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# Energy Efficiency Program Proposal

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## ThermWise<sup>®</sup> Energy Comparison Report

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# Program Description

## ThermWise Energy Comparison Report Background

The ThermWise Energy Comparison Report (ECR) is a customized report that includes a series of four graphical illustrations that illustrate how a customer's usage compares (confidentially) to other customers with similar housing and other characteristics. The goals of the ECR are help influence customers' behavior, lifestyle, appliance purchases, shell measures, and to encourage customers to be more energy efficient, while boosting participation in other rebate programs including the ThermWise Home Energy Plan.

The ECR is available to customers via opt-in and opt-out programs. Customers may participate in these programs by visiting the Company's website, [DominionEnergy.com](http://DominionEnergy.com) or by being selected to receive the ECR at regular intervals throughout the year. The program's cost-effectiveness is measured based on an analysis of savings achieved for the program.

## ThermWise Energy Comparison Report History

In 2010, Dominion Energy began researching utility behavioral-driven programs operating throughout the United States and reporting usage-analysis to residential customers. In 2011, the Company launched the first ECR. Since development, the ECR has been an integrated component of the Market Transformation Budget. In Dominion Energy's 2015 Budget Filing, the Company launched the ECR as a stand-alone program and claims natural gas savings as part of the program. In 2021, the Company intends to maintain this program as a stand-alone program.

The following table describes the current and historical distribution of the ECR. The column labeled "Control" are those customers who have not received the ECR, in order to compare statistically against the recipients for the purpose of evaluating the program's effectiveness.

### ThermWise Energy Comparison Report Distribution

Description	Recipients	Control	Planned Group Discontinuance
Group A (Initial Pilot – November 2011 Launch)	8,000		December 2015
Group B (High Usage – December 2012)	25,000	15,000	May 2020
Monthly Opt-In (Opt-In as of August 2019)	4,600		Ongoing
Group C (Roll – Out – September 2013)	100,000	10,000	December 2017 Group Relaunch 2018
Group D (Roll – Out – November 2014)	100,000	10,000	Relaunch group November 2019 – 2020
Group E (Roll – Out – October 2016)	55,000	10,000	October 2020 November 2022 Relaunch
Group F (Roll – Out – (2017)	50,000	15,000	October 2021
Group G (Roll – Out – 2018)	50,000	25,000	October 2022
Group H (Roll – Out 2019)	25,000	12,500	October 2023

Group I (Roll – Out 2020) <sup>1</sup>	25,000	10,000	October 2025
Group J (Roll – Out 2021) <sup>2</sup>	50,000	10,000	October 2026

### Elements of Comparison

Customers are compared to one-hundred premises that share the same dwelling type, are in the same weather zone, have similar square footage, and are built within the same time period. Additionally, the Company employs a comparison of homes based on a “similarity index” which is based off the 10,000 closest homes within a weather zone of base load, peak to base usage, and weather sensitivity. This similarity index is designed to account indirectly for things such as the efficiency of gas equipment, number of appliances, customer’s behaviors, and a home’s occupancy without having that specific information. When combined with dwelling type, weather zone, square footage, and year built, comparison groups are formed to create a benchmark by which a customer may understand how their natural gas usage ranks relative to other similarly categorized customers.

## ThermWise Energy Comparison Report Savings

At the end of a full year’s distribution of the report and for each reporting group, the Company performs studies to verify the Energy Comparison Report’s effectiveness. To date, the Company has found that reports distributed by postal mail are the most effective at saving energy. Actual annual average savings are updated yearly using savings from each eligible group to determine a weighted actual savings. The Company computes a weighted annual realized savings of 0.65 dekatherms for all program recipients. The following table illustrates the weighted savings calculation across all programs.

Description	Recipients	Annual Savings
Group B (High Usage – December 2012)	11,502*	0.55
Group C (Roll – Out – September 2013)	59,542*	1.17
Group D (Roll – Out September 2014)	64,123*	0.41
Group E (Roll – Out November 2016)	43,969*	0.42
Group F (Roll – Out November 2018)	42,289*	0.54
Actual Weighted Savings		0.65

\*recipients are based on the most recent size of the group. This is lower than the original group due to customer attrition and program opt out.

The Company also discounts participant attrition with the savings. In addition to the weighted actual savings, the Company calculates a level of persistence savings beyond one year and considers the historical savings average. The savings are calculated using third party persistence savings analysis. The Company calculates persistence savings to be 0.65 dekatherms for a total savings of 1.26 for all program participants.

Consistent with standard testing procedures, the Company will run an annual savings tests using known and measurable statistical techniques following the yearly completion of each of the distribution pilots. Customers that view the report online (or alternatively opt-in to receive the report) do not undergo statistical savings testing. However, those who have opted in are assumed to save in proportion to those in the push groups.

## ThermWise Energy Comparison Report Future

Following participation growth of 25,000 in 2020, the Company plans to expand the report’s reach to at least an additional 50,000 customers over beginning in October 2021 while managing existing participant groups. The Company will begin to discontinue select groups in 2021 and where appropriate include some of those customers

<sup>1</sup> This roll out may include previous members of Group A.

<sup>2</sup> This roll out may include previous members of Group B and Group D.

into new groups. This growth is scheduled to be incorporated with Group J at 50,000 customers in 2021. Throughout this process, Company will continue to monitor program efficacy and program duration. For the report push strategy, the Company intends to maintain the frequency of five times per year. The Company will continue to monitor additional opportunities to extend the program's reach.

As the Company encourages more energy savings through better appliance and shell measures in homes and businesses, Dominion Energy believes that behavioral energy savings will become even more important in reducing natural gas energy consumption. The ECR stands ready to aid in this transition. Dominion Energy will continue to reach more customers in this program and examine additional ways to engage customers and achieve behavioral savings.

The Company will also continue to review the ECR process to examine ways to increase customer participation and improve the customer's energy efficiency. Any changes would not alter the general framework of the program as outlined above, but merely expand on and enhance the elements already in place.

## ThermWise Energy Challenge Pledge Pilot Program

As mentioned in the 2020 Budget Filing, in the 2018 Annual ThermWise Telephone Survey (performed by Lighthouse), a combined 29% of customers indicated that they participated in the ThermWise Rebate Program either to "save money" or "to protect the environment." Research further indicates that individuals that make a commitment to changing their behavior are more likely to follow through and do so.<sup>3</sup>

In November 2019, the Company launched a pilot program to give interested General Service residential customers the opportunity to make a commitment to saving energy. In Fall 2019, the Company launched the ThermWise Energy Challenge to approximately 2,000 enrolled customers. During the campaign, customers receive monthly status emails, text messages, cold weather alerts, and an end of year report from Dominion Energy. For this program, customers pledge their commitment towards energy conservation and the Company will provide opportunities for customers to exercise their interest through a formalized Dominion Energy program.

As described in the 2020 budget filing, the Company plans to continue to operate this existing pilot (program A) during the program year and 2021 program year to complete the two-year pilot. The Company will monitor program efforts and evaluate savings for enrolled customers.

Given the initial results of the pilot program, the company intends to expand this pilot program to a second group of eligible customers with a few minor modifications (Pilot Group B). Program solicitation for Pilot Group B will start in the summer of 2021 with the official start for Pilot Group B in November 2021. In turn Pilot Group B will run for the 2021 to 2023 budget cycles.

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<sup>3</sup> Pallak, MS, Cook, DA, Sullivan, JJ (1980). "Commitment and energy conservation." In L. Bickman (Ed.), Applied Social Psychology Annual (pp 235 – 253). Beverly Hills