



State of Utah

Department of Commerce  
Division of Public Utilities

MARGARET W. BUSSE  
*Executive Director*

CHRIS PARKER  
*Director, Division of Public Utilities*

SPENCER J. COX  
*Governor*

DEIDRE HENDERSON  
*Lieutenant Governor*

## Action Request Response

**To:** Public Service Commission of Utah

**From:** Utah Division of Public Utilities

Chris Parker, Director

Artie Powell, Manager

Brenda Salter, Utility Technical Consultant Supervisor

Shauna Benvegna-Springer, Utility Technical Consultant

**Date:** November 24, 2021

**Re:** **Docket No. 21-057-25**, Dominion Energy Utah's Application for Approval of 2022 Year Budget for Energy Efficiency Programs and Market Transformation Initiative

### Recommendation (Approval)

The Division of Public Utilities (Division) has reviewed the Application and recommends the Public Service Commission of Utah (Commission or PSC) approve Dominion Energy Utah's 2022 Energy Efficiency Programs and Market Transformation Initiative Budget. The Division has also reviewed the tariff sheets filed with the application and recommends the Commission approve the tariff sheets as filed.

### Issue

On October 26, 2021, Dominion Energy Utah (Company or Dominion) filed an application with the Commission for approval of its EE Programs and Market Transformation Initiative Budget for 2022. On October 27, 2021, the Commission issued an Action Request to the Division to review the application and make recommendations on the Company's filing by November 26, 2021. On October 28, 2021, the Commission also issued a Notice of Comment Period detailing that any

interested party may submit comments to the Commission by November 26, 2021, with reply comments by December 13, 2021. This memorandum is the Division’s response to the Commission’s Action Request.

## Background

### DSM/EE PILOT PROGRAM AND BUDGET HISTORY

The original Demand Side Management (DSM) programs and Market Transformation Initiative were the products of a collaborative effort of interested parties working with Dominion (formerly Questar Gas Company). The purpose was to provide input and to design programs to benefit Dominion’s general schedule (GS) rate class by reducing its usage of natural gas. The programs were designed to improve the efficiency of natural gas consumption by those GS rate customers. The process began with Dominion’s Conservation Enabling Tariff (CET) application to the Commission on December 16, 2005, in Docket No. 05-057-T01. In a January 16, 2007, Order issued in the same docket, the Commission approved the original application and established requirements. The Energy Efficiency Budget of \$30.2 million as submitted in this docket is the sixteenth budget submitted by the Company. Table 1 below shows a history of actual expenditures for 2016 through 2020, including the 2021 and 2022 EE Budgets. Totals in Table 1 have been rounded up or down, as appropriate.

Table 1: Annual EE Expenditures 2016-2020

<b>DOMINION ENERGY UTAH DSM ENERGY EFFICIENCY REPORT YEARLY EXPENDITURES FOR ENERGY EFFICIENCY DOCKET NO. 21-057-25</b>							
A	B	C	D	E	F	G	H
Energy Efficiency Programs	2016 Actual (000)	2017 Actual (000)	2018 Actual (000)	2019 Actual (000)	2020 Actual (000)	2021 Budget (000)	2022 Budget (000)
1 ThermWise Appliance	\$5,891	\$5,925	\$4,498	\$4,182	\$3,943	\$4,856	\$6,168
2 ThermWise Builder	\$7,020	\$5,644	\$6,540	\$6,120	\$9,076	\$7,792	\$9,503
3 ThermWise Business	\$3,390	\$3,980	\$1,952	\$2,674	\$3,000	\$3,436	\$3,379
4 ThermWise Custom Business	\$290	\$0	\$0	\$0	\$	\$	\$
4 ThermWise Energy Plan	\$579	\$491	\$436	\$403	\$378	\$498	\$508
5 ThermWise Weatherization	\$3,887	\$4,044	\$7,550	\$8,184	\$9,966	\$7,813	\$8,040
6 Market Transformation	\$1,261	\$1,228	\$1,375	\$853	\$937	\$1,320	\$1,320
7 Energy Comparison Report	\$734	\$392	\$416	\$452	\$555	\$530	\$544
8 Low Income Weatherization	\$268	\$669	\$642	\$714	\$681	\$812	\$750
9 Less Accruals					-\$1,465		
10 Total	\$23,319	\$22,374	\$23,408	\$23,581	\$27,071	\$27,058	\$30,213

