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State of Utah

Department of Commerce Division of Public Utilities

FRANCINE GIANI
Executive Director

CHRIS PARKER
Director, Division of Public Utilities

Memorandum

To: Utah Public Service Commission

From: Utah Division of Public Utilities

Chris Parker, Director

Artie Powell, Manager

Brenda Salter, Utility Technical Consultant

Date: January 10, 2019

Re: **Dominion Energy Utah's Energy Efficiency Reports, 2018, Docket No. 18-057-02**

Dominion Energy Utah's Application for Approval of the 2018 Year Budget for Energy Efficiency Programs and Market Transformation Initiative, Docket No. 17-057-22

Recommendation (Acknowledge)

The Division of Public Utilities (Division) recommends that the Public Service Commission of Utah (Commission) approve, if needed, Dominion Energy Utah's (Company) request for its forecasted 2018 Builder program budget increase and acknowledge the letter as meeting the requirement established by the Commission in Docket No. 09-057-15¹.

¹ Commission Order, In the Matter of the Application for Approval of Fourth Year Budget for 2010 Demand-Side Management Programs and Market Transformation Initiative, Docket No. 09-057-15, January 12, 2010, p. 1.

Issue

On December 11, 2018, the Company reported to the Commission that in the month of September 2018 the 2018 Builder Rebate program reached approximately 97% of the 2018 budget approved in Docket No. 17-057-22. On December 12, 2018, the Commission issued a Notice of Filing and Comment Period regarding this matter with comments due January 10, 2019 and reply comments due January 25, 2019.

Discussion

As explained in the report submitted by the Company, the 2018 Builder program reached 97% of its 2018 budget by the end of September due in large part to higher than expected customer participation in the 95% efficiency furnace measure for both single and multi-family units. In addition, the Builder program has experienced higher than anticipated participation in the R-5 Wall measure. According to Attachment 1 to the Company's filing, if this rate of spending continues through the remainder of 2018, the total spending in the Builder program is forecasted to be 127% of budget. This increased participation in the Builder program would also lead to higher Dth savings along with improved cost-effectiveness results.

Attachment 1 estimates below budget spending in all programs excluding the ThermWise® Appliance and Builder Programs. The cumulative effect of the increase in the Builder spending and decrease in other programs results in a forecasted 2018 spend of \$23,672,110 which is 96% of the Company's proposed 2018 budget. The Company is requesting the Commission approve, if needed, the increased Builder program spending with no increase to 2018 budget.

Dominion Energy has indicated its intention to continue to monitor customer participation and actual program spending compared to budget. The Division will review the year-end report provided in the 1st quarter of 2019 and provide recommendations on any over budget spending if needed.

Conclusion

The Division believes that, based on the projections provided by the Company in its December 11, 2018 letter and accompanying Attachment 1, no further action by the Commission is required

at this time unless the Commission deems a need to address the forecasted over budget spending in the Builder program.

Cc: Michael Orton, Dominion Energy Utah
Michele Beck, Office of Consumer Services
Service List