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Governor

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Lieutenant Governor

State of Utah
DEPARTMENT OF COMMERCE
Office of Consumer Services

MICHELE BECK
Director

To: The Public Service Commission of Utah

From: The Office of Consumer Services

Michele Beck, Director
Alex Ware, Utility Analyst

Date: November 26, 2021

Subject: Docket 21-057-25

In the Matter of: Dominion Energy Utah's Application for Approval of the 2022 Year Budget for Energy Efficiency Programs and Market Transformation Initiative

INTRODUCTION

On October 26, 2021, Dominion Energy Utah (DEU) requested approval of its proposed 2022-year budget for the Energy Efficiency (EE) Programs and Market Transformation (MT) Initiative. Included in the application are a number of proposed revisions to the programs incentive offerings. On October 28, 2020, the Public Service Commission (PSC) issued a Notice of Filing and Comment Period that set a deadline of November 26, 2021 for parties to file initial comments and December 13, 2021 for reply comments.

The Office of Consumer Services (OCS) submits these comments to the PSC regarding DEU's proposal as contained in its application in this docket.

BACKGROUND

The purpose of this filing is for DEU to propose its EE and MT budget for the 2021 program year. In its application, DEU states that it "proposes continuing the eight existing ThermWise® EE programs in 2022..." These programs are:

1. Appliance Rebates Program,
2. Builder Rebates Program,

3. Business Rebates Program,
4. Home Energy Plan Program,
5. Weatherization Rebates Program,
6. Funding for the Low-Income Efficiency Program (administered by the Utah Department of Workforce Services),
7. Market Transformation Initiative, and
8. Energy Comparison Report.

NEW ENERGY EFFICIENCY PROGRAM ADDITIONS

Rebates for HVAC monitoring and diagnostic systems

DEU is proposing to add HVAC monitoring and diagnostic systems to rebate eligible equipment under the appliance rebates and builder rebates offerings. The Company states that this equipment “is a small device that can be added to a customer’s new or existing furnace to provide real time performance monitoring.” In conjunction with a subscription-based monitoring service provided by the manufacturer or HVAC contractor, this equipment will provide notifications to the homeowner if a performance fault is detected. The rebate will be set at \$50 for the device.

Rebates for Ridged Foam Exterior Insulation

DEU is proposing to add ridged foam exterior insulation to its builder rebates, weatherization, and low-income efficiency programs. The Company states that this “is a relatively new product which is intended to minimize heat loss through wood framing and improve moisture and airflow control in buildings.” In order to qualify for the rebate, builders must install products that meet a greater-than or equal to R-5 insulation rating, the building must have a gas furnace, and it must not already be required by state and local energy efficiency codes. The rebate will be set at \$200 for single family homes and \$150 for multifamily dwellings under the builder rebates program. The rebate under the weatherization and low-income efficiency programs will be \$0.40 per square foot (maximum of \$800 for single family and \$400 for multifamily dwellings).

Rebates for Linkageless and O2 Trim Controls

DEU proposes to add two advanced boiler control systems (linkageless and O2 trim controls) to its business rebates program. The Company explains that these controls have seen significant customer participation under the business custom rebate option in recent years and so it now requests to add them as itemized rebate options. DEU explains that due to the way the business custom rebate measure tracks actual natural

gas savings over time, there is now enough evidence to support its inclusion in rebates starting in 2022. DEU states that linkageless controls “are a retrofit improvement intended to increase combustion efficiency on older boilers.” They propose a rebate of \$0.50 per thousand Btu of the boiler. An O2 trim control works in tandem with linkageless controls to optimize the efficiency of the boiler by adjusting fuel flow. DEU proposes a rebate of \$0.20 per thousand Btu of the boiler.

PROPOSED BUDGET

The total 2022 projected budget for DEU’s EE and MT programs is \$30.2 million, which is a \$3.16 million increase from the 2021 budget. The Company states this projected increase is due to expected greater participation in the appliance, builder, and weatherization programs over the next year as Utah continues to experience construction growth. DEU states that the 2022 budget is “reflective of the 2021 nine month (January to September) actual participation number; insights from retailers, distributors and other trade allies; and the market knowledge of the Company’s contractor, Nexant.” DEU also projects that customer incentives will increase as a percentage of the total budget (77.2 percent to 79.1 percent) due to continued program efficiencies and minimizing non-incentive costs. Total savings of the program are projected to be 1.15 million Dth/year or 10 percent over the prior year, due to the anticipated greater program participation.

COST EFFECTIVENESS

DEU reports the overall benefit-cost ratio for the Utility Cost Test (UCT), the main benchmark in Utah, is 1.92. The OCS notes that the Company does not project the new HVAC monitoring equipment rebates to result in a UCT score over one in 2022 for multifamily dwellings or the builder program. However, since the overall EE and MT program results in a greater than one score, we do not oppose the inclusion of HVAC monitoring equipment rebates at this time. We will continue to monitor the benefit-cost performance of the HVAC monitoring equipment and if participation grows over time.

RECOMMENDATION

The OCS recommends that the PSC approve DEU’s proposed 2022 EE and MT program budget.

cc:

Kelly Mendenhall, Dominion Energy Utah
Chris Parker, Division of Public Utilities
Email Service List