The expenditures and budgets have been flat for 2016 to 2020. The budgets for those years were higher but the programs did not spend the entire budget. Of the five years, 2016 and 2017 budgets were underspent by \$3.4 and \$3.0 million, respectively. The 2018 and 2019 budgets were underspent by \$1.1 and \$1.9 million, respectively. The 2020 budget year was overspent by \$644,277. This year (2021) Dominion anticipates underspending by \$7.2 million, and it forecasts under collected revenue, leaving an unfunded balance of \$5.1 million. Dominion anticipates more participation in the programs and more cost for the new rebate components of several programs. The increase in budgets, as shown later, primarily goes toward the ThermWise Appliance Program and the ThermWise Builder Program. Because of the large amounts of remodeling and new building in the Utah market, the increase in funds is reasonable.

#### **2022 ENERGY EFFICIENCY PLAN SUMMARY**

The EE proposed budget for 2022 is \$30.2 million. This represents an increase from the 2021 budget of \$3.2 million. This is mainly due to an expected increase in the ThermWise Builder and ThermWise Appliance programs. The eight programs for 2022 include the following:

- ThermWise Appliance Rebates
- ThermWise Builder Rebates
- ThermWise Business Rebates
- ThermWise Energy Plan
- ThermWise Weatherization Rebates
- Market Transformation Initiative
- Energy Comparison Report Program
- Low Income Efficiency Program (Utah Department of Workforce Services)

Table 2 below summarizes Dominion's proposed 2022 Demand Side Management (DSM) EE Budget of \$30.2 million by program as compared to the 2021 DSM EE Budget. This budget proposes a 12% increase above the 2021 Budget of \$27.1 million. Columns I and J compare the 2021 EE Budget Utility Cost Test ratios (UCT) to the 2022 EE Budget UCT for each program.

**Table 2: 2022 Budget Compared to 2021 Budget**

<b>DOMINION ENERGY UTAH DSM ENERGY EFFICIENCY REPORT 2022 Budget and 2021 Budget DOCKET NO. 21-057-25</b>										
A	B	C	D	E	F	G	H	I	J	
Energy Efficiency Programs	2022 Budgeted Participants	2021 Budgeted Participants	2022 % Over/Under 2021 Budgeted	2022 Budget	2021 Budget	2022 % Over/Under 2021 Budget	2022 Dth Savings*	2021 Dth Savings*	2022 UCT Ratio	2021 UCT Ratio
1 ThermWise Appliance	19,339	16,846	15%	\$6,168,350	\$4,855,850	27%	220,849	177,195	1.80	1.86
2 ThermWise Builder	25,836	21,625	19%	\$9,503,060	\$7,792,260	22%	321,358	212,227	2.62	1.56
3 ThermWise Business	1,958	2,768	-29%	\$3,379,343	\$3,435,818	-2%	151,681	161,838	2.13	1.22
ThermWise Custom Business	0	0	0%	\$0	\$0	0%	-	-	NA	NA
4 ThermWise Energy Plan	2,240	2,240	0%	\$508,467	\$498,467	2%	36,166	36,166	1.76	1.76
5 ThermWise Weatherization	32,385	30,243	7%	\$8,040,274	\$7,812,879	3%	103,887	108,093	1.45	1.26
6 Market Transformation	N/A	N/A	N/A	\$1,320,000	\$1,320,000	N/A	N/A	N/A	NA	NA
7 Energy Comparison Report	228,000	226,000	1%	\$544,000	\$530,000	3%	291,840	284,760	1.71	1.79
8 Low Income Assistance	1,612	1,820	-11%	\$749,519	\$812,365	-8%	20,369	23,468	1.73	1.70
9 Total	311,370	301,542	3%	\$30,213,013	\$27,057,639	12%	1,146,150	1,003,747	1.92	1.23

\* Projected Dth savings for each program based on projected program participation and deemed savings estimates.

