to find out whether my improvements changed anything for the better. I am surprised how easy the process was. The service was very helpful and made some more suggestions that are easy for me to implement."

- "I loved everything about the program. It reinforced many things we are already doing (LED light bulbs) and provided practical advice for changes we can easily make."

- "The report shared helpful information that will help me take better care of my house. Thank you!"

NorthWestern Energy electric baseload-only customers (no space heat or water heat fuels delivered by NorthWestern Energy) had previously been offered a separate audit service. This offering went into a redesign phase in 2023 and will be re-introduced as the Home EnergySurvey to customers in early 2024. The Home EnergySurvey report is a high-level energy assessment that includes energy efficiency recommendations based on the information the customer provides, along with a variety of behavioral energy efficiency suggestions.

NorthWestern Energy customers can utilize the Energy Efficiency Hotline to ask questions about home energy usage, appliance and equipment efficiencies, and strategies to reduce their utility bill. In 2023, more than 2,300 customers were provided technical assistance and energy efficiency education.

NorthWestern Energy applied 2022 and 2023 electric USB funds and 2023 natural gas USB funds to support the Energy Audit program. NorthWestern Energy plans to utilize 2022 and 2023 USB funds for the Energy Audit program in 2024.

**Irrigation**

NorthWestern Energy offers Irrigation customers a rebate for new or retrofit improvements to irrigation systems. Incentives are offered for energy conservation and load management projects. In 2023, there were six irrigation efficiency improvement projects completed with 2022 and 2023 USB funds.

## *Market Transformation – $412,249*

*Market Transformation is the strategic process of bringing more energy efficient products, practices, and services into the marketplace with a goal of changing behaviors, practices, standards, and markets in such a way that the market, rather than an interventional program or activity, supports energy efficiency.*

### Motor Management Training

Motor Management training is offered every two years and therefore there is nothing to report for 2023.

### ENERGY STAR® Homes

USB funds were used to provide research, scope, and develop training and education materials for builders, code officials, trade allies, and the general public regarding updates to the 2021 International Energy Conservation Code (IECC) that was adopted in June 2022 with amendments. NorthWestern Energy applied 2020 electric USB funds to support the ENERGY STAR Homes program and plans to utilize 2020, 2022, and 2023 USB funds in 2024.

### Building Operator Certification Training

Building Operator Certification (BOC) training specifically targets public schools, government facilities, and non-profit hospitals. Tuition scholarships to attend the BOC training are offered to employees of the aforementioned facilities. The training teaches facilities personnel to understand the complex and interdependent building systems that can bring a facility to peak efficiency. Facility personnel are instructed on how to find practical, low-cost, and no-cost efficiency solutions by working with existing systems and how to create a preventive maintenance program that improves the building environment while prolonging the life of the equipment.

In 2023, there were two BOC Level I training classes for a total of 24 trainees; one training was held in Missoula and the other in Billings. NorthWestern Energy applied 2022 and 2023 USB funds to support the BOC training. In additional to the BOC Level I training, NorthWestern Energy offered six instructional webinars throughout the year to keep Operators informed on the latest best practices, trends, and technologies to help save energy and operate facilities at optimal efficiency. An average of 13 certified Building Operators attended each webinar. These activities help promote NorthWestern Energy efficiency programs.

### Regional Market Transformation

The Regional Technical Forum (RTF) is a technical advisory committee working to develop standards to verify and evaluate energy efficiency savings. NorthWestern Energy directed 2023 USB funds to this regional collaboration for technical work that provides the

region with consistent and reliable quantification of energy savings estimates for specific efficient technologies or actions. The energy savings estimates generated through the public processes of the RTF enable accurate estimates of the region's efficiency potential vital to power system planning, as well as a better understanding of the region's efficiency accomplishments.

**Cold Climate Ductless Heat Pump**

The Cold Climate Ductless Heat Pump (CCDHP) pilot sets forth to determine the viability of CCDHPs as an energy conservation measure by determining potential energy savings and applicability to NorthWestern Energy's Montana electric customers. CCDHP Market Research identified and studied applicable cold climate units and identified Montana installers including their qualifications and experiences. Participant Outreach and Assessment accomplished contact to both installers and potential customers that gauged participation interest. Remaining tasks may include CCDHP Installations, Energy Efficiency Analyses, and Pilot Summary. NorthWestern Energy intends to utilize 2021 and 2022 USB funds for the CCDHP pilot in 2024.

**Heat Pump Water Heater**

The Heat Pump Water Heater (HPWH) pilot commenced in mid-2023 with an objective to further market adoption and knowledge of residential HPWHs by engaging distributors, licensed installers, and customers. The HPWH pilot provides best practice installation trainings, incentives to qualifying customers, and a sales performance incentive to participating installers. A HPWH training was offered with 23 people in attendance. At the end of 2023 eight installers met the HPWH pilot participation requirements. NorthWestern Energy plans to utilize 2021 and 2022 USB funds for the HPWH pilot in 2024.

**Lighting Controls**

NorthWestern Energy implemented a Lighting Controls pilot to address viability as an energy conservation measure. The primary objective is to increase market knowledge and adoption of lighting controls. Through education, technical analysis, and review of lighting control projects, the intent is to generate sufficient participation to inform streamlined program offerings. In 2023, the following tasks were completed: establishment of program guidelines; development of marketing and communication strategies; education of staff and lighting supply chain market actors; and evaluation of projects for energy savings, rebates, and vendor incentives. NorthWestern Energy plans to utilize 2020 and 2021 USB funds for the Lighting Controls pilot in 2024.

## *Renewable Resources and Research and Development*

*Renewable energy development as a public purpose category was initiated with the Universal System Benefits programs in NorthWestern Energy's service territory in 1999. Revenue and expenses for the separate categories are broken out in the 2023 Appendices. Projects and services that maximize the partnering of funding and educational value, and that increase geographic representation on NorthWestern Energy's electric system are encouraged.*

## Renewable Resources – *$700,868*

**Generation/Education**

NorthWestern Energy has provided incentives for solar photovoltaic (PV) and small-scale wind projects through USB funds for over 20 years. Currently, proposals are considered for small-scale renewable energy systems for non-profit and government/public buildings, such as libraries, non-profit community centers, and schools. Proposals are considered on a case-by-case basis depending upon geographic representation, educational value, participant match, system maintenance plan, and the availability of funds. With USB funding a portion, 16 solar PV projects were installed on schools, public buildings, and non-profit facilities with 2021 and 2022 funds. Projects completed in 2023 with previous years' funding are noted in the Addendums to the 2021 and 2022 Annual Reports. NorthWestern Energy plans to utilize 2022 and 2023 USB funds for projects in 2024.

The table below summarizes projects that have received USB funding.

| USB Renewable Projects 1999-2023 | | |
|---|---|---|
| **Facility Type** | **Number of Projects** | **Nameplate Capacity (kW)** |
| Biodiesel | 2 | 15.0 |
| Biomass | 1 | 750.0 |
| Commercial | 68 | 639.6 |
| Fire Stations | 43 | 131.3 |
| Irrigation | 6 | 103.5 |
| Low Income | 61 | 340.3 |
| Non-Profit Organizations | 90 | 1,114 |
| Private Residences | 831 | 2,654 |
| Public Buildings (other) | 67 | 1,504 |
| Schools | 120 | 1,626 |
| Solar Thermal | 19 | NA |

### Green Power

NorthWestern Energy initiated the Green Power program in 2003. Through this program, customers may elect to pay a premium on their electric bill to purchase the environmental benefits associated with renewable energy generated in the Northwest and Wyoming.

The current Green Tariff rate is $1.25 per 100 kWh block as set in MPSC Order No. 7739. Generally, customer participation in the program is stable with a few customers enrolling or leaving each year. The majority of participating customers are homeowners, but a handful of commercial accounts purchase a substantial number of the Green blocks of environmental benefits associated with renewable generation.

In 2023, program revenue exceeded expenses, and these funds totaling $16,389, in addition to a total of $77,630 of 2020, 2021 and 2022 electric USB funds, are planned to be spent in 2024 for the development and execution of promotional activities and program administration associated with the Green Power program.

## *Research and Development – $207,994*

### R & D/Infrastructure

NorthWestern Energy institutes safety and experience qualification requirements for solar PV and small-scale wind installers. Renewable generation projects must be installed by a Qualified Installer that meets safety and experience requirements in order for projects to receive USB renewable resource funds. At the end of 2023, 40 Qualified Installers met the solar PV requirements and seven met the small-scale wind requirements. Qualified Installers, as well as several program contractors, provide education and project development services.

