

BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

IN THE MATTER OF THE APPLICATION)
FOR EXPEDITED APPROVAL)
OF DEMAND SIDE MANAGEMENT)
PROGRAMS AND A MARKET) Docket No. 05-057-T01
TRANSFORMATION INITIATIVE)

Testimony of

Howard Geller

on behalf of

**Southwest Energy Efficiency Project (SWEEP) and
Utah Clean Energy (UCE)**

December 21, 2006

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Introduction

Please state your name and business address.

A. My name is Howard Geller. My business address is 2260 Baseline Rd. Suite 212, Boulder, Colorado 80302.

For whom are you testifying?

A. I am testifying on behalf of the Southwest Energy Efficiency Project and Utah Clean Energy (SWEEP/UCE).

Q. Did you testify previously in this docket?

A. Yes, I submitted direct testimony on January 23, 2006 and surrebuttal testimony on August 14, 2006. I submitted my professional qualifications with my direct testimony.

Q. What is the purpose of your testimony today?

A. The purpose of my testimony is to support the application by Questar Gas Company to initiate six natural gas demand-side management (DSM) programs on an expedited basis. I participated in the planning of these programs through the Advisory Group convened by the gas company. I believe the programs are well-conceived and should result in significant cost-effective gas savings for customers served by Questar Gas Company.

24 **Q. Do you have comments on the specific DSM programs proposed by Questar Gas**
25 **Company?**

26 A. All of the programs appear to be cost-effective based on the TRC test. The
27 assumptions about program costs, program participation levels, and gas savings
28 appear to be reasonable in my view. In some cases, such as for the residential audit
29 and weatherization program, the gas savings assumptions for some measures appear
30 to be very conservative. This means there is a high likelihood that the aggregate
31 energy savings will meet or exceed the Company's projections.

32
33 The DSM programs proposed by the Company are heavily weighted to residential
34 programs. Out of the total proposed budget of \$7.0 million, the budget for programs
35 targeted to business (commercial) customers is only \$261,000. This is better than
36 ignoring commercial customers entirely, but there are numerous cost-effective
37 opportunities for gas savings in the commercial sector as demonstrated by the DSM
38 Market Characterization report commissioned by Questar Gas Company. In addition,
39 the modest commercial sector rebate program proposed by the Company is by far the
40 most cost-effective program based on the benefit-cost ratios under the TRC test. We
41 recommend that the Commission direct Questar Gas Company to significantly expand
42 gas DSM programs for commercial and smaller industrial customers starting in year
43 two, assuming that new or expanded programs can be designed and are cost-effective.

44
45 The Company is proposing to dedicate a significant amount of the budget (about
46 \$910,000) on 'market transformation' programs. The main activity is an advertising
47 and public education campaign. While it is difficult to evaluate the effectiveness of a

48 broad public education campaign, experience shows that such efforts can help to
49 build consumer awareness and adoption of energy efficiency measures.¹ Given that
50 this is the first year of what is expected to be a multi-year, ongoing gas DSM effort,
51 we support implementation of such a campaign. In addition, this program includes
52 support for training related to building energy codes and construction of homes and
53 commercial buildings that surpass minimum code requirements, in conjunction with
54 the state energy program. This is a very valuable activity in our view.

55

56 **Q. What is the general experience with natural gas DSM programs?**

57 A. SWEEP carried out a survey of gas DSM program implemented by 10 gas utilities in
58 different parts of the country as of 2004.² All of the utilities were implementing
59 comprehensive and cost-effective programs, with an average benefit-cost ratio of 2.7
60 under the TRC. The programs proposed by Questar Gas Company, such as residential
61 appliances and new homes programs, and a commercial appliance rebate program, are
62 similar to the DSM programs implemented by most of these utilities. We believe
63 there is a high likelihood that the programs proposed by Questar will be successful
64 given that similar programs have been successfully implemented in other states.

65

66 **Q. Does this conclude your testimony?**

67 A. Yes it does.

¹ J. Green and L.A. Skumatz. "Evaluating the Impacts of Education/Outreach Programs: Lessons on Impacts, Methods, and Optimal Education." *Proceedings of the 2000 ACEEE Summer Study on Energy Efficiency in Buildings*. Washington, DC: American Council for an Energy-Efficient Economy. 2000. pp. 8.123-136.

² S. Tegen and H. Geller. *Natural Gas Demand-Side Management Programs: A National Survey*, Boulder, CO: Southwest Energy Efficiency Project. Jan. 2006.