## Discussion

One of the goals of the EE programs is to educate consumers, thus fostering behavior change in utility resource usage of participants. The 2022 budget expects 9,828 more participants and 142,403 Dth savings compared to the 2021 budget. Four of the programs propose an increase in participation; the ThermWise Appliance Program by 15%, ThermWise Builder Program by 19%, ThermWise Weatherization Program by 7%, and Energy Comparison Report Program by 1%. These increases in participation drive a \$3.2 million increase of the proposed budget. The ThermWise Business and Low-Income Assistance Programs propose a decrease in participation of 29% and 11% respectively, resulting in a \$119,321 reduction in the proposed budget. The ThermWise Energy Plan Program’s participation and Dth savings will remain the same with an increase of \$10,000 in the proposed budget. The overall EE budgeted Dth savings of 1,146,150 improves over the 1,003,747 Dth saving level set for 2021, most likely due to the 12% increase in the proposed total budget and expected increase in participation. The 2021 Q3 Actual YTD report notes 584,412 Dth savings in nine months’ performance, although the last quarter represents the beginning of the heating season.

## OVERALL ENERGY EFFICIENCY

Table 3 compares customer rebates, program costs, Dth savings, and participants as of September 30, 2021, actual results, the 2021 budget and 2022 proposed budget. The table shows a proposed 12% increase in the 2022 proposed budget compared to the 2021 budget. The difference is attributed to a 27% increase in the ThermWise Appliance program budget and a 22% increase in the ThermWise Builder program. The table shows an increase of 14% in total Dth saved and an expected increase of 3% in participants.

**Table 3: Energy Efficiency Budget Comparison**

<b>DOMINION ENERGY THERMWISE ENERGY EFFICIENCY PROGRAM BUDGET 2022 DOCKET NO. 21-057-25</b>					
A	B	C	D	E	F
	2021 Q3 Sept 21	2021 Budget	2022 Budget	2022 \$ over (under) 2021	2022 % over (under) 2021
1 <b>Customer Rebates</b>	<b>\$15,348,589</b>	<b>\$20,791,722</b>	<b>\$23,901,013</b>	<b>\$3,109,291</b>	<b>15%</b>
2 <b>Program Costs</b>	<b>3,922,050</b>	<b>6,265,917</b>	<b>6,312,000</b>	<b>46,083</b>	<b>1%</b>
4 <b>Total Costs</b>	<b>\$19,272,660</b>	<b>\$27,057,639</b>	<b>\$30,213,013</b>	<b>\$3,155,374</b>	<b>12%</b>
5 <b>Projected Dth Savings*</b>	<b>584,411</b>	<b>1,003,747</b>	<b>1,146,149</b>	<b>142,402</b>	<b>14%</b>
6 <b>Participants**</b>	<b>212,157</b>	<b>301,542</b>	<b>311,370</b>	<b>9,828</b>	<b>3%</b>
7 <b>Total \$ / Dth Savings (\$0.00)</b>	<b>\$3</b>	<b>\$3</b>	<b>\$4</b>	<b>NA</b>	<b>N/A</b>
8 <b>Total Resource Cost Test B/C</b>	<b>1.1</b>	<b>1.1</b>	<b>1.5</b>	<b>NA</b>	<b>NA</b>
9 <b>Utility Cost Test B/C</b>	<b>1.3</b>	<b>1.3</b>	<b>1.9</b>	<b>NA</b>	<b>NA</b>
10	<b>* Projected Dth savings for each program based on projected program participation and deemed savings estimates.</b>				

### THERMWISE APPLIANCE REBATES PROGRAM

The ThermWise Appliance Rebates Program for 2022 is available to all GS single-family and multi-family residential customers. The purpose of the program is to encourage consumers to install high-efficiency appliances in their homes. The Company recommends a few changes to the Appliance Rebates Program to continue pushing efficiency standards forward. The Company proposes to add a \$50 rebate for installing monitoring and diagnostic systems.

