

Dominion Energy Utah’s Application for Approval of the 2020 Year Budget for Energy Efficiency Programs and Market Transformation Initiative	<u>DOCKET NO. 19-057-26</u>
Dominion Energy Utah’s Energy Efficiency Reports, 2020	<u>DOCKET NO. 20-057-01</u>
	<u>ORDER</u>

ISSUED: January 29, 2021

I. PROCEDURAL HISTORY

On December 2, 2020, Dominion Energy Utah (DEU) filed with the Public Service Commission (PSC) a report on its Energy Efficiency (EE) Programs expenditures and decatherm (“Dth”) savings to date (“Report”). Attachment 1 to the Report identifies actual ThermWise® Program expenditures through August 2020 and a forecast of expenditures through the end of 2020. The Report was filed pursuant to the PSC’s January 16, 2007 Order in Docket No. 05-057-T01 (“2007 Order”).^{1,2}

On December 30, 2020, the Division of Public Utilities (DPU) filed comments on the Report. On January 15, 2021, DEU filed reply comments.

¹ *In the Matter of the Approval of the Conservation Enabling Tariff Adjustment Option and Accounting Orders* (Order issued January 16, 2007); Docket No. 05-057-T01.

² Ordering paragraph 4 of the 2007 Order states “[DEU] shall report to the [PSC] when the amount spent for any program reaches ninety percent of the budgeted amount, along with an estimate of the projected spending needed for the remainder of the year. To the extent the projected spending exceeds the original budgeted amount [DEU] must seek [PSC] approval for the higher projected levels of spending.” The 2007 Order also states “. . . [DEU] shall also provide the [PSC] with its best estimate of the projected spending needed for the remainder of the year for that program.”

II. DEU's REPORT

According to the Report, actual spending for the Builder Program reached \$5.61 million, or 96.2%, of its 2020 budget of \$5.830 million,³ at the end of August 2020. DEU forecasts spending for the Builder Program in 2020 will reach \$8.077 million, or 139% of the program's 2020 budget.⁴ DEU explains the Builder Program is experiencing higher than projected customer participation in the 95% efficient furnace and Pay for Performance measures for both single- and multi-family dwellings.

DEU also forecasts spending for the Weatherization Program in 2020 will reach \$8.586 million, or 108% of the program's 2020 budget. DEU requests approval to increase the Builder and Weatherization Program 2020 budgets to \$8.077 million and \$8.586 million, respectively, as forecast in the Report.

According to DEU, the increased level of expenditures and participation in the Builder and Weatherization Programs will result in a higher than anticipated Dth savings. DEU maintains these higher participation levels will also improve the overall Builder and Weatherization Programs' cost effectiveness. DEU forecasts total spending for 2020 EE Programs could reach \$26.1 million, or 98.8%, of the approved \$26.4 million budget, provided that current trends for all other programs continue.

³ See *Dominion Energy Utah's Application for Approval of the 2020 Year Budget for Energy Efficiency Programs and Market Transformation Initiative* (Order issued December 13, 2019); Docket No. 19-057-26.

⁴ See Report, Attachment 1.

III.+ COMMENTS

a. DPU recommends acknowledgment, budget modifications, and reporting deadlines

DPU states that DEU has met the reporting and forecasting requirements outlined in the Order and has met its burden of providing reasons and solutions for the EE Program status. DPU recommends that the PSC acknowledge the higher spending levels in the Builder and Weatherization Programs at DEU's forecast level. DPU, however, also recommends that the PSC reduce the budgets for the Appliance, Home Energy Plan, and Market Transformation Programs to DEU's revised forecast levels. According to DPU, its proposal will allow the overall budget to remain at the original budget of \$26.426 million.

Due to its concern pertaining to timeliness of reporting, DPU recommends the PSC require DEU to submit its EE Reports, both quarterly actual and projected budget exceedances, within 45 days after the period end date.

b. DEU supports reporting deadlines but disagrees with proposed budget modifications

DEU supports DPU's reporting recommendation. DEU, however, "opposes any recommendation or precedent that would reduce the spending in any ThermWise® Program budget mid-year."⁵ DEU asserts the PSC has never previously reduced a program budget mid-year, and doing so could result in unintended consequences as well as create confusion in the market and with customers. Instead of a budget adjustment, DEU proposes to work with DPU to provide further clarification on this issue in 2021. DEU requests that the PSC acknowledge the

⁵ DEU's January 15, 2021 Reply Comments at 2.

higher forecasted spending levels for the ThermWise[®] Builder and Weatherization Programs, as recommended by DPU.

