



November 23, 2020

Docket No: 20-057-20

VIA ELECTRONIC FILING

Public Service Commission of Utah
Heber M. Wells Building, 4th Floor
160 East 300 South
Salt Lake City, Utah 84111

Re: Docket No. 20-057-20 - Application for Approval of the 2021 Year Budget for Energy Efficiency Programs and Market Transformation Initiative

Utah Clean Energy and SWEEP generally support DEU's application, which maintains and builds on its current natural gas conservation programs. Overall, the program is cost effective with a utility cost test (UCT) benefit/cost ratio of 1.63. The individual programs are also cost-effective with UCT results that range from 1.48 to 2.04. We note that the proposed 2021 program would see a minor budget increase over the 2020 budget and a reduction in both participants (301,542 in 2021 versus 355,076 in 2020) and decatherms saved (1,003,745 Dth in 2021 versus 1,139,452 Dth in 2020).¹ We are disappointed to see that DEU is proposing to serve fewer customers and achieve a lower level of natural gas savings and we strongly encourage the company to seek to exceed the proposed participant and savings estimates given the cost-effectiveness of the ThermWise programs.

Below we offer comments and recommendations for the PSC to consider as it evaluates this proposal.

ThermWise Appliance Rebates

Energy Recovery Ventilation (ERV): We support the addition of ERVs into the Appliance program as ERVs energy-efficiently maintain indoor air quality air in homes, which is especially important as new homes in Utah become more airtight due to increased energy code requirements and market transformation. We note that the DEU proposal states that the incentive for this measure is not available if an ERV is required by code. Beginning in January 1, 2021 Utah's energy code requires mechanical ventilation when new single-family homes achieve an airtightness of 3 air changes per hour (ACH) and when multifamily units achieve an airtightness of 5 ACH. Utah's residential energy code does not require a specific technology to provide the mechanical ventilation. In other words, ERVs are one method to provide mechanical ventilation,

¹ See DEU Exhibit 1.10 – Budget, available at: <https://pscdocs.utah.gov/gas/20docs/2005720/316071DEUExh1.10Budget10-23-2020.xlsx>.



but other technologies are allowed under the scope of the energy code. ERVs are recognized as the most energy efficient way to provide mechanical ventilation homes and buildings since they pre-heat incoming air. We believe that an incentive for ERVs will help the residential construction market adopt this important energy efficiency technology as a standard practice.

Dual Fuel Heat Pumps: We support DEU’s proposal to help its customers adopt dual fuel heat pumps by providing an incentive for this important energy efficiency technology. This measure is reported to be cost effective, with a UCT of 1.3. Based on information presented in this application, DEU estimates that the dual fuel heat pump measure will reduce a residential participant’s annual natural gas consumption by over 30%, largely from natural gas savings that occur in the “shoulder months” of the heating season when the air source heat pump serves as the primary heating source. We are encouraged to read in the application that DEU will continue to coordinate with Rocky Mountain Power on this offering, including aligning on temperature setpoints and other details. Ratepayers will benefit when both utilities collaborate closely on promotion and marketing and program details. We encourage the Commission to approve this proposed measure due to its significant natural gas savings and cost-effectiveness, and since it aligns with Rocky Mountain Power’s recently-approved dual fuel heat pump incentive offering, which is actively being marketed to customers.²

ThermWise Business Program

DEU is proposing to add two new measures to its Business Program: advanced rooftop unit controls (ARC) and monitoring based commissioning (MBCx). Utah Clean Energy and SWEEP support the inclusion of these two measures into the Business Program. Both ARC and MBCx measures represent large opportunities for highly cost-effective energy savings that result from optimizing the energy performance of existing equipment. The ARC and MBCx measures are a valuable complement to the numerous measures for new/replacement equipment, by incentivizing energy-saving actions that business who are not in a position to replace existing equipment can take.

We note that DEU’s application includes a proposal to continue a “Green Certified New Buildings” measure but does not include any details about this measure, including what certification is being used. We request that DEU provide details about this program, including what “green” building certification is being used, what the estimated natural gas savings are, how the program is administered, etc., and the opportunity for the Advisory Group to provide input about this measure.

² See: <https://www.wattsmarthomes.com/homeowners/heating-and-cooling/UT>.