USB funds are used in partnership with the Montana Electrical Joint Apprenticeship and Training Committee, and the Occupational Safety and Health Administration (OSHA) to provide safety training to installers of small renewable generation systems. In 2023, NorthWestern Energy sponsored 61 on-site and web-based training sessions with over 953 participants. These sessions covered a variety of topics including Solar in Schools, OSHA battery storage, Four Hazards Training, Fall Protection, NFPA 70E, Building Codes for Montana Installers, First Responder Training, utility worker, and electrical inspector training. Additional training for installers, home inspectors, and electrical inspectors using 2023 USB Funds are planned for 2024.

NorthWestern Energy provides recommended Renewable Resources and Research and Development proposal summaries to the USB Renewable Advisory Committee for their review and feedback prior to awarding incentives.

## *Low Income – $5,192,704*

*In Order No. 5986i (May 1999), the MPSC directed the utility to allocate 21% of the total electric USB funds collected to Low Income activities and to reallocate any unspent Large Customer funds to Low Income activities. In 2005, the MPSC issued Order Nos. 6574c, 6679a, and 6679b; these orders serve to increase the allocation of electric USB funds to the Low Income sector. MPSC Order No. 6679e (December 2008) made permanent the Low Income Bill Discount levels and established a Low Income allocation guideline as part of the direction to guide allocations amongst the electric USB categories. In 2015, the MPSC issued Order No. 7458 increasing the funding of Low Income activities to 50% of the total annual electric USBC revenues as now required by statute and increasing allocations to the Free Weatherization program and Energy Share of Montana.*

NorthWestern Energy directed $5,192,704 of 2023 electric USB funds to Low Income, or 50% of electric USBC revenues. Large Customers reported self-directing an additional $41,929 to Low Income activities bringing the total 2023 funds committed to Low Income to $5,234,633.

Appendix 4, Summary of Electric USB Funding, provides a summary of NorthWestern Energy's Electric USB allocations for 1999-2023 by category and better illustrates the funding to Low Income. Low Income USB funds are directed to programs and activities that benefit income qualified customers.

Low Income Home Energy Assistance Program (LIHEAP) is a federal benefit program administered by MDPHHS that assists low income households with heating bills, home appliance repairs, and emergency assistance during the heating season. LIHEAP eligibility is set at 60% state median income for up to 9 household members. NorthWestern Energy customers apply for LIHEAP assistance through their local HRDC.

Households served by NorthWestern Energy that meet the LIHEAP eligibility requirements receive bill assistance in the form of a Bill Discount on their monthly utility bill, opportunity to accept Free Weatherization to the home/rental they reside in, and potential to be given emergency energy assistance. The financial impact of electricity costs on low income households was reduced through these programs.

### Bill Discount

Customers qualifying for LIHEAP receive federal funds for part of their winter energy bills and also receive the NorthWestern Energy Bill Discount. Consistent with MPSC Order No. 6679e the NorthWestern Energy electric Bill Discount is 25% from November through April and 15% from May through October. Electric USB funds cover the electric Bill Discount.

The funding of the electric Bill Discount totaled $2,974,391 and served an average of 11,364 low income customers. In 2023, participation in the Bill Discount increased as

compared to the 2022 participation level. The funding for the Bill Discount fluctuates annually based upon the number of customers enrolled, rates, and weather.

**Free Weatherization and Fuel Switch**

NorthWestern Energy partners with MDPHHS and local HRDCs to offer the Free Weatherization and Fuel Switch (Free Weatherization) program.

Through the history of this program, NorthWestern Energy has made modifications to the Free Weatherization program contract with MDPHHS in an effort to better maximize the weatherization results of all funding sources for NorthWestern Energy low income customers. In 2023, NorthWestern Energy provided funding to allow for the following:

- Weatherization Readiness: Contractors were deferring low income weatherization assistance in residences because the dwelling was not “weatherization ready”. Funding was provided to address issues that were stopping weatherization work. These funds were designated for use in addressing structural and health and safety issues of NorthWestern Energy customer homes that are currently in the queue to be weatherized, but at risk of deferral. Weatherization Readiness funding totaled $48,201.

- Buy Down/Co-Funding: Contractors utilized Buy Down/Co-Funding when the total material and labor costs to perform a weatherization measure brought the individual Savings-to-Investment Ratio (SIR) below 1.0. After applying funding to the measure cost, the SIR had to be at a 1.0 or greater cost-effectiveness for the measure to be installed. The weatherization measures allowed for funding were: insulation, doors, and windows. Buy Down/Co-Funding funds totaled $16,793.

Contract changes to streamline the program and better mirror federal program requirements prior to 2023 have been noted in previous Annual Reports. USB funds up to 100% of weatherization costs for homes where NorthWestern Energy is listed as the primary heating vendor and up to 50% of weatherization costs for homes where the NorthWestern Energy electric customer does not list NorthWestern Energy as the primary heating vendor.

A combination of contributing factors has impacted the ability for work to be completed for the Free Weatherization program: a continued influx of federal funds, along with employment challenges and subcontractor availability. The HRDCs performed weatherization work for 163 low income customers.

The Free Weatherization program helps customers to improve the heating efficiency of their homes and thus reduce their energy consumption. The services provided include a comprehensive energy audit, installation of air-sealing, hot water conservation, insulation measures, and LED bulbs, and energy-related health and safety improvements such as heating equipment tune-ups, repairs, and replacement. Customers are provided with

energy efficiency information to help them better manage their energy usage and to better understand their energy costs.

Customers served through the program provide comments about their experience through letters and customer response cards handed out by the HRDCs:

- "Everyone went above & beyond to weatherize my home. I can't thank them enough."
- "This program is a godsend for low income families. The installers were very professional and did the job on a timely basis."
- "Great people to work with! Very respectful & professional. Thank you very much☺."
- "Keep up your wonderful work. Workers were all courteous and thoughtful. They answered all my questions."
- "Great group of gentlemen – a pleasure to learn and have them in our home."

Customers whose homes are heated primarily with electricity from NorthWestern Energy are considered for a fuel switch conversion to natural gas. There were no electric customers converted to natural gas in 2023.

NorthWestern Energy applied 2020 and 2021 electric USB funds and no natural gas USB funds to the Free Weatherization program in 2023. The remaining 2021 and 2022 electric USB funds will be carried forward for 2024 Free Weatherization program activities.

**Energy Share**

Energy Share of Montana offers assistance to those facing energy emergencies when the household source of heat is threatened and/or there are no resources to pay the utility bill. Energy Share takes into consideration the household income, but helps those based on the need, individual situation, and level of emergency. Energy Share provides situationally-based, emergency-oriented assistance that complements LIHEAP. It is intended to be a one-time, last resort safety net, used after all other resources have been exhausted.

In 2023, Energy Share provided emergency energy assistance to 1,506 customers, and the average assistance per household was $600.

## *Large Customers– $3,225,997*

*Large Customers are allowed to self-direct their USB funds per Montana statute. Those who self-direct funds are required to file individual reports with the DOR regarding their activities. NorthWestern Energy is required to collect the USBC from these customers pursuant to Montana statute through a tariff. Individual customers file reimbursement claims with NorthWestern Energy who then processes the payment request. NorthWestern Energy does not qualify Large Customer credits and bears no financial responsibility for any disallowance of their USB activities. Energy savings associated with Large Customer projects are not accounted for in NorthWestern Energy's Annual Report.*

Large Customer revenues are included in the utility's annual USB obligation. Large Customers may self-direct their funds and do not have a minimum funding requirement for Low Income nor an obligation to fund any of the utility's activities. Likewise, Large Customers are not eligible to participate in NorthWestern Energy's USB-funded energy efficiency programs.

In 2023, $3,225,997 was collected from 56 Large Customers to meet their 2023 obligations. Large Customers self-directed $2,133,392 to energy reduction projects within their facilities, and have carried over $1,050,526 for additional projects in 2024. Large Customers self-directed $41,929 to Low Income activities.

Claims to NorthWestern Energy for reimbursement are documented as received. Reimbursements are made to a Large Customer after the USBC has been collected. NorthWestern Energy works closely with Large Customers and assists them with documentation needed for reporting requirements to the DOR.

The 2023 Large Customer administrative costs of $8,240 were covered by $150 of unclaimed 2023 Large Customer funds and interest income of $73,931 leaving a balance of $65,841. The balance is being reallocated by NorthWestern Energy to Low Income for expenditure in 2024, consistent with historic MPSC direction.

Consistent with statute, NorthWestern is required and herein is providing a list of the 56 Large Customers that self-directed USB funds.