This program has a 2022 proposed budget cost of \$6.2 million compared to a 2021 budget of \$4.9 million, a 27% increase from the 2021 budget. Again, as with the previous year's budgets, the actual customer rebates will vary depending on customer participation. Table 4 compares the ThermWise Appliance Program by customer rebates and program administrative costs with actual results through September 30, 2021, to the projected 2021 and 2022 budgets. The table shows a

forecasted 2022 increase to the Utility Cost Test (UCT) benefit ratios with the Total Resource Cost (TRC) test remaining constant.

**Table 4: ThermWise Appliance Program**

<b>DOMINION ENERGY THERMWISE APPLIANCE PROGRAM   BUDGET 2022 DOCKET NO. 21-057-25</b>					
A	B	C	D	E	F
	2021 Q3 Sept 21	2021 Budget	2022 Budget	2022 \$ over (under) 2021	2022 % over (under) 2021
1 <b>Customer Rebates</b>	2,676,000	3,977,400	\$ 5,253,350	\$ 1,275,950	32%
2 <b>Program Costs</b>	489,245	878,450	\$ 915,000	\$ 36,550	4%
4 <b>Total Costs</b>	3,165,245	4,855,850	\$ 6,168,350	\$ 1,312,500	27%
5 <b>Projected Dth Savings*</b>	89,479	177,195	220,849	43,654	25%
6 <b>Participants**</b>	9,602	16,846	19,339	2,493	15%
7 <b>Total \$ / Dth Savings (\$0.00)</b>	\$ 35	\$ 27	\$ 28	NA	NA
8 <b>Total Resource Cost Test B/C</b>	1.86	1.86	1.85	NA	NA
9 <b>Utility Cost Test B/C</b>	1.74	1.74	1.80	NA	NA
10 <b>* Projected Dth savings for each program based on projected program participation and deemed savings estimates.</b>					

Table 4 demonstrates an increase of \$1.3 million in customer rebate costs and a small increase of \$36,550 in program costs for the ThermWise Appliance Program budget for 2022. Dth savings and participants both increase by 25% and 15% respectively in the 2022 proposed budget. The Company also proposed some minor tariff changes to increase clarity and accuracy in the program.

**THERMWISE BUILDER REBATES PROGRAM**

The ThermWise Builder Rebate Program will continue in 2022 with several modifications. The Company will add monitoring and diagnostic systems, like the Appliance Program, for the same reasons. The Company also proposed to add rigid foam exterior insulation, a relatively new product, to minimize heat loss and improve moisture and airflow control. The Company is proposing a \$200 rebate for single-family and a \$150 rebate for multi-family units. The specifics of both additions are outlined in the proposed tariff sheets. The Company again proposed to make

minor tariff changes and change the per-saved-therm rebate amount from \$3 to \$4 with an \$800 maximum rebate for the multi-family pay-for-performance measure.

**Table 5: ThermWise Builder Program**

<b>DOMINION ENERGY THERMWISE BUILDER PROGRAM BUDGET 2022 DOCKET NO. 21-057-25</b>					
A	B	C	D	E	F
	2021 Q3 Sept 21	2021 Budget	2022 Budget	2022 \$ over (under) 2021	2022 % over (under) 2021
1 <b>Customer Rebates</b>	5,926,965	7,162,260	8,983,060	\$ 1,820,800	25%
2 <b>Program Costs</b>	287,513	630,000	\$ 520,000	\$ (110,000)	-17%
4 <b>Total Costs</b>	6,214,478	7,792,260	\$ 9,503,060	\$ 1,710,800	22%
5 <b>Projected Dth Savings*</b>	123,837	212,227	321,358	109,131	51%
6 <b>Participants**</b>	13,572	21,625	25,836	4,211	19%
7 <b>Total \$ / Dth Savings (\$0.00)</b>	\$ 50	\$ 37	\$ 30	NA	NA
8 <b>Total Resource Cost Test B/C</b>	1.56	1.56	1.81	NA	NA
9 <b>Utility Cost Test B/C</b>	1.77	1.77	2.62	NA	NA
10	* Projected Dth savings for each program based on projected program participation and deemed savings estimates.				