ThermWise Home Energy Plan

The Company is proposing to continue offering its customers the opportunity to receive a Home Energy Plan (HEP) that is intended to “provide them with information about other energy-saving opportunities.” We support the continuation of the ThermWise Home Energy Plan, as it provides information for homeowners to use to assess the natural gas energy efficiency of their home and opportunities to implement natural gas-saving recommendations. However, the HEP provides a partial picture of the energy performance and energy efficiency of a home since it only addresses natural gas consumption and natural gas energy-saving opportunities. Customers need information about both the natural gas and electricity efficiency of their home and would be best served if the HEP were expanded to assess both natural gas and electricity consumption and energy retrofits.

We recognize that it is not within the purview of DEU to incentivize non-natural gas (electricity) savings. However, we believe that the master inter-utility agreement that’s in place between Rocky Mountain Power and DEU provides an opportunity to incorporate electricity efficiency into this plan, therefore making the HEP work better for Utah ratepayers. Creating a collaboratively-delivered HEP that provides an assessment of both natural gas and electricity consumption as well as energy-saving opportunities/recommendations for both natural gas and electricity, will provide a more complete picture of residential energy performance and upgrade opportunities. The Home Energy Score (HES) is a holistic home energy assessment tool that was created by the U.S. Department of Energy that includes both natural gas consumption/efficiency and electricity consumption/efficiency.³ The HES a nation-wide, industry standard tool for providing home energy assessments and consumer-friendly education about residential energy efficiency. In addition to providing an easy-to-understand 1-to-10 “score” of a home’s energy performance, the HES also provides a list of cost-effective energy-saving retrofit opportunities for each home assessed. It has been integrated (or is being considered for integration) into 19 utility-sponsored residential weatherization programs in 11 states.⁴

We believe that the HES should be evaluated and considered for use in a joint Home Energy Plan program that involves Rocky Mountain Power under the master inter-utility agreement noted above. We strongly recommend that the Commission direct DEU to work with the ThermWise Advisory Group and Rocky Mountain Power to evaluate the possible integration of the HES into the ThermWise Home Energy Plan, and to report how stakeholder input was considered, along with its findings and recommendations to the Commission no later than June 30, 2020.

³ See: U.S. Department of Energy, Home Energy Score, available at: <https://betterbuildingssolutioncenter.energy.gov/home-energy-score>

⁴ Personal communication with Patty Kappaz, U.S. Department of Energy, November 20, 2020.



ThermWise Weatherization Rebates

We support expanding the residential direct-install program into an ongoing initiative beginning in 2021. However, similar to our comments related to the Home Energy Plan, we believe that this program would best serve customers if the direct-install program included basic electricity-savings upgrades. This program can be leveraged to maximize benefits to ratepayers, and the time to do this is when direct-install contractors are already in utility customers' homes. As stated in the pilot program evaluation filed in this docket, DEU states that it plans to “[c]ontinue to explore efforts to coordinate with Rocky Mountain Power” and “[e]xpand offerings to include other cost-effective measures.”⁵ We appreciate and support DEU’s commitment to explore collaboration with Rocky Mountain Power and to explore inclusion of other cost-effective measures into the program. There are numerous opportunities to add basic electricity-savings upgrades to home served through this program through collaboration with Rocky Mountain Power. Utah Clean Energy has experience with just this kind of collaboration. Since 2018, through a pilot initiative supported by Salt Lake City Sustainability Department, Utah Clean Energy has provided several hundred LED bulbs (which were donated by Rocky Mountain Power) to DEU's direct-install contractor with a goal of replacing inefficient lights with LEDs at the same time that the contractor installed air sealing and attic insulation. The contractor reported that it was simple to install LEDs at the time that they are providing the air sealing and attic insulation services and estimated that \$10 per home would offset the additional costs. We urge DEU collaborate with Rocky under the master inter utility agreement to incorporate basic electricity efficiency measures into each home served through the direct-install program.

Market Transformation

With respect to DEU’s proposed market transformation activities, Utah Clean Energy and SWEEP support the continuation of Dominion Energy’s net zero sponsorship and the proposed repurposing \$50,000 from the net zero sponsorship to train individuals in Utah trade schools on the correct installation of dual fuel heating systems. In addition, we support the proposal to continue providing \$80,000 of funding for Utah’s energy code training efforts. These trainings continue to be beneficial to Utah contractors and building departments.

Finally, in order to reach and promote natural gas conservation to Utahns who do not speak English as a first language, we recommend translating all ThermWise program materials into Spanish and seeking opportunities to increase marketing to Utah’s Spanish-speaking communities.

We appreciate the Commission’s consideration of our comments in this docket.

⁵ Therm Wise Direct-Install Pilot Program Evaluation, DEU Exhibit 1.13, psdocs.utah.gov/gas/20docs/2005720/316074DEUExh1.13DirectInstall10-23-2020.pdf



Sincerely,

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