**NorthWestern Energy**
**Electric Universal System Benefits Activities**
**2023 Annual Report**

| NorthWestern Energy<br>Large Customers Self-Directing 2023 Funds | |
|---|---|
| AMERICAN CHEMET | MONTANA STATE UNIVERSITY - BOZEMAN |
| ASH GROVE CEMENT | PAR PACIFIC |
| ASPEN AIR | PASTA MONTANA |
| ATLAS POWER | PHILLIPS66 PIPELINE |
| BARRETTS MINERALS | PHILLIPS66 REFINERY |
| BILLINGS CLINIC | R Y TIMBER |
| BOEING OF HELENA | REC SILICON |
| CALUMET MONTANA REFINING, LLC | ROCKY MOUNTAIN POWER |
| CHS | ROSEBURG FOREST PRODUCTS |
| CITY OF BILLINGS | SAINT JAMES HOSPITAL |
| CITY OF GREAT FALLS | SAINT PATRICK HOSPITAL |
| COLSTRIP ENERGY LTD PARTNERSHIP | SAINT VINCENT HEALTHCARE |
| COMMUNITY MEDICAL CENTER | STILLWATER MINING COMPANY |
| EXPRESS PIPELINE LLC | SUN MOUNTAIN LUMBER |
| EXXONMOBIL | TALEN MONTANA, LLC |
| GCC TRIDENT LLC | THOMPSON RIVER LUMBER |
| GENERAL MILLS | UNITED MATERIALS INCORPORATED |
| GRAIN CRAFT | UNITED PROPERTIES, INC. |
| GRAYMONT WESTERN US INC. | UNIVERSITY OF MONTANA |
| IDAHO FOREST GROUP LLC | US AIR FORCE |
| JUDITH GAP ENERGY LLC | US DEPT VETERANS AFFAIRS |
| MAGRIS TALC USA | US PUBLIC HEALTH - NATIONAL INSTITUTE OF HEALTH |
| MALTEUROP NORTH AMERICA, INC. | VISTA OUTDOOR SALES, LLC |
| METRA PARK | WESTERN SUGAR COOPERATIVE |
| MONTANA DEPARTMENT OF CORRECTIONS | WESTMORELAND ABSALOKA MINING LLC |
| MONTANA PRECISION PRODUCTS LLC | WESTMORELAND ROSEBUD MINING LLC |
| MONTANA RESOURCES | YELLOWSTONE DEVELOPMENT |
| MONTANA STATE UNIVERSITY - BILLINGS | YELLOWSTONE ENERGY |

## Conclusion

In every year since the inception of USB, NorthWestern Energy's efforts have covered all public purpose categories—Local Conservation, Market Transformation, Renewable Resources, Research and Development, and Low Income. Efforts have included offerings for all NorthWestern Energy customers that include residential income and non-income qualified, Main Street businesses, schools, government entities, office buildings, irrigators, and small industrial companies (with the exception of the Large Customers, who may self-direct USB funds). Funding programs and activities continue to be coordinated by NorthWestern Energy staff with much of the implementation work being performed by third-party implementers and partners.

MPSC Order No. 6679e recognizes and allows for the pooling of electric and natural gas USB funds for the Energy Audit program and for income-qualified customers the Free Weatherization program along with emergency energy assistance.

Cost-effective energy efficiency DSM programs for NorthWestern Energy customers are funded through electric and natural gas supply rates as part of NorthWestern Energy's supply portfolios.

Addendums for the years 2020, 2021, and 2022 Annual Reports are included to provide an update of funded USB activities that were completed in 2023 or committed to be completed in 2024.

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# Appendices 1-4

Universal System
Benefits Activities
**2023 Annual Report**

# Appendix 1
# 2023 Electric USBC Revenues

| | USBC kWh (Load) | | USBC Revenue By Class | % of USBC Revenue By Class |
|---|---|---|---|---|
| **Residential** | | | | |
| Residential | 2,817,182,860 | $ | 3,757,123 | 36% |
| **General Service** | | | | |
| GS-1/GS-2 < 1000 kW | 2,812,035,792 | $ | 3,214,101 | 31% |
| **Irrigation** | 80,686,124 | $ | 92,300 | 1% |
| **Lighting** | 28,269,276 | $ | 95,888 | 1% |
| **Total Non-Large Customer** | **5,738,174,052** | **$** | **7,159,412** | **69%** |
| **Large Customer** | | | | |
| GS-1/GS-2 > 1000 kW | 3,584,492,962 | $ | 3,225,997 | 31% |
| **Totals** | **9,322,667,015** | **$** | **10,385,408** | **100%** |

***Note: The Residential class includes income-qualified customers receiving a 25% bill discount from November 1st - April 30th and 15% bill discount from May 1st - October 31st. The bill discount is applied to the total bill, including the Universal System Benefits Charge.***

**Appendix 2**
**2023 Electric USB Program**
**Expenditures and Commitments**

| | Revenue Allocation [a] | | Spent in 2023 | Committed - Complete in 2024 | Allocation & Expenses |
|---|---|---|---|---|---|
| | per Order 7458 | Reallocation | | | |
| **Local Conservation** | **645,597** | **2,453** | **248,112** | **399,939** | **648,051** |
| Energy Audit | | | 235,865 | 395,979 | 631,844 |
| Irrigation | | | 1,637 | 3,960 | 5,597 |
| Promotion | | | 2,383 | - | 2,383 |
| Labor | | | 17,957 | - | 17,957 |
| Administration Non-labor | | | 1,408 | - | 1,408 |
| Interest Income | | | (11,140) | - | (11,140) |
| Local Conservation Summary | | | 248,112 | 399,939 | 648,051 |
| | | | | | |
| **Market Transformation** | **412,249** | **(2,453)** | **122,585** | **287,210** | **409,795** |
| Motor Management Training | | | - | - | - |
| Energy Star Homes | | | - | 19,185 | 19,185 |
| Building Operator Certification | | | 21,912 | - | 21,912 |
| Regional Market Transformation | | | 33,000 | 155,610 | 188,610 |
| Cold Climate Ductless Heat Pump | | | - | 112,415 | 112,415 |
| Promotion | | | 7,528 | - | 7,528 |
| Labor | | | 63,338 | - | 63,338 |
| Administration Non-labor | | | 3,919 | - | 3,919 |
| Interest Income | | | (7,113) | - | (7,113) |
| Market Transformation Summary | | | 122,585 | 287,210 | 409,795 |
| | | | | | |
| **Renewable Resources** | **700,868** | **14,938** | **31,411** | **684,395** | **715,806** |
| Generation/Education | | | - | 668,006 | 668,006 |
| Green Power Product | | | (16,389) | 16,389 | - |
| Promotion | | | - | - | - |
| Labor | | | 59,706 | - | 59,706 |
| Administration Non-labor | | | 55 | - | 55 |
| Interest Income | | | (11,961) | - | (11,961) |
| Renewable Resources Summary | | | 31,411 | 684,395 | 715,806 |
| | | | | | |
| **Research & Development** | **207,994** | **(14,938)** | **38,586** | **154,470** | **193,056** |
| R&D/ Infrastructure | | | 23,797 | 154,470 | 178,267 |
| Promotion | | | 250 | - | 250 |
| Labor | | | 18,243 | - | 18,243 |
| Administration Non-labor | | | 17 | - | 17 |
| Interest Income | | | (3,721) | - | (3,721) |
| Research & Development Summary | | | 38,586 | 154,470 | 193,056 |
| | | | | | |
| **Low Income** | **5,192,704** | **-** | **3,253,756** | **1,938,948** | **5,192,704** |
| Bill Discount | | | 2,974,391 | - | 2,974,391 |
| Free Weatherization & Fuel Switch | | | - | - | - |
| Electric Weatherization Incentives | | | 18,196 | - | 18,196 |
| Fuel Switch Analyses | | | - | - | - |
| Energy Share | | | 289,000 | - | 289,000 |
| Low Income | | | - | 1,938,948 | 1,938,948 |
| Promotion | | | 54,939 | - | 54,939 |
| Labor | | | 23,965 | - | 23,965 |
| Administration Non-labor | | | 1,130 | - | 1,130 |
| Interest Income | | | (107,865) | - | (107,865) |
| Low Income Summary | | | 3,253,756 | 1,938,948 | 5,192,704 |
| | | | | | |
| **Large Customer [b]** | **3,225,997** | **-** | **2,109,630** | **1,116,367** | **3,225,997** |
| Self-Directed Energy Reduction | | | 2,133,392 | 1,050,526 | 3,183,917 |
| Self-Directed to Low Income | | | 41,929 | - | 41,929 |
| Labor | | | 8,240 | - | 8,240 |
| Administration Non-labor | | | - | - | - |
| Interest Income | | | (73,931) | - | (73,931) |
| NWE Reallocate to Low Income | | | - | 65,841 | 65,841 |
| Large Customer Summary | | | 2,109,630 | 1,116,367 | 3,225,997 |
| | | | | | |
| **Totals** | **10,385,408** | **-** | **5,804,080** | **4,581,329** | **10,385,408** |
| **2023 USB Revenues less Expenses and Commitments** | | | | | **-** |

