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**BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH**

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APPLICATION FOR APPROVAL OF THE )	
2021 YEAR BUDGET FOR ENERGY )	Docket No. 20-057-20
EFFICIENCY PROGRAMS AND MARKET )	DOMINION ENERGY UTAH'S
TRANSFORMATION INITIATIVE )	REPLY COMMENTS

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Questar Gas Company dba Dominion Energy Utah (DEU or Company) respectfully submits these Reply Comments to the Action Request Response issued by the Division of Public Utilities (Division) on November 20, 2020, the Memorandum issued by the Office of Consumer Services (Office) on November 23, 2020, and the joint comments filed by Utah Clean Energy (UCE) and the Southwestern Energy Efficiency Project (SWEEP) on November 23, 2020.

**I. BACKGROUND**

On October 23, 2020 Dominion Energy Utah filed an Application for Approval of the 2021 year budget for Energy Efficiency programs and Market Transformation Initiative (Application). On October 23, 2020 the Utah Public Service Commission (Commission) issued an Action Request to the Division seeking feedback on the Company's Application. On

October 26, 2020 the Commission issued a Notice of Filing and Comment Period allowing interested parties to file comments on or before Monday, November 23, 2020. On November 20, 2020, the Division filed its Action Request Response. On November 23, 2020, the Office filed its Memorandum in this docket and UCE/SWEEP filed comments.

## **II. REPLY TO THE DIVISION'S ACTION REQUEST RESPONSE**

The Division's Action Request Response summarized the proposed program changes and generally supported the approval of the Application. The Division did note that the Company's projected 2021 overall budget increase of 2.4% mainly attributable to greater expected participation in the 2021 Builder Program, 15.1% decrease in overall program participation, and 11.9% decrease in overall dekatherm (Dth) savings. It is important to also note that the decrease in program participants and Dth savings is mainly attributable to fewer recipients of the Energy Comparison Report and lower expected participation in the Appliance Program in 2021.

Additionally, the Division urged the Company to "always look for ways to implement administrative cost reduction steps in order to improve overall program efficiencies." Division's Action Request Response at p. 11. The Company agrees with this recommendation and will continue to look for ways to reduce non-incentive costs.

In its conclusion, the Division recommended that the Commission approve the Application and proposed changes to DEU's Utah Natural Gas Tariff No. 500 (Tariff) as filed and establish a requirement that the Company provide quarterly reports no later than 45 calendar days after the end of a quarter. The Company appreciates the Division's analysis and, with the exception of one minor Tariff change that will be discussed in response to the Office's comments, agrees with the recommendation that the Commission approve the 2021 Application

and proposed Tariff changes. The Company also agrees that it will submit quarterly reports within 45 days after the end of each quarter.

### **III. REPLY TO THE OFFICE'S MEMORANDUM**

The Office's Memorandum focused in large part on the Company's proposed inclusion of a dual-fuel heating system rebate in the 2021 Appliance, Builder, and Business programs. The Office expressed concern about proposed Tariff language that would dictate a set point related to the dual-fuel heating system rebates. The Office recommended that the Commission approve the Company's 2021 proposals subject to requirements to "...remove reference to a dual fuel heat pump set point in its draft Tariff language in this docket, and coordinate with Rocky Mountain Power (RMP) to establish a consistent set point value or value range to be documented in programmatic policies and HVAC installer training materials."

The Company appreciates the Office's engagement in this issue, its attention to detail, and its expressed desire to avoid market confusion which might arise from RMP and the Company's proposed dual-fuel heating system requirements. The Company is supportive of the Office's suggestion to work with RMP on the temperature set point for dual-fuel heating systems and to coordinate work HVAC training materials. Further, the Company is supportive of the Office's recommendation to remove dual-fuel heat pump set point language from its draft Tariff (Energy Efficiency Exhibits 1.9A and 1.9B). The Company proposes that, should the Commission approve the Application with the Office's suggestion, the Company will file updated draft Tariff sheets to reflect the change.

### **IV. REPLY TO UCE AND SWEEP RESPONSE**

The Company appreciates UCE's and SWEEP's input and involvement in this docket and in the ThermWise® Advisory Group. The Company recognizes and appreciates the

constructive role that UCE and SWEEP have played as the Company has explored and evaluated this measure over the past three years. UCE's and SWEEP's comments raised issues regarding Energy Recovery Ventilation (ERV), Business Program Green Certified Buildings rebate, Home Energy Plan Program, a proposed Home Energy Score (HES) program, and Market Transformation Initiative. The comments on these topics warrant further discussion.

UCE and Sweep expressed concerns related to ERVs and building codes that appear to confuse ventilation and natural gas savings. UCE and SWEEP noted that under the Company's proposal, customers would not be eligible for an ERV rebate if it is required by code. UCE and SWEEP observed that "beginning 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." While this is true, an ERV installed to comply with 2021 code would be done to provide mechanical ventilation for a tight building structure, not for the purpose of meeting a code-requirement to recover energy (used to preheat outside air) in order to achieve natural gas savings. There are less expensive options for achieving compliance with the 2021 ventilation requirement. It is likely that most builders would choose a less-expensive option, like a power-vent fan, in order to comply with the 2021 ventilation requirement rather than install the more expensive ERV. The key mission of the ThermWise® Programs is to incent customers to choose the most efficient natural gas saving equipment option. Incenting the ERV over less efficient standard ventilation equipment is consistent with that mission.