Table 5 shows the 2022 budget for the ThermWise Builder Program is \$9.5 million, a \$1.7 million dollar (22%) increase from the 2021 budget of \$7.8 million. Expected participation and Dth saved are higher in the 2022 budget, resulting in lower dollars per Dth saved than expected in the 2021 budget. The Builder Program is projected to have a TRC ratio of 1.81 and an UCT ratio of 2.62.

#### **THERMWISE BUSINESS REBATES PROGRAM**

This program is available to the GS rate class commercial customers and offers many prescriptive measures, all of which are designed to leverage the marketing access and existing delivery channels of local businesses, wholesalers, and retailers to provide cost-effective natural gas savings opportunities. The Company proposes to continue this program in 2022 and add rebates for advance boiler control systems. Linkageless controls and O<sup>2</sup> trim controls have seen significant interest and participation recently. The Company proposes to rebate \$.50 per thousand British

**Table 6: ThermWise Business Program**

<b>DOMINION ENERGY THERMWISE BUSINESS PROGRAM BUDGET 2022 DOCKET NO. 21-057-25</b>					
A	B	C	D	E	F
	2021 Q3 Sept 21	2021 Budget	2022 Budget	2022 \$ over (under) 2021	2022 % over (under) 2021
<b>Customer Rebates</b>	903,186	2,246,818	2,145,343	\$ (101,475)	-5%
<b>Program Costs</b>	1,011,559	1,189,000	\$ 1,234,000	\$ 45,000	4%
<b>Total Costs</b>	1,914,745	3,435,818	\$ 3,379,343	\$ (56,475)	-2%
<b>Projected Dth Savings*</b>	45,374	161,838	151,681	(10,157)	-6%
<b>Participants**</b>	685	2,768	1,958	(810)	-29%
<b>Total \$ / Dth Savings (\$0.00)</b>	\$ 42	\$ 21	\$ 22	NA	NA
<b>Total Resource Cost Test B/C</b>	1.22	1.22	1.30	NA	NA
<b>Utility Cost Test B/C</b>	2.04	2.04	2.13	NA	NA

\* Projected Dth savings for each program based on projected program participation and deemed savings estimates

Thermal Units (kBtu) of a boiler with Linkageless controls. O<sup>2</sup> trim control systems work with Linkageless control systems. The Company proposed to rebate \$0.20 per kBtu of a boiler with the O<sup>2</sup> trim control. Minor tariff charges are proposed for clarification and accuracy.

The ThermWise Business Program budget is proposed to decrease by \$56,475 in 2022. The 2022 budget is \$3.4 million, which is 2% below the 2021 budget, as shown in Table 6. The table summarizes the ThermWise Business Program by customer rebates and program costs with actual results through September 30, 2021, and the 2021 and 2022 budgets.

#### **THERMWISE HOME ENERGY PLAN REBATES PROGRAM**

The ThermWise Home Energy Plan is administered by the Company. The Company proposes to use in-home, mail-in, or virtual home energy assessments. The program will continue with no major changes in 2022. The 2022 budget is \$508,467, which is an increase of \$10,000 or a 2% increase. Table 7 compares the 2022 EE budget to the 2021 EE budget along with September 30, 2021, YTD actual results.