IV. DISCUSSIONS, FINDINGS, AND CONCLUSIONS

Based on DPU's comments, we acknowledge DEU's Report complies with the relevant reporting requirements.

Our 2007 Order requires that when projected spending for an EE program exceeds the original budgeted amount, DEU must seek our approval of the increased projected levels of spending. Based on our review of DEU's Report, including DEU's explanation for certain budget exceedances and assertion that the Builder and Weatherization Programs will result in a higher than anticipated Dth savings, we find DEU's request to increase the 2020 budgets for the Builder and Weatherization Programs reasonable and we approve it.

Based on DEU's comments pertaining to unintended consequences and market/customer confusion and DEU's commitment to work with DPU in 2021 to provide further clarification on budget issues, and absent any identified harm to ratepayers, in this instance we do not approve DPU's recommendation to decrease the 2020 budgets for the Appliance, Home Energy Plan, and Market Transformation Programs.

Regarding the Builder and Weatherization Programs, DEU's Report states that "higher-than-estimated customer rebate totals would result in higher related Dth savings than budgeted." To the extent participation levels for any 2020 EE program differ significantly from those

initially forecasted, our 2007 Order requires DEU to provide additional analysis.⁶ If required, as may be the case in this instance, we anticipate DEU will provide this analysis in its end-of-year EE Program reporting. We further anticipate that DEU's 2021 EE program budget will be informed by its experiences in 2020.

We find that enacting a 45-day reporting requirement after the period end date for DEU's reports, as recommended by DPU and supported by DEU, will eliminate confusion and ensure more timely reporting; therefore, we approve it. Pertaining to the 90% threshold reporting requirement, our 2007 Order does not identify any particular period, simply that DEU shall report when the amount spent for any program reaches 90% of the budgeted amount. In order to have sufficient time to meaningfully evaluate any associated request to increase an EE program budget, we clarify that whenever the 90% threshold for any program is met DEU must promptly report the required information but not later than 45 days after which it identifies the issue based on prudent monthly monitoring of EE program expenditures.

V. ORDER

1. We acknowledge DEU's Report.
2. We approve an increase in the 2020 ThermWise[®] Builder Program budget to \$8,076,752.
3. We approve an increase in the 2020 ThermWise[®] Weatherization Program budget to \$8,586,486.

⁶ The 2007 Order at 6-7 states "[t]o the extent participation levels differ significantly from the projected levels, either positively or negatively, [DEU] shall report to the [PSC] the expected changes to the [Total Resource Cost], [Utility Cost], [Ratepayer Impact Measure], and [Participant Cost] metrics."

4. DEU shall submit quarterly actual and projected budget exceedance reports within 45 days after the period end date, as clarified herein.

DATED at Salt Lake City, Utah, January 29, 2021.

/s/ Thad LeVar, Chair

/s/ David R. Clark, Commissioner

/s/ Ron Allen, Commissioner

Attest:

/s/ Gary L. Widerburg
PSC Secretary
DW#317177

Notice of Opportunity for Agency Review or Rehearing

Pursuant to §§ 63G-4-301 and 54-7-15 of the Utah Code, an aggrieved party may request agency review or rehearing of this written Order by filing a written request with the PSC within 30 days after the issuance of this Order. Responses to a request for agency review or rehearing must be filed within 15 days of the filing of the request for review or rehearing. If the PSC does not grant a request for review or rehearing within 30 days after the filing of the request, it is deemed denied. Judicial review of the PSC's final agency action may be obtained by filing a petition for review with the Utah Supreme Court within 30 days after final agency action. Any petition for review must comply with the requirements of §§ 63G-4-401 and 63G-4-403 of the Utah Code and Utah Rules of Appellate Procedure.

CERTIFICATE OF SERVICE

I CERTIFY that on January 29, 2021, a true and correct copy of the foregoing was delivered upon the following as indicated below:

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