UCE and SWEEP also observed that the Company'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." The Company initially sought and

received Commission approval for the Business Program Green Certified New Buildings rebate measure as part of its 2019 ThermWise® budget filing (Docket No. 18-057-20). At the time of filing on October 16, 2018, the Company included details on the rebate amount and certification standards in the draft Tariff language (DEU Exhibit 1.9A and 1.9B, page 2-30). Those details include a rebate amount of \$0.05 per square foot (not to exceed a total rebate of \$15,000 per building) and that a Green certification (ENERGY STAR®, LEED, Green Globe, or NZEB) must be completed and provided as part of the rebate application process. Those Green Certified New Buildings rebate details and requirements have remained the same since 2019 and the Company does not propose to change them in 2021. The Company stands ready to provide UCE, SWEEP, and any other interested party with additional details about the Green Certified New Buildings, and does not believe that further Commission action on this point is necessary. UCE and SWEEP also propose expanding the Company's existing Home Energy Plan Program to include assessments about electric efficiency opportunities with its existing natural gas efficiency reports. The Company respectfully requests that the Commission reject UCE's and SWEEP's proposal on this issue for two reasons. First, the Company's four current internal employees who perform home energy plans have extensive work experience with natural gas equipment, all maintain industry certifications, and each one has 10+ years of prior experience in the Company's operations department. These employees do not have the same level of expertise or familiarity with electricity or electrical efficiency and would therefore be ill-suited to perform evaluation of such functions. Second, the Company believes that if UCE and SWEEP would like to see an expansion of electric efficiency programs, those ideas would be best addressed with RMP or in an RMP docket. The Company believes that RMP is

best suited to evaluate all options for an electricity assessment program, including partnering with DEU, and then proposing a program design to the Commission.

The Company also respectfully requests that the Commission reject the UCE and SWEEP recommendations related to a Home Energy Score (HES) program. The Company has evaluated HES program throughout the years and has yet to find a program design that is cost effective or provides any quantifiable energy savings benefits for a benefit/cost evaluation. In fact, according to a U.S. Department of Energy study<sup>1</sup>, realizing any energy savings from HES programs is an ongoing challenge:

While the Home Energy Scoring Tool is free to use it's still not always easy to persuade utilities and public service commissions to add a service that does not demonstrate immediate savings. Especially since there are costs associated with the delivery and implementation of the Score. In a study with NJNG, the independent evaluation team concluded that homeowners who received a Score are 15% more likely to sign a release form that allows contractors to follow up on future energy improvements. Unfortunately the NJNG insulation contractors didn't capitalize on the additional leads generated and hence limited the impact of the Score on project completion. Many utilities still want to know how much the score motivates homeowners to invest in efficiency. To provide that answer, DOE is working with stakeholders to better assess the score's immediate and long-term impact on energy use. Further, as utilities prioritize positive engagement with customers, some are nervous about the risk of delivering a low score that could label a home as "bad."<sup>2</sup>

Furthermore, the state of Utah is currently advancing an HES program outside of this regulatory proceeding. As part of the 2020 legislative session, the Company provided information and participated in a committee to craft HB235, which is a voluntary home energy information pilot program. That legislation was passed into law with a provision requiring the Office of Energy Development (OED) to develop a pilot program with input from an advisory

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<sup>1</sup> <https://betterbuildingssolutioncenter.energy.gov/sites/default/files/attachments/ACEEE%202016.pdf>

<sup>2</sup> *Scaling Up Energy Ratings, Labels, and Scores: Latest Trends to Promote Widespread Adoption*, 2016, pp. 9-10

committee. The Company is a member of the advisory committee and has participated in all of the 2020 meetings. The Company believes that HB235 provides the most viable path to an HES program in Utah. Funding for the HES pilot program has already been approved by the legislature. The legislature's HES pilot program approach, headed by OED, also engages a much broader group of potential stakeholders (e.g. Utah Home Builders Association, home energy rating companies, real estate agents, and Utah's multiple listing service) than would a utility-based program. Given the legislative and OED action, there is no reason to duplicate that effort here.

The Company appreciates UCE's and SWEEP's recommendation to seek "...opportunities to increase marketing to Utah's Spanish-speaking communities," and notes that it is currently working to engage those communities. The Company has taken steps to market, promote, and facilitate participation in energy efficiency and the ThermWise® Programs for its Spanish-speaking customers. All of the Company's key marketing pieces have been translated into Spanish, the Company participates in predominantly Spanish-speaking community events (pre-COVID19) throughout each year, the Company and its contractors employ Spanish-speaking employees to answer questions and assist with rebate processing, and the Company has sponsored Spanish language advertising for the ThermWise® Programs in years past. Additionally, the Company is currently exploring options for Spanish language television advertising as part of its 2021 media campaign. The Company welcomes Advisory Group recommendations about how to better serve this community but does not believe that Commission action on this point is warranted.

**V. CONCLUSION**

The Company appreciates the input of the Office, the Division, UCE, and SWEEP. Based on the foregoing, and the contents of the Application and accompanying exhibits, the Company respectfully requests that the Commission approve the Company's Application with those agreed-upon modifications set forth above and with an effective date of January 1, 2021.

DATED this 8<sup>th</sup> day of December 2020.

Respectfully submitted,

DOMINION ENERGY UTAH



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## CERTIFICATE OF SERVICE

I, Ginger Johnson, certify that a true and correct copy of Dominion Energy Utah's Reply

Comments was served upon the following by electronic mail on December 8, 2020:

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