**Table 7: ThermWise Home Energy Plan Program**

<b>DOMINION ENERGY THERMWISE HOME ENERGY PLAN PROGRAM BUDGET 2022 DOCKET NO. 21-057-25</b>					
<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>	<b>F</b>
	<b>2021 Q3 Sept 21</b>	<b>2021 Budget</b>	<b>2022 Budget</b>	<b>2022 \$ over (under) 2021</b>	<b>2022 % over (under) 2021</b>
<b>1 Customer Rebates</b>	\$ 15,021	\$ -	\$ 38,467	\$ 38,467	0%
<b>2 Program Costs</b>	\$ 268,063	\$ 498,467	\$ 470,000	\$ (28,467)	-6%
<b>4 Total Costs</b>	\$ 285,105	\$ 498,467	\$ 508,467	\$ 10,000	2%
<b>5 Projected Dth Savings*</b>	18,562	36,166	36,166	-	0%
<b>6 Participants**</b>	2,240	2,240	2,240	-	0%
<b>7 Total \$ / Dth Savings (\$0.00)</b>	\$15	\$14	\$14	NA	NA
<b>8 Total Resource Cost Test B/C</b>	1.76	1.76	1.79	NA	NA
<b>9 Utility Cost Test B/C</b>	1.73	1.73	1.76	NA	NA
<b>10</b>	<b>* Projected Dth savings for each program based on projected program participation and deemed savings estimates.</b>				

Table 7 shows decreases in program costs, with a shift of \$38,467 to rebates/incentives, but no change in Dth savings and participants. The benefit cost ratio for 2022 with the TRC is 1.79 and the UCT is 1.76.

#### **THERMWISE WEATHERIZATION REBATES PROGRAM**

This program offers both GS single-family and multi-family residential customer rebates for installing qualifying weatherization measures. The Company proposes to continue the program and add the rigid foam exterior insulation rebate as discussed in the Builder Program. The Company proposes a rebate of \$.40 per square foot, with a maximum of \$800 for single-family or \$400 for multi-family, for qualifying installations. The Company proposes to add an air sealing service to the list of Dth saving measures in its authorized contractor program. Several minor tariff changes are also proposed for clarification and accuracy. The 2022 budget is \$8.0 million, an increase of 3% from the 2021 budget. Table 8 compares the ThermWise Weatherization Program by customer rebates and program costs with actual results through September 30, 2021, along with the 2021 and 2022 budgets.

**Table 8: ThermWise Weatherization Program**

<b>DOMINION ENERGY THERMWISE WEATHERIZATION PROGRAM BUDGET 2022 DOCKET NO. 21-057-25</b>						
A	B	C	D	E	F	
	2021 Q3 Sept 21	2021 Budget	2022 Budget	2022 \$ over (under) 2021	2022 % over (under) 2021	
1	<b>Customer Rebates</b>	5,219,549	7,117,879	\$ 7,255,274	\$ 137,395	2%
2	<b>Program Costs</b>	623,947	695,000	\$ 785,000	\$ 90,000	13%
3	<b>Total Costs</b>	5,843,496	7,812,879	\$ 8,040,274	\$ 227,395	3%
4	<b>Projected Dth Savings*</b>	90,158	108,093	103,887	(4,206)	-4%
5	<b>Participants**</b>	16,018	30,243	32,385	2,142	7%
6	<b>Total \$ / Dth Savings (\$0.00)</b>	<b>\$ 65</b>	<b>\$ 72</b>	<b>\$ 77</b>	<b>NA</b>	<b>NA</b>
7	<b>Total Resource Cost Test B/C</b>	1.26	1.26	1.23	NA	NA
8	<b>Utility Cost Test B/C</b>	1.48	1.48	1.45	NA	NA
9	<b>* Projected Dth savings for each program based on projected program participation and deemed savings estimates.</b>					

The table shows the benefit cost ratios decreasing from the 2021 budget with a TRC of 1.23 and a UCT of 1.45 for 2022.