*[a] Reallocations between Local Conservation and Market Transformation and Renewables and Research and Development are consistent with past practice.*

*[b] The 2023 Large Customer Admin costs of $8,240 were covered by $150 of unclaimed 2023 Large Customer funds and interest income of $73,931 leaving a balance of $65,841 that is being reallocated to Low Income for expenditure in 2024.*

**Appendix 3**
**2023 Electric USB Funding**
**Savings and Participation Summary**

***2023 USB FUNDING AND EXPENDITURE SUMMARY***

| USB Category | Allocation of 2023 funds based on Order 7458 | Percentage by Category | Total Electric USB Funds Spent in 2023 | 2023 Electric USB Funds Committed to Spend in 2024 | Allocation w/Lrg Cust funds self-directed to LI [a] | Percentage by Category | Allocation & Expenses | Percentage by Category |
|---|---|---|---|---|---|---|---|---|
| Local Conservation | $ 645,597 | 6% | $ 248,112 | $ 399,939 | $ 648,051 | 6% | $ 648,051 | 6% |
| Market Transformation | $ 412,249 | 4% | $ 122,585 | $ 287,210 | $ 409,795 | 4% | $ 409,795 | 4% |
| Renewables | $ 700,868 | 7% | $ 31,411 | $ 684,395 | $ 715,806 | 7% | $ 715,806 | 7% |
| Research & Development | $ 207,994 | 2% | $ 38,586 | $ 154,470 | $ 193,056 | 2% | $ 193,056 | 2% |
| Low Income | $ 5,192,704 | 50% | $ 3,253,756 | $ 1,938,948 | $ 5,234,634 | 50% | $ 5,192,704 | 50% |
| Large Customer | $ 3,225,997 | 31% | $ 2,109,630 | $ 1,116,367 | $ 3,184,067 | 31% | $ 3,225,997 | 31% |
| | **$ 10,385,408** | **100%** | **$ 5,804,080** | **$ 4,581,329** | **$ 10,385,408** | **100.0%** | **$ 10,385,408** | **100.00%** |

***2023 LOW INCOME EXPENDITURES SUMMARY***

| 2023 Low Income Expenditures | |
|---|---|
| Bill Discount | $ 2,974,391 |
| Free Weatherization & Fuel Switch | $ - |
| Electric Weatherization Incentives | $ 18,196 |
| Fuel Switch Analysis | $ - |
| Energy Share | $ 289,000 |
| Promotion | $ 54,939 |
| Labor | $ 23,965 |
| Admin. Non-labor | $ 1,130 |
| Interest Income | $ (107,865) |
| Self-Directed Large Customer to Low Income | $ 41,929 |
| **Total:** | **$ 3,295,685** |
| **Low Income Expenditures share of 2023 Electric USB revenues :** | **31.7%** |

***2023 ENERGY SAVINGS & RENEWABLE RESOURCES ESTIMATES***

**Savings & Resources acquired in 2023 w/ 2023 Funds**

| | aMW | MWH | MW |
|---|---|---|---|
| Local Conservation | 0.001 | 12.45 | 0.02 |
| Market Transformation | 0.028 | 241.93 | N/A |
| Renewables | - | - | N/A |
| Research & Development | N/A | N/A | N/A |
| Low Income | 0.000 | 1.21 | - |
| Large Customer [b] | N/A | N/A | N/A |
| **Total Savings & Resources** | **0.029** | **255.58** | **0.02** |

**Projected Savings & Resources to acquire in 2024 w/ 2023 Funds (c)**

| | aMW | MWH | MW |
|---|---|---|---|
| Local Conservation | 0.007 | 56.97 | 0.01 |
| Market Transformation | N/A | N/A | N/A |
| Renewables | 0.060 | 528.61 | 0.40 |
| Research & Development | N/A | N/A | N/A |
| Low Income | - | - | - |
| Large Customer [b] | N/A | N/A | N/A |
| **Projected Total Savings & Resources** | **0.067** | **585.58** | **0.41** |

***2023 PARTICIPATION SUMMARY WITH 2023 FUNDS***

| Electric USB Activity by Category | Quantity | Units |
|---|---|---|
| **Local Conservation** | | |
| Home EnergyCheck | 692 | homes |
| Irrigation | 5 | projects |
| **Market Transformation** | | |
| Building Operator Certification | 7 | people |
| **Renewables** | | |
| Generation / Education | - | projects |
| **Research & Development** | | |
| Renewable Energy Seminars/Workshops | 60 | attendees |
| **Low Income** | | |
| Bill Discount | 11,364 | households |
| Free Weatherization & Fuel Switch | 2 | homes |
| Energy Share | 1,506 | households |

[a] Large Customers may self-direct their USB dollars to energy saving and renewable activities in their own facilities, or to Low Income activities. In 2023 with 2023 funds, Large Customers self-directed a total of $41,929 to LowIncome.

[b] Large Customer energy savings estimates are reported by individual large customers to the Department of Revenue.

[c] Projected Savings & Resources are based on contracts that were in place at the end of 2023. Actual results will be reported in 2024.

# Appendix 4
# Summary of Electric USB Funding
# 1999 - 2023

## Annual Electric USB Allocation

### Original Allocation per D97.7.90, Order 5986g [(a)]

| | % by Category | $ by Category |
|---|---|---|
| Local Conservation | 20% | 1,704,748 |
| Market Transformation | 13% | 1,069,860 |
| Renewables | 12% | 1,051,686 |
| Research & Development | 3% | 212,437 |
| Low Income | 21% | 1,866,219 |
| Large Customers | 31% | 2,981,806 |
| | 100% | 8,886,756 |

### Current Allocation per D2015.7.58, Order 7458 [(a)]

| | % by Category | $ by Category |
|---|---|---|
| Local Conservation | 6% | 645,597 |
| Market Transformation | 4% | 412,249 |
| Renewables | 7% | 700,868 |
| Research & Development | 2% | 207,994 |
| Low Income | 50% | 5,192,704 |
| Large Customers | 31% | 3,225,997 |
| | 100% | 10,385,408 |

## Historic Allocation of Electric USB Funds [(b)]

| | | USB Categories | | | | | |
|---|---|---|---|---|---|---|---|
| Year | Total Electric USB Funds | Local Conservation | Market Transformation | Renewables | Research Development | Low Income [(c)] | Large Customers |
| 1999 - 2012 | **124,945,196** | 20,826,509 | 7,955,900 | 13,690,806 | 3,495,420 | 39,456,087 | 39,520,470 |
| 2013 | **9,485,951** | 1,238,110 | 243,855 | 979,534 | 304,414 | 3,879,499 | 2,840,538 |
| 2014 | **9,543,001** | 1,518,042 | 176,454 | 1,015,155 | 412,666 | 3,530,178 | 2,890,506 |
| 2015 | **9,531,041** | 671,655 | 304,518 | 729,125 | 109,566 | 4,765,520 | 2,950,657 |
| 2016 | **9,447,558** | 717,796 | 266,924 | 574,269 | 271,766 | 4,723,779 | 2,893,024 |
| 2017 | **9,838,601** | 758,514 | 268,707 | 743,991 | 138,559 | 4,919,301 | 3,009,528 |
| 2018 | **10,063,092** | 614,558 | 399,090 | 707,490 | 163,399 | 5,031,546 | 3,147,008 |
| 2019 | **10,367,307** | 448,845 | 415,034 | 656,782 | 85,430 | 5,183,653 | 3,577,562 |
| 2020 | **9,917,706** | 331,587 | 640,965 | 678,806 | 156,775 | 4,958,853 | 3,150,720 |
| 2021 | **10,074,524** | 140,755 | 909,827 | 801,538 | 101,082 | 5,037,262 | 3,084,060 |
| 2022 | **10,428,134** | 280,922 | 792,817 | 786,287 | 136,230 | 5,214,067 | 3,217,812 |
| 2023 | **10,385,408** | 648,051 | 409,795 | 715,806 | 193,056 | 5,192,704 | 3,225,997 |
| | **234,027,519** | 28,195,343 | 12,783,887 | 22,079,589 | 5,568,363 | 91,892,449 | 73,507,883 |
| **Allocation as % of Revenues by Category** | **100%** | **12.0%** | **5.5%** | **9.4%** | **2.4%** | **39.3%** | **31.4%** |
| **Allocation as % of Revenues, excluding Large Customer Revenues** | **100%** | **17.6%** | **8.0%** | **13.8%** | **3.5%** | **57.2%** | **N/A** |

[(a)] SB390 required that utilities collect 2.4% of their 1995 electric revenues to fund approved USB activities, and direct 17% of the total to the low income category. The allocation set forth by MPSC in Order 5986g increased NorthWestern Energy's low-income requirement to 21% of total revenues. In December 2008 MPSC issued Order 6679e which increased the allocations to Low Income and adjusted allocations to the other non-Large Customer Categories. MPSC Order 7458 increased to 50% the allocation to Low Income and proportionally reduced non-Large Customer categories. These Orders did not affect the allocation for Large Customers, they effectively reduced the amount of USB funds available for other non-Low Income USB categories. Consistent with past practice, NorthWestern Energy may reallocate between Local Conservation and Market Transformation, and Renewables and Research and Development.

