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VIA ELECTRONIC FILING

Public Service Commission of Utah
Heber M. Wells Building, 4th Floor
160 East 300 South
Salt Lake City, Utah 84111

Re: Docket No. 18-057-20—In the Matter of Dominion Energy Utah’s Application for Approval of the 2019 Year Budget for Energy Efficiency Programs and Market Transformation Initiative

Utah Clean Energy (UCE) and the Southwest Energy Efficiency Project (SWEET) are submitting these joint reply comments in response to the Utah Public Service Commission’s notice for comments issued on October 22, 2018 and subsequently updated on November 20, 2018.

Overall comments

As noted by the Division of Public Utilities (DPU) and the Office of Consumer Services (OCS), Dominion Energy’s (DEU’s) proposed 2019 ThermWise application shows an estimated natural gas savings of 1,203,471 decatherms, an increase from the company’s 2018 estimate. We are pleased to see DEU proposing an increase in the amount of natural gas saved for 2019 and we support this increased level of natural gas savings.

Market Transformation Initiative

As noted by OCS in its comments, DEU is proposing to eliminate sports sponsorships in its 2019 ThermWise plan. Utah Clean Energy and SWEET support this change. It appears that part of this change would allow the development of a new “net zero homes initiative” element as part of DEU’s market transformation initiative. Through this initiative, DEU would work with Utah Habitat for Humanity chapters to promote net zero homes, which we strongly support. Utah

Clean Energy and SWEEP support the development of a net zero homes initiative as part of the 2019 ThermWise program, however, we would like to see more specificity about this initiative. We recommend that DEU consult with the Advisory Group prior to finalizing details about this initiative. For example, rather than creating its own “net zero energy” initiative, we recommend that DEU base its initiative on an already-existing, free or no-cost standard for zero energy construction. One such program is the U.S. Department of Energy’s Zero Energy Ready Home (ZERH) program. This program includes a free construction standard for contractors to use, which builds upon the successful ENERGY STAR new homes program. The ZERH program is a preferred program because it is free, and also because it is starting to be utilized by several Habitat for Humanity Chapters across the U.S. including in Utah’s Habitat for Humanity chapter in Summit and Wasatch Counties. Nationally, over 3,000 new homes have been registered as being built to the ZERH standard. Incorporating an existing, industry-accepted standard into DEU’s proposed net zero homes initiative would leverage an already-developed standard, thereby utilizing ratepayer funds efficiently and also reducing possible confusion in the marketplace.

Also as part of its Market Transformation Initiative, DEU proposed to continue sponsorship of the state of Utah energy code training in 2019. Utah Clean Energy and SWEEP strongly support DEU’s sponsorship of energy code training in Utah; improving awareness of the adopted energy codes as well as strategies for compliance and enforcement, is an essential strategy to help new buildings in Utah meet the currently-adopted energy code. The energy code

trainings that DEU sponsors are high-quality, relevant and timely trainings that benefit hundreds of building contractors, building officials, building inspectors, and plan reviewers annually.

Home Energy Plan Program

Utah Clean Energy and SWEEP support the continuation of the ThermWise Home Energy Plan. We recommend that DEU coordinate with Rocky Mountain Power to create cost-sharing opportunities that would allow DEU to include basic electric efficiency upgrades, such as upgrading LED lighting, into the Home Energy Plan. A simple cost-sharing arrangement could be designed between the two utilities that allows customers to receive electricity-saving measures during the time that the DEU Home Energy Plan energy expert is in the customers' homes. Not offering basic electricity-saving upgrades while a home energy professional is already visiting utility customers' homes is a lost-opportunity.

Appliance Rebate Program

Utah Clean Energy and SWEEP support the continuation of the ThermWise Appliance Rebate Program. We support elimination of rebated for furnaces with a 92% annual fuel utilization efficiency (AFUE), as these appliances are no longer the most efficient options available in the market. In addition, Utah Clean Energy and SWEEP recommend that DEU add a requirement that qualifying smart thermostats must also be ENERGY STAR certified. ENERGY STAR thermostats are required to utilize optimization software that meets minimum energy saving criteria. Adding this requirement for eligibility to receive a rebate under the program will help ensure persistent energy savings from smart thermostat measures.

Business Rebates Program

Utah Clean Energy and SWEEP support the continuation of the ThermWise Business Rebates Program. We support the addition of new measures, such as those around used food service equipment. However, Utah Clean Energy and SWEEP have concerns about the inclusion of Combined Heat and Power (CHP) as an eligible measure within this program. CHP units produce both electrical and thermal energy and are generally more efficient than separately producing thermal energy and electricity, though natural gas usage by an individual customer will usually increase with the installation of a CHP unit. Our concerns relate to the likely increase in local air emissions that result from an increase in natural gas combustion, and details associated with quantifying the costs and benefits of implementing incentives for CHP units. As CHP units may increase natural gas consumption it is important that facilities receiving rebates for installation of CHP units ensure that a CHP unit is correctly sized and serves the minimum thermal load within the facility. The facility should also invest in other natural gas energy efficiency measures throughout its facility to maximize the reduction of overall natural gas consumption. Utah Clean Energy and SWEEP look forward to working with DEU to ensure that any CHP measures are following best practices and meeting cost-effectiveness requirements. We also encourage DEU to coordinate with Rocky Mountain Power on CHP rebates, as many of the traditional DSM benefits are captured on the electrical side.

Utah Clean Energy and SWEEP commend DEU for continuing the Commercial Benchmarking component of the Business Rebates Program. A benchmarking and recommissioning program has the potential to drive significant low-cost energy savings in a wide

variety of non-residential buildings. In this program, Utah Clean Energy and SWEEP encourage DEU to work with Rocky Mountain Power's Strategic Energy Management (SEM) program. SEM programs work with large energy users to identify low and no-cost energy savings measures. By partnering with Rocky Mountain Power's successful SEM program, DEU may be able to identify and implement additional energy savings at a low cost.

Conclusion

Utah Clean Energy and SWEEP appreciate the opportunity to provide comments related to Dominion Energy's 2019 budget for energy efficiency programs and market transformation initiative. The ThermWise annual planning and budget development process is an important opportunity that promotes transparency and public confidence in natural gas efficiency planning.

Sincerely,

/s/ Hunter Holman

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