**LOW INCOME WEATHERIZATION PROGRAM**

The agreement reached in Docket 05-057-T01 contained a provision for the Company to provide funding of \$250,000 for the state’s Low Income Weatherization Program. In 2009, the funding for this program was increased by another \$250,000 for a total contribution of \$500,000. This is meant to address natural gas issues for qualified low-income assistance recipients. This tariff includes a paragraph allowing approved non-profit or governmental agencies to apply for rebates under the ThermWise Programs. This allows qualified agencies to utilize rebates for work they have performed to do additional weatherization measures. The Utah Department of Workforce Services, Housing and Community Development Division (HCD) currently qualifies under this provision. This allows HCD to report its activity quarterly and include the saved Dth because of its efforts as part of the quarterly reports filed by the Company on the EE program results. The Company proposes to add the rigid foam exterior insulation rebate as discussed previously beginning in 2022. The Company proposed to rebate \$.40 per square foot for both single and multi-family residents.

**Table 9: Low Income Weatherization Program**

<b>DOMINION ENERGY LOW INCOME WEATHERIZATION PROGRAM BUDGET 2022 DOCKET NO. 21-057-25</b>					
<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>	<b>F</b>
	<b>2021 Q3 Sept 21</b>	<b>2021 Budget</b>	<b>2022 Budget</b>	<b>2022 \$ over (under) 2021</b>	<b>2022 % over (under) 2021</b>
<b>1 Customer Rebates</b>	607,868	287,365	\$ 225,519	\$ (61,846)	-22%
<b>2 Program Costs</b>	8,570	525,000	\$ 524,000	\$ (1,000)	0%
<b>4 Total Costs</b>	616,438	812,365	\$ 749,519	\$ (62,846)	-8%
<b>5 Projected Dth Savings*</b>	3,431	23,468	20,369	(3,099)	-13%
<b>6 Participants**</b>	540	1,820	1,612	(208)	-11%
<b>7 Total \$ / Dth Savings (\$0.00)</b>	\$ 180	\$ 35	\$ 37	NA	NA
<b>8 Total Resource Cost Test B/C</b>	1.70	1.70	1.68	NA	NA
<b>9 Utility Cost Test B/C</b>	1.72	1.72	1.73	NA	NA

# \* Projected Dth savings for each program based on projected program participation and deemed savings estimates

Table 9 reflects the budget for the Low-Income Weatherization Program. The proposed 2022 budget shows a decrease of \$62,846 or 8%. This is the second year a reduction has been proposed for the program budget. The TRC and UCT ratios are moving in different directions, i.e., TRC moved down to 1.68, and UCT moved up to 1.73, respectively for 2022. Both, participants and Dth savings are estimated to decrease.

**THERMWISE ENERGY COMPARISON REPORT**

Initially launched in November of 2011 with 8,000 customers receiving the report, the Company has introduced the report to over 480,000 customers, with a control group of approximately 110,000 customers who do not receive the report. The Company proposes to deliver the Energy Comparison Report (ECR) to 228,000 customers in 2022, an increase of 2,000 customers. The Company plans to continue to target the comparison report to consumers with higher usage relative to their square footage in 2022. The 2022 proposed budget for the Energy Comparison Report is \$544,000 an increase of \$14,000 or 3.0%.

**Table 10: ThermWise Energy Comparison Plan Program**

<b>DOMINION ENERGY THERMWISE ENERGY COMPARISON PLAN PROGRAM BUDGET 2022 DOCKET NO. 21-057-25</b>					
<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>	<b>F</b>
	<b>2021 Q3 Sept 21</b>	<b>2021 Budget</b>	<b>2022 Budget</b>	<b>2022 \$ over (under) 2021</b>	<b>2022 % over (under) 2021</b>
1 <b>Customer Rebates</b>	\$ -	\$ -	\$ -	\$ -	0%
2 <b>Program Costs</b>	\$ 376,848	\$ 530,000	\$ 544,000	\$ 14,000	3%
4 <b>Total Costs</b>	\$ 376,848	\$ 530,000	\$ 544,000	\$ 14,000	3%
5 <b>Projected Dth Savings*</b>	213,570	284,760	291,840	7,080.0	2%
6 <b>Participants**</b>	169,500	226,000	228,000	2,000.0	1%
7 <b>Total \$ / Dth Savings (\$0.00)</b>	\$1	\$2	\$2	NA	NA
8 <b>Total Resource Cost Test B/C</b>	1.79	1.79	1.71	NA	NA
9 <b>Utility Cost Test B/C</b>	1.79	1.79	1.71	NA	NA
10	* Projected Dth savings for each program based on projected program participation and deemed savings estimates.				