[(b)] The historic allocation table illustrates the expenditure or direction of electric USB by category from 1999 through 2023.

[(c)] This column summarizes all funds allocated to low-income activities by NorthWestern Energy. In addition to funds allocated by NorthWestern Energy, Large Customers have self-directed $4,302,805 to low-income activities since 1999.

# Addendum
# 2022 Annual Report



# Universal System Benefits Activities
# 2023 Annual Report

**ADDENDUM**
**to the**
**2022 Annual Report**

The 2022 NorthWestern Energy USBC revenues totaled $10,428,134. Of this, $4,825,552 was spent on projects completed in 2022, and $1,927,493 was spent on projects completed in 2023, leaving a balance of $3,675,090 for projects to be completed in 2024.

The projects associated with $1,927,493 of 2022 USB funds include $225,000 of Local Conservation, $50,000 of Market Transformation, $230,307 of Renewable Resources, $116,400 of Research & Development; and $1,305,786 of Large Customer self-directed activities.

Consistent with historical practice, NorthWestern allocated $41 of unclaimed Large Customer funds to Free Weatherization for projects in 2024.

NorthWestern Energy requested and was granted extensions from the Department of Revenue as allowed per ARM 49.29.111 for Local Conservation activities totaling $21,539; Market Transformation activities totaling $625,687; combined Renewable Resources and Research & Development activities totaling $765,725; and Low Income activities totaling $2,535,554 for completion in 2024.

Updated results are provided in the Addendum to the 2022 Annual Report in Appendix 2, 2022 Electric USB Program Expenditures and Commitments, and Appendix 3, Update to Savings and Participation Summary.

**Appendix 2**
**2022 Electric USB Program**
**Expenditures and Commitments**

| | Revenue Allocation [a] | | Spent in 2022 | Spent in 2023 | Committed - Complete in 2024 | Allocation & Expenses |
|---|---|---|---|---|---|---|
| | per Order 7458 | Reallocation | | | | |
| **Local Conservation** | **305,296** | **315,859** | 55,922 | **225,000** | **340,234** | **621,156** |
| Energy Audit | | | - | 200,000 | 340,234 | 540,234 |
| Irrigation | | | 9,142 | 25,000 | - | 34,142 |
| Promotion | | | 24,509 | - | - | 24,509 |
| Labor | | | 19,600 | - | - | 19,600 |
| Administration Non-labor | | | 2,686 | - | - | 2,686 |
| Interest Income | | | (16) | - | - | (16) |
| Local Conservation Summary | | | 55,922 | 225,000 | 340,234 | 621,156 |
| | | | | | | |
| **Market Transformation** | **768,442** | **(315,859)** | 117,130 | **50,000** | **285,453** | **452,583** |
| Motor Management Training | | | 3,228 | - | - | 3,228 |
| Energy Star Homes | | | - | - | 25,415 | 25,415 |
| Building Operator Certification | | | - | 50,000 | 71,200 | 121,200 |
| Regional Market Transformation | | | 32,200 | - | - | 32,200 |
| Cold Climate Ductless Heat Pump | | | - | - | 59,998 | 59,998 |
| Heat Pump Water Heater | | | - | - | 128,840 | 128,840 |
| Lighting Controls | | | - | - | - | - |
| Promotion | | | 13,947 | - | - | 13,947 |
| Labor | | | 63,666 | - | - | 63,666 |
| Administration Non-labor | | | 4,129 | - | - | 4,129 |
| Interest Income | | | (39) | - | - | (39) |
| Market Transformation Summary | | | 117,130 | 50,000 | 285,453 | 452,583 |
| | | | | | | |
| **Renewable Resources** | **753,031** | **33,257** | 42,172 | **230,307** | **513,808** | **786,287** |
| Generation/Education | | | - | 230,307 | 497,446 | 727,753 |
| Green Power Product | | | (16,362) | - | 16,362 | - |
| Promotion | | | 83 | - | - | 83 |
| Labor | | | 58,294 | - | - | 58,294 |
| Administration Non-labor | | | 195 | - | - | 195 |
| Interest Income | | | (39) | - | - | (39) |
| Renewable Resources Summary | | | 42,172 | 230,307 | 513,808 | 786,287 |
| | | | | | | |
| **Research & Development** | **169,486** | **(33,257)** | 19,830 | **116,400** | **-** | **136,230** |
| R&D/ Infrastructure | | | - | 116,400 | - | 116,400 |
| Promotion | | | 760 | - | - | 760 |
| Labor | | | 19,063 | - | - | 19,063 |
| Administration Non-labor | | | 15 | - | - | 15 |
| Interest Income | | | (9) | - | - | (9) |
| Research & Development Summary | | | 19,830 | 116,400 | - | 136,230 |
| | | | | | | |
| **Low Income** | **5,214,067** | **-** | 2,678,513 | **-** | **2,535,554** | **5,214,067** |
| Bill Discount | | | 2,354,251 | - | - | 2,354,251 |
| Free Weatherization & Fuel Switch | | | - | - | 2,535,554 | 2,535,554 |
| Electric Weatherization Incentives | | | 7,777 | - | - | 7,777 |
| Fuel Switch Analyses | | | 605 | - | - | 605 |
| Energy Share | | | 289,000 | - | - | 289,000 |
| Promotion | | | 307 | - | - | 307 |
| Labor | | | 24,281 | - | - | 24,281 |
| Administration Non-labor | | | 2,559 | - | - | 2,559 |
| Interest Income | | | (267) | - | - | (267) |
| Low Income Summary | | | 2,678,513 | - | 2,535,554 | 5,214,067 |
| | | | | | | |
| **Large Customer [b]** | **3,217,812** | **-** | 1,911,985 | **1,305,786** | **41** | **3,217,812** |
| Self-Directed Energy Reduction | | | 1,866,496 | 721,480 | - | 2,587,976 |
| Self-Directed to Low Income | | | 45,466 | 584,306 | - | 629,772 |
| 2021 LC Funds to Cover 2022 LC Expenses | | | (13,967) | - | - | (13,967) |
| Labor | | | 14,155 | - | - | 14,155 |
| Administration Non-labor | | | - | - | - | - |
| Interest Income | | | (165) | - | - | (165) |
| NWE Reallocate to Low Income | | | - | - | 41 | 41 |
| Large Customer Summary | | - | 1,911,985 | 1,305,786 | 41 | 3,217,811 |
| | | | | | | |
| **Totals** | **10,428,134** | **-** | 4,825,551 | **1,927,493** | **3,675,090** | **10,428,134** |
| **2022 USB Revenues less Expenses and Commitments** | | | | | | **-** |

***[a] Reallocations between Local Conservation and Market Transformation and Renewables and Research and Development are consistent with past practice.***

***[b] The 2022 Large Customer Admin costs of $14,155 less the interest income of $165 exceeded the amount of unclaimed 2022 Large Customer funds. NWE has committed unclaimed 2021 Large Customer funds in the amount of $13,967 to cover the Large Customer Admin costs.***

**Addendum to the 2022 Report - Appendix 3**
**Update to Savings and Participation Summary**

## PROJECTS COMPLETED IN 2023 WITH 2022 FUNDS

### Energy Savings & Renewable Resource Estimates

| USB Category | aMW | MWH | MW |
|---|---|---|---|
| Local Conservation | 0.022 | 190.05 | 0.004 |
| Market Transformation | 0.063 | 552.04 | N/A |
| Renewables | 0.019 | 168.36 | N/A |
| Research & Development | N/A | N/A | N/A |
| Low Income | - | - | - |
| | **0.104** | **910.44** | **0.004** |

