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State of Utah
Department of Commerce
Division of Public Utilities

FRANCINE GIANI
Executive Director

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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: September 4, 2019
Re: **Dominion Energy Utah's Notice of Expenditures to Date of the 2019 Year Budget for Energy Efficiency Programs and Market Transformation Initiative, Docket Nos. 19-057-07 & 18-057-20**

Recommendation (Acknowledge)

The Division of Public Utilities (Division) recommends that the Public Service Commission of Utah (Commission) acknowledge Dominion Energy Utah's (Company) notice of expenditures to date of its forecasted 2019 energy efficiency program and acknowledge the notice as meeting the requirement established by the Commission in Docket No. 09-057-15.¹

Issue

On August 5, 2019², the Company reported to the Commission that in the month of May 2019 the Demand Side Management (DSM) Energy Efficiency Market Transformation program

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.

² Dominion Energy Utah's notice is dated August 2, 2019 but was received by the Division August 5, 2019.

reached approximately 51% of the 2019 budget approved in Docket No. 18-057-20. On August 6, 2019, the Commission issued an Action Request to the Division requesting a report on compliance and recommendations by September 4, 2019. Subsequently, the Commission issued a Notice of Filing and Comment Period with comments due September 4, 2019 with reply comments due September 19, 2019. This memorandum is in response to the Commission's Action Request and Notice of Filing and Comment Period.

Discussion

According to the Commission's order in Docket No. 09-057-15, the Company is required to notify the Commission when any DSM program reaches 50% of its budget before June of the program year. As explained in the Company's notice, the 2019 Market Transformation program reached 51% of its 2019 budget at the end of May. The Company explained the majority of energy efficiency marketing is completed during the heating season resulting in advertising expenses received in the months of and following the heating season. In response to DPU DR 1.02, the Company noted that for 2019 the direct marketing expenses (TV, radio, online, print, etc.) for January through April resulted in 97% of the total program expenses. The previous three year average was slightly lower at 96%. The difference is primarily due to invoice timing.

In Attachment 1, the Company forecasts the Market Transformation spending will not exceed the \$1.3 million 2019 budget. The Company is forecasting underspending for the DSM Program at 95% of budget.

On August 27, 2019, the Company filed its 2nd quarter Energy Efficiency Report. Spending for the DSM Program at mid-year is 44% of budget with Market Transformation at 58% of budget. This coincides with the Company's 2019 projections provided in this filing.

Dominion Energy has indicated its intention to continue to monitor Market Transformation and actual program spending compared to budget. The Division will review the report provided for the subsequent quarters of 2019 and provide recommendations on any budget over spending if needed.

Conclusion

The Division believes that, based on the projections provided by the Company in its August 5, 2019 filing and accompanying Attachment 1, no further action by the Commission is required at this time.

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