Participants will increase by 2,000 and Dth savings are projected to increase by 2%. The TRC and UCT benefit ratios decreased to 1.71.

**MARKET TRANSFORMATION INITIATIVE**

The ThermWise Market Transformation Initiative involves comprehensive and lasting changes to the natural gas market and conservation.

**Table 11: Market Transformation Plan**

<b>DOMINION ENERGY THERMWISE MARKET TRANSFORMATION PLAN BUDGET 2022 DOCKET NO. 21-057-25</b>					
<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>	<b>F</b>
	<b>2021 Q3 Sept 21</b>	<b>2021 Budget</b>	<b>2022 Budget</b>	<b>2022 \$ over (under) 2021</b>	<b>2022 % over (under) 2021</b>
1 <b>Customer Rebates</b>	\$ -	\$ -	\$ -	\$ -	0%
2 <b>Program Costs</b>	\$ 856,305	\$ 1,320,000	\$ 1,320,000	\$ -	0%
4 <b>Total Costs</b>	\$ 856,305	\$ 1,320,000	\$ 1,320,000	\$ -	0%
5 <b>Projected Dth Savings*</b>	-	-	-	-	0%
6 <b>Participants**</b>	-	-	-	-	0%
7 <b>Total \$ / Dth Savings (\$0.00)</b>	\$0	\$0	\$0	NA	NA
8 <b>Total Resource Cost Test B/C</b>	0.00	0	0.00	NA	NA
9 <b>Utility Cost Test B/C</b>	0.00	0	0.00	NA	NA
10	* Projected Dth savings for each program based on projected program participation and deemed savings estimates.				

The initiative includes a market awareness campaign, sponsorship of building code training at \$80,000, supporting the ThermWise.com website, meetings of the Advisory Group, customer annual survey, and support of funding \$200,000 for Net-Zero homes. The ThermWise marketing budget does not have any changes; therefore, the 2022 budget is the same as 2021 budget. The 2021 budget for Net-Zero homes will not be spent because the Summit and Utah County homes will not likely meet the Net-Zero standards and requirements. The 2022 Net-Zero goals will remain the same as in 2019.

#### **PROGRAM & ADMINISTRATIVE COSTS**

As shown in Table 3 on page 4, the 2022 total program administrative costs are \$6.3 million, which is a \$64,083 increase from the 2021 budget program costs. Program cost represents about 21% of the total 2022 budget. The Market Transformation Program (MTP) budget of \$1.3 million is included in the program administrative costs. When the MTP is removed from the program costs, all other program costs represent 17% of the total 2022 EE Budget of \$30.2 million.

The Division appreciates the efforts the Company has made in the 2022 proposed budget. The Division continues to urge the Company to continue to look for ways to implement administrative cost reduction steps to improve overall program efficiencies. The Division appreciates the Company submitting quarterly reports within 45 calendar days after the quarter ends. The Division continues to monitor the overall program and individual measures to ensure the public interest continues to be served by them.

#### **CONCLUSION**

The Division continues to find value in the overall program objectives. All programs have meet their TRC and UCT ratios, which demonstrate benefits. Therefore, the Division supports the 2022 Energy Efficiency Budget and recommends the Commission approve the application. The Division has also reviewed the tariff sheets filed with the application and recommends the Commission approve the tariff sheets as filed.

The Division commends Dominion and the Advisory Group for their active participation and commitment to continue to develop and promote strong energy efficiency programs, with the intent

to promote the energy saving measures to an even broader base of GS customers. The Division finds the 2022 proposed EE budget just and reasonable and in the public interest.

cc: Kelly Mendenhall, Dominion Energy  
Mike Orton, Dominion Energy  
Travis Willey, Dominion Energy  
Michele Beck, Office of Consumer Services