### Program Participation Summary

| USB Category / Program Segment | Quantity | Units |
|---|---|---|
| **Local Conservation** | | |
| Home EnergyCheck | 133 | homes |
| Electric Usage Survey | - | homes |
| Onsite Audits | - | homes |
| Mail out Audits | - | homes |
| Business Partners/Irrigation | 1 | projects |
| **Market Transformation** | | |
| Building Operator Certification | 17 | people |
| Motor Training | - | attendees |
| **Renewables** | | |
| Generation / Education | 5 | projects |
| **Research & Development** | | |
| Renewable Energy Seminars/Workshops | 739 | attendees |
| **Low Income** | | |
| Bill Discount | - | households |
| Free Weatherization & Fuel Switch | - | homes |
| Energy Share | - | households |

## TOTAL OF PROJECTS COMPLETED WITH 2022 FUNDS

### Energy Savings & Renewable Resource Estimates

| USB Category | aMW | MWH | MW |
|---|---|---|---|
| Local Conservation | 0.042 | 369.23 | 0.01 |
| Market Transformation | 0.063 | 552.04 | N/A |
| Renewables | 0.0192 | 168.36 | N/A |
| Research & Development | N/A | N/A | N/A |
| Low Income | 0.000 | 0.35 | 0.00 |
| | **0.124** | **1,089.97** | **0.01** |

### Program Participation Summary

| USB Category / Program Segment | Quantity | Units |
|---|---|---|
| **Local Conservation** | | |
| Home EnergyCheck | 665 | homes |
| Electric Usage Survey | 176 | homes |
| Onsite Audits | - | homes |
| Mail out Audits | - | homes |
| Business Partners/Irrigation | 7 | projects |
| **Market Transformation** | | |
| Building Operator Certification | 17 | people |
| Motor Training | 13 | attendees |
| **Renewables** | | |
| Generation / Education | 5 | projects |
| **Research & Development** | | |
| Renewable Energy Seminars/Workshops | 739 | attendees |
| **Low Income** | | |
| Bill Discount | 10,370 | households |
| Free Weatherization & Fuel Switch | 1 | homes |
| Energy Share | 647 | households |

# Addendum
# **2021 Annual Report**



## Universal System Benefits Activities
## **2023 Annual Report**

**ADDENDUM**
**to the**
**2021 Annual Report**

The 2021 NorthWestern Energy USBC revenues totaled $10,074,524. Of this, $4,813,556 was spent on projects completed in 2021, $2,118,809 was spent on projects completed in 2022, and $1,963,034 was spent on projects completed in 2023, leaving a balance of $1,179,125 for projects to be completed in 2024.

The projects associated with $1,963,034 of 2021 USB funds are $235,679 of Market Transformation, $475,893 of Renewable Resources, $11,030 of Research & Development, $1,215,530 of Low Income Free Weatherization, and $24,902 directed to Low Income Free Weatherization from reallocated Large Customer funds.

NorthWestern Energy requested and was granted extensions from the Department of Revenue as allowed per ARM 49.29.111 for Market Transformation activities totaling $674,885; combined Renewable Resources and Research & Development activities totaling $273,261; and Low Income activities totaling $1,792,584 for completion in 2024.

Updated results are provided in the Addendum to the 2021 Annual Report in Appendix 2, 2021 Electric USB Program Expenditures and Commitments, and Appendix 3, Update to Savings and Participation Summary.

**Addendum to the 2021 Report - Appendix 2**
**2021 Electric USB Program**
**Expenditures and Commitments**

| | Revenue Allocation [a] | | Spent in 2021 | Spent in 2022 | Spent in 2023 | Committed - Complete in 2024 | Allocation & Expenses |
|---|---|---|---|---|---|---|---|
| | per Order 7458 | Reallocation | | | | | |
| **Local Conservation** | **367,145** | **(226,390)** | 140,755 | - | - | - | **140,755** |
| Energy Audit | | | - | - | - | - | - |
| Irrigation | | | 21,785 | - | - | - | 21,785 |
| Promotion | | | 83,041 | - | - | - | 83,041 |
| Labor | | | 35,828 | - | - | - | 35,828 |
| Administration Non-labor | | | 117 | - | - | - | 117 |
| Interest Income | | | (16) | - | - | - | (16) |
| Local Conservation Summary | | | 140,755 | - | - | - | 140,755 |
| | | | | | | | |
| **Market Transformation** | **685,044** | **224,782** | 80,345 | 6,000 | **235,679** | **587,803** | **909,827** |
| Motor Management Training | | | - | - | - | - | - |
| Energy Star Homes | | | - | - | - | - | - |
| Building Operator Certification | | | 17,100 | 6,000 | - | - | 23,100 |
| Regional Market Transformation | | | 31,400 | - | - | - | 31,400 |
| Cold Climate Ductless Heat Pump | | | - | - | - | 174,487 | 174,487 |
| Heat Pump Water Heater | | | - | - | 85,390 | 394,610 | 480,000 |
| Lighting Controls | | | - | - | 150,289 | 18,706 | 168,995 |
| Promotion | | | 7,778 | - | - | - | 7,778 |
| Labor | | | 24,050 | - | - | - | 24,050 |
| Administration Non-labor | | | 47 | - | - | - | 47 |
| Interest Income | | | (31) | - | - | - | (31) |
| Market Transformation Summary | | | 80,345 | 6,000 | 235,679 | 587,803 | 909,827 |
| | | | | | | | |
| **Renewable Resources** | **734,390** | **67,148** | 67,795 | 243,582 | **475,893** | **14,268** | **801,538** |
| Generation/Education | | | - | 243,582 | 475,893 | - | 719,475 |
| Green Power Product | | | (14,268) | - | - | 14,268 | 1 |
| Promotion | | | 16 | - | - | - | 16 |
| Labor | | | 82,029 | - | - | - | 82,029 |
| Administration Non-labor | | | 51 | - | - | - | 51 |
| Interest Income | | | (33) | - | - | - | (33) |
| Renewable Resources Summary | | | 67,795 | 243,582 | 475,893 | 14,268 | 801,538 |
| | | | | | | | |
| **Research & Development** | **169,612** | **(68,530)** | 29,102 | 60,950 | 11,030 | - | **101,082** |
| R&D/ Infrastructure | | | - | 60,950 | 11,030 | - | 71,980 |
| Promotion | | | 266 | - | - | - | 266 |
| Labor | | | 28,831 | - | - | - | 28,831 |
| Administration Non-labor | | | 12 | - | - | - | 12 |
| Interest Income | | | (8) | - | - | - | (8) |
| Research & Development Summary | | | 29,102 | 60,950 | 11,030 | - | 101,082 |
| | | | | | | | |
| **Low Income** | **5,037,262** | **-** | 2,616,290 | 628,389 | **1,215,530** | **577,054** | **5,037,262** |
| Bill Discount | | | 2,283,036 | - | - | - | 2,283,036 |
| Free Weatherization & Fuel Switch | | | - | - | 1,215,530 | 577,054 | 1,792,584 |
| Electric Weatherization Incentives | | | 16,189 | - | - | - | 16,189 |
| Fuel Switch Analyses | | | 100 | - | - | - | 100 |
| Energy Share | | | 289,000 | 628,389 | - | - | 917,389 |
| Promotion | | | 803 | - | - | - | 803 |
| Labor | | | 27,040 | - | - | - | 27,040 |
| Administration Non-labor | | | 347 | - | - | - | 347 |
| Interest Income | | | (225) | - | - | - | (225) |
| Low Income Summary | | | 2,616,290 | 628,389 | 1,215,530 | 577,054 | 5,037,263 |
| | | | | | | | |
| **Large Customer [b]** | **3,081,071** | **2,989** | 1,879,270 | 1,179,888 | 24,902 | - | **3,084,060** |
| Self-Directed Energy Reduction | | | 1,839,963 | 945,605 | - | - | 2,785,568 |
| Self-Directed to Low Income | | | 32,829 | 220,316 | - | - | 253,145 |
| 2021 LC Funds to Cover 2022 LC Expenses | | | - | 13,967 | - | - | 13,967 |
| Labor | | | 6,616 | - | - | - | 6,616 |
| Interest Income | | | (138) | - | - | - | (138) |
| NWE Reallocate to Low Income | | | - | - | 24,902 | - | 24,902 |
| Large Customer Summary | | - | 1,879,270 | 1,179,888 | 24,902 | - | 3,084,059 |
| | | | | | | | |
| **Totals** | **10,074,524** | **-** | 4,813,556 | 2,118,809 | **1,963,034** | **1,179,125** | **10,074,524** |
| **2021 USB Revenues less Expenses and Commitments** | | | | | | | **-** |

***[a] Reallocations between Local Conservation and Market Transformation, and Renewables and Research & Development are consistent with past practice.***

***[b] 2021 Large Customer Admin costs of $6,616 less the interest income of $138 exceeded the amount of unclaimed 2021 Large Customer funds of $3,489. NorthWestern Energy has reallocated Local Conservation, Market Transformation, Renewable Resources and Research & Development funds to cover the deficit. In 2022, NorthWestern Energy committed unclaimed 2021 Large Customer funds in the amount of $13,967 to cover the Large Customer Admin costs and allocated the remaining balance of $24,902 to Free Weatherization consistent with historic practice.***

**Addendum to the 2021 Report - Appendix 3**
**Update to Savings and Participation Summary**

## PROJECTS COMPLETED IN 2023 WITH 2021 FUNDS

### Energy Savings & Renewable Resource Estimates

| USB Category | aMW | MWH | MW |
|---|---|---|---|
| Local Conservation | - | - | - |
| Market Transformation | - | 1.78 | N/A |
| Renewables | 0.049 | 425.07 | N/A |
| Research & Development | N/A | N/A | N/A |
| Low Income | 0.009 | 75.97 | - |
| | **0.057** | **502.81** | **-** |

### Program Participation Summary

| USB Category / Program Segment | Quantity | Units |
|---|---|---|
| **Local Conservation** | | |
| Home EnergyCheck | - | homes |
| Onsite Audits | - | homes |
| Mail out Audits | - | homes |
| Business Partners/Irrigation | - | projects |
| **Market Transformation** | | |
| Building Operator Certification | - | people |
| Motor Training | - | people |
| **Renewables** | | |
| Generation / Education | 11 | projects |
| **Research & Development** | | |
| Renewable Energy Seminars/Workshops | 154 | attendees |
| **Low Income** | | |
| Bill Discount | - | households |
| Free Weatherization & Fuel Switch | 103 | homes |
| Energy Share | - | households |

## TOTAL OF PROJECTS COMPLETED WITH 2021 FUNDS

### Energy Savings & Renewable Resource Estimates

| USB Category | aMW | MWH | MW |
|---|---|---|---|
| Local Conservation | 0.068 | 599.72 | 0.09 |
| Market Transformation | 0.038 | 335.78 | N/A |
| Renewables | 0.073 | 640.07 | 0.16 |
| Research & Development | N/A | N/A | N/A |
| Low Income | 0.021 | 181.51 | - |
| | **0.201** | **1,757.07** | **0.25** |

### Program Participation Summary

| USB Category / Program Segment | Quantity | Units |
|---|---|---|
| **Local Conservation** | | |
| Home EnergyCheck | 848 | homes |
| Onsite Audits | - | homes |
| Mail out Audits | 3,265 | homes |
| Business Partners/Irrigation | 11 | projects |
| **Market Transformation** | | |
| Building Operator Certification | 20 | people |
| Motor Training | - | people |
| **Renewables** | | |
| Generation / Education | 16 | projects |
| **Research & Development** | | |
| Renewable Energy Seminars/Workshops | 433 | attendees |
| **Low Income** | | |
| Bill Discount | 10,458 | households |
| Free Weatherization & Fuel Switch | 294 | homes |
| Energy Share | 1,435 | households |

# Addendum
# **2020 Annual Report**

## Universal System Benefits Activities
## **2023 Annual Report**

**ADDENDUM**
**to the**
**2020 Annual Report**

The 2020 NorthWestern Energy USBC revenues totaled $9,917,706. Of this, $4,901,975 was spent on projects completed in 2020, $1,913,422 was spent on projects completed in 2021, $1,902,895 was spent on projects completed in 2022, and $762,801 was spent on projects completed in 2023, leaving a balance of $436,615 for projects to be completed in 2024.

The projects associated with $762,801 of 2020 USB funds are $69,643 of Market Transformation activities and $693,158 of Low Income Free Weatherization.

NorthWestern Energy requested and was granted extensions from the Department of Revenue as allowed per ARM 49.29.111 for Market Transformation activities totaling $434,622; combined Renewable Resources activities totaling $47,000; and Low Income activities totaling $80,377 for completion in 2024.

Updated results are provided in the Addendum to the 2020 Annual Report in Appendix 2, 2020 Electric USB Program Expenditures and Commitments, and Appendix 3, Update to Savings and Participation Summary.

**Addendum to the 2020 Report - Appendix 2**
**2020 Electric USB Program**
**Expenditures and Commitments**

| | Revenue Allocation [a] | | Spent in 2020 | Spent in 2021 | Spent in 2022 | Spent in 2023 | Committed - Complete in 2024 | Allocation & Expenses |
|---|---|---|---|---|---|---|---|---|
| | per Order 7458 | Reallocation | | | | | | |
| **Local Conservation** | **593,543** | **(261,956)** | 91,587 | - | 240,000 | - | - | **331,587** |
| Energy Audit | | | - | - | 240,000 | - | - | 240,000 |
| Irrigation | | | 16,761 | - | - | - | - | 16,761 |
| Promotion | | | 44,458 | - | - | - | - | 44,458 |
| Labor | | | 30,475 | - | - | - | - | 30,475 |
| Admin. Non-labor | | | 51 | - | - | - | - | 51 |
| Interest Income | | | (158) | - | - | - | - | (158) |
| Local Conservation Summary | | | 91,587 | - | 240,000 | - | - | 331,587 |
| **Market Transformation** | **379,009** | **261,956** | 60,614 | 74,100 | 46,994 | **69,643** | **389,615** | **640,966** |
| Motor Management Training | | | - | - | 15,000 | - | - | 15,000 |
| Energy Star Homes | | | - | 62,100 | - | 45,465 | 15,128 | 122,693 |
| Building Operator Certification | | | 2,000 | 12,000 | - | - | - | 14,000 |
| Regional Market Transformation | | | 24,389 | - | - | - | - | 24,389 |
| Cold Climate Ductless Heat Pump | | | - | - | 31,994 | 24,178 | - | 56,172 |
| Lighting Controls | | | - | - | - | - | 374,487 | 374,487 |
| Promotion | | | 10,170 | - | - | - | - | 10,170 |
| Labor | | | 23,629 | - | - | - | - | 23,629 |
| Administration Non-labor | | | 528 | - | - | - | - | 528 |
| Interest Income | | | (101) | - | - | - | - | (101) |
| Market Transformation Summary | | | 60,614 | 74,100 | 46,994 | 69,643 | 389,615 | 640,966 |
| **Renewable Resources** | **678,806** | **-** | 67,148 | 324,853 | 239,805 | **-** | **47,000** | **678,806** |
| Generation/Education | | | - | 286,853 | 239,805 | - | - | 526,658 |
| Green Power Product | | | (19,304) | 38,000 | - | - | 47,000 | 65,696 |
| Promotion | | | 31 | - | - | - | - | 31 |
| Labor | | | 86,544 | - | - | - | - | 86,544 |
| Administration Non-labor | | | 59 | - | - | - | - | 59 |
| Interest Income | | | (181) | - | - | - | - | (181) |
| Renewable Resources Summary | | | 67,148 | 324,853 | 239,805 | - | 47,000 | 678,806 |
| **Research & Development** | **156,775** | **-** | 31,815 | 41,960 | 83,000 | **-** | **-** | **156,775** |
| R&D/ Infrastructure | | | 1,913 | 41,960 | 83,000 | - | - | 126,873 |
| Promotion | | | 266 | - | - | - | - | 266 |
| Labor | | | 29,525 | - | - | - | - | 29,525 |
| Administration Non-labor | | | 152 | - | - | - | - | 152 |
| Interest Income | | | (42) | - | - | - | - | (42) |
| Research & Development Summary | | | 31,815 | 41,960 | 83,000 | - | - | 156,775 |
| **Low Income** | **4,958,853** | **-** | 2,748,430 | 224,169 | 1,293,096 | **693,158** | **-** | **4,958,853** |
| Bill Discount | | | 2,411,024 | - | - | - | - | 3,704,120 |
| Free Weatherization & Fuel Switch | | | - | - | 1,293,096 | 693,158 | - | 1,986,254 |
| Electric Weatherization Incentives | | | 16,541 | - | - | - | - | 16,541 |
| Fuel Switch Analyses | | | 300 | - | - | - | - | 300 |
| Energy Share | | | 289,000 | 224,169 | - | - | - | 513,169 |
| Promotion | | | 63 | - | - | - | - | 63 |
| Labor | | | 32,396 | - | - | - | - | 32,396 |
| Administration Non-labor | | | 430 | - | - | - | - | 430 |
| Interest Income | | | (1,324) | - | - | - | - | (1,324) |
| Low Income Summary | | | 2,748,430 | 224,169 | 1,293,096 | 693,158 | - | 6,251,949 |
| **Large Customer [b]** | **3,150,720** | **-** | 1,902,381 | 1,248,340 | - | - | - | **3,150,721** |
| Self-Directed Energy Reduction | | | 1,844,110 | 867,249 | - | - | - | 2,711,358 |
| Self-Directed to Low Income | | | 51,754 | 144,864 | - | - | - | 196,618 |
| Labor | | | 7,358 | - | - | - | - | 7,358 |
| Interest Income | | | (841) | - | - | - | - | (841) |
| NWE Reallocation to Free Weatherization | | | - | 93,736 | - | - | - | 93,736 |
| NWE Reallocation to Energy Share | | | - | 142,491 | - | - | - | 142,491 |
| Large Customer Summary | | - | 1,902,381 | 1,248,340 | - | - | - | 3,150,720 |
| **Totals** | **9,917,706** | **-** | 4,901,975 | 1,913,422 | 1,902,895 | **762,801** | **436,615** | **9,917,706** |
| **2020 USB Revenues less Expenses and Commitments** | | | | | | | | **0** |

***[a] Reallocations between Local Conservation and Market Transformation are consistent with past practice.***

***[b] The unclaimed 2020 Large Customer funds and the USB account interest covered Large Customer administrative costs leaving a balance of $236,226 that is being reallocated to Free Weatherization and Energy Share for expenditure in 2021.***

**Addendum to the 2020 Report - Appendix 3**
**Update to Savings and Participation Summary**

## PROJECTS COMPLETED IN 2023 WITH 2020 FUNDS

### Energy Savings & Renewable Resource Estimates

| USB Category | aMW | MWH | MW |
|---|---|---|---|
| Local Conservation | - | - | - |
| Market Transformation | - | - | N/A |
| Renewables | - | - | N/A |
| Research & Development | N/A | N/A | N/A |
| Low Income | 0.005 | 43.41 | - |
| | **0.005** | **43.41** | **-** |

### Program Participation Summary

| USB Category / Program Segment | Quantity | Units |
|---|---|---|
| **Local Conservation** | | |
| Home EnergyCheck | - | homes |
| Onsite Audits | - | homes |
| Mail out Audits | - | homes |
| Small Commercial Appraisals | - | businesses |
| Business Partners/Irrigation | - | projects |
| **Market Transformation** | | |
| Building Operator Certification | - | people |
| Motor Training | - | people |
| **Renewables** | | |
| Generation / Education | - | projects |
| **Research & Development** | | |
| Renewable Energy Seminars/Workshops | - | attendees |
| **Low Income** | | |
| Bill Discount | - | households |
| Free Weatherization & Fuel Switch | 58 | homes |
| Energy Share | - | households |

## TOTAL OF PROJECTS COMPLETED WITH 2020 FUNDS

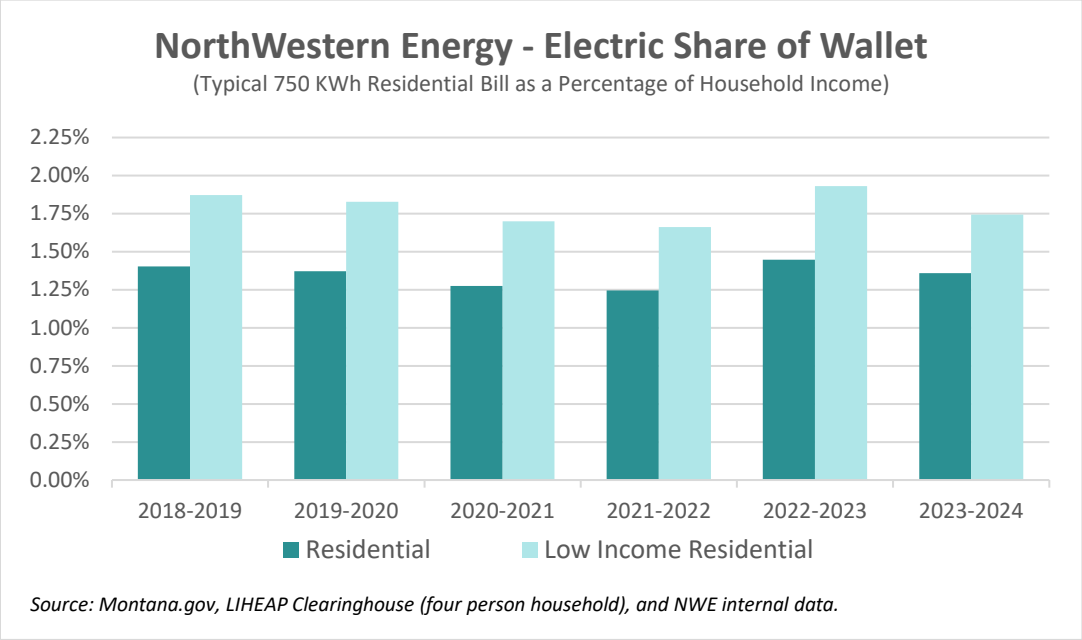
### Energy Savings & Renewable Resource Estimates

| USB Category | aMW | MWH | MW |
|---|---|---|---|
| Local Conservation | 0.072 | 635.00 | 0.10 |
| Market Transformation | - | - | N/A |
| Renewables | 0.067 | 586.00 | 0.45 |
| Research & Development | N/A | N/A | N/A |
| Low Income | 0.025 | 216.41 | 92.64 |
| | **0.164** | **1,437.41** | **93.20** |

### Program Participation Summary

| USB Category / Program Segment | Quantity | Units |
|---|---|---|
| **Local Conservation** | | |
| Home EnergyCheck | 230 | homes |
| Onsite Audits | 408 | homes |
| Mail out Audits | 3,147 | homes |
| Small Commercial Appraisals | 23 | businesses |
| Business Partners/Irrigation | 6 | projects |
| **Market Transformation** | | |
| Building Operator Certification | - | people |
| Motor Training | 60 | people |
| **Renewables** | | |
| Generation / Education | 12 | projects |
| **Research & Development** | | |
| Renewable Energy Seminars/Workshops | 572 | attendees |
| **Low Income** | | |
| Bill Discount | 11,324 | households |
| Free Weatherization & Fuel Switch | 360 | homes |
| Energy Share | 1,129 | households |

**NorthWestern Energy**
**Attachment B**
**Electric Share of Wallet**
**Federal Fiscal Years 2019 to 2024**
**As of February 28, 2024**




*Source: Montana.gov, LIHEAP Clearinghouse (four person household), and NWE internal data.*

| **Electric:** | Federal Fiscal Year (October 1 to September 30) | | | | | |
|---|---|---|---|---|---|---|
| *(Household of four)* | **FFY '19 2018-2019** | **FFY '20 2019-2020** | **FFY '21 2020-2021** | **FFY '22 2021-2022** | **FFY '23 2022-2023** | **FFY '24 [3] 2023-2024** |
| Average Typical 750KWh Electric Bill | $ 89.48 | $ 92.47 | $ 90.62 | $ 90.77 | $ 108.81 | $ 108.18 |
| Montana Median Household Income [1] | $ 76,527 | $ 80,923 | $ 85,307 | $ 87,442 | $ 90,180 | $ 95,500 |
| Annual Electric Cost as % of Household Income | 1.40% | 1.37% | 1.27% | 1.25% | 1.45% | 1.36% |
| Average Typical 750KWh Electric Bill (w/ Low Income Discount) | $ 71.61 | $ 73.95 | $ 72.50 | $ 72.64 | $ 87.06 | $ 83.23 |
| LIHEAP Upper Income Limit (60% of Median) [2] | $ 45,916 | $ 48,554 | $ 51,184 | $ 52,465 | $ 54,108 | $ 57,300 |
| Annual Low Income Electric Cost as % of Household Income | 1.87% | 1.83% | 1.70% | 1.66% | 1.93% | 1.74% |

*(1) Per LIHEAP Clearinghouse and Montana DPHHS*

*(2) Per Montana DPHHS*

*(3) Partial period - Represents Average of October 2023 to February 2024*

CERTIFICATE OF SERVICE

I hereby certify that NorthWestern Corporation d/b/a NorthWestern Energy's 2023 Electric Universal System Benefits (USB) Report in Docket No. 2024.01.003 has been e-filed with the Montana Public Service Commission and emailed to the email list below.

Date: March 1, 2024

/s/ Tracy Lowney Killoy
Tracy Lowney Killoy
Administrative Assistant

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