



SCHOOL of LAW

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March 22, 2022

VIA ELECTRONIC FILING

Mr. Bernard Logan, Clerk  
c/o Document Control Center  
State Corporation Commission of Virginia  
Tyler Building - First Floor  
1300 East Main Street  
Richmond, Virginia 23219

RE: Petition of Va. & Elec. Power Co. For approval of its 2021 DSM Update pursuant to § 56-585.1 A 5 of the Code of Virginia

Case No. PUR-2021-00247

Dear Mr. Logan:

Enclosed for filing in the above-captioned proceeding is the **Direct Testimony of Chelsea Harnish** on behalf of the Virginia Energy Efficiency Council, which is being filed in a **public version only**. This filing is being completed via the Commission's electronic document filing system.

If you should have any questions regarding this filing, please contact me at (434) 924-4776, or via email at [cjaffe@law.virginia.edu](mailto:cjaffe@law.virginia.edu)

Regards,

A handwritten signature in black ink that reads "Cale Jaffe". The signature is stylized and includes a large, sweeping flourish at the end.

Cale Jaffe  
Jessica Rollinson  
Counsel of Record, Virginia Energy Efficiency Council

cc: Parties on Service List  
Commission Staff

**CERTIFICATE OF SERVICE**

I hereby certify that the following have been served with a true and accurate copy of the **Direct Testimony of Chelsea Harnish, including Attachments CH-1 and CH-2**, via electronic mail only:

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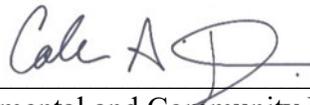
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**DATED: March 22, 2022**



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Cale Jaffe, Environmental and Community Engagement Clinic  
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**COMMONWEALTH OF VIRGINIA  
BEFORE THE STATE CORPORATION COMMISSION**

**Petition of Virginia Electric & Power Company**

**For approval of its 2021 DSM Update pursuant to § 56-585.1 A 5 of the Code of Virginia**

**Case No. PUR-2021-00247**

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**Direct Testimony of Chelsea Harnish**

**on Behalf of the Virginia Energy Efficiency Council**

**March 22, 2022**

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## Witness Direct Testimony Summary

Witness: Chelsea Harnish

Title: Executive Director of the Virginia Energy Efficiency Council

Summary:

The Virginia Energy Efficiency Council (“VAEEC”) presents the testimony of Chelsea Harnish, who provides an analysis of the Company’s Demand-Side Management (“DSM”) long-term plan (“LTP”). Ms. Harnish is the Executive Director of the VAEEC.

In Ms. Harnish’s analysis of the LTP, she makes recommendations on: (1) the Plan’s efficiency targets under the Virginia Clean Economy Act (“VCEA”); (2) proposed changes to portfolio structure; (3) proposed changes to administrative processes; (4) the Company’s marketing plan for DSM programs; and (5) tests used to measure the cost-effectiveness of DSM programs.

Part III of Ms. Harnish’s testimony observes that the VCEA’s energy-efficiency targets are reasonable and achievable and provides recommends to meet or exceed those targets. Recommendations include the removal of budget caps to increase the flexibility of DSM program budgets.

Part IV discusses the proposed portfolio restructuring, and notes Ms. Harnish’s support for the restructuring plan in the LTP. Ms. Harnish also recommends that the Company: (1) work with vendors to consolidate programs; (2) establish a process to implement new, energy-saving technologies; and, (3) modify its definition of “beneficial electrification.”

In Part V, Ms. Harnish discusses and supports the LTP’s proposed changes to administrative processes. In this section, Ms. Harnish discusses how budget caps limit the success of successful programs and lead to inefficient uses of resources, and she offers solutions to these issues including: (1) eliminating budget caps; (2) using portfolio-wide budget caps; or, (3) increasing the flexibility of program budgets. Ms. Harnish also explains that a process that allows programs to be renewed before they expire would solve some of the problems of the current system.

Part VI includes Ms. Harnish’s observations on the marketing plan for DSM. Ms. Harnish supports marketing at the portfolio level and makes recommendations for the Company to: (1) use a stakeholder process to develop its marketing plan; (2) consider using geotargeting to reach customers in areas with lower participation rates and/or high congestion; and (3) cross-promote DSM programs and include action items in its marketing materials.

Finally, Ms. Harnish concludes her testimony by recommending modifications to the tests used to measure the cost-effectiveness of DSM programs.

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1 **Q. Please summarize your professional and educational expertise with respect to**  
2 **energy policy.**

3 A. I have been Executive Director at the VAEEC since November of 2015. Prior to joining  
4 the VAEEC, I worked for the Virginia Conservation Network on climate and energy policy, with  
5 a special focus on energy policy matters before the General Assembly. Prior to my time at the  
6 Virginia Conservation Network, I served as the Virginia Policy Coordinator for the Chesapeake  
7 Climate Action Network. Before that, I worked with Clean Power Now in Massachusetts in  
8 support of the Cape Wind offshore wind project. I have a master's degree in marine science from  
9 Boston University and an undergraduate degree in biology from University of South Carolina. A  
10 copy of my resume is included with this testimony as **Attachment CH-1**.

11

12 **Q. Why did the VAEEC elect to intervene in this proceeding?**

13 A. The VAEEC's members include energy efficiency businesses, universities, nonprofits,  
14 local governments, and electric utilities. These members recognize the incredible value that cost-  
15 effective energy efficiency programs can provide to all ratepayers—both participants in the  
16 programs and non-participants alike. Our goal is to ensure that energy efficiency is properly  
17 recognized as an integral part of Virginia's economy and clean energy future. Together with our  
18 members, the VAEEC is identifying cost-effective energy efficiency solutions that improve the  
19 quality of life in our work and home environments.

1 **Q. Has the VAEEC participated in previous DSM dockets involving Dominion Energy?**

2 A. Yes. The VAEEC has intervened as a participant in multiple DSM proceedings involving  
3 the Company prior to the current docket: PUE-2016-00111; PUR-2017-00129; PUR-2018-  
4 00168; PUR-2019-00201; and PUR-2020-00156.

5  
6 **Q. Did you personally file testimony as a witness in any of those earlier dockets?**

7 A. Yes. I sponsored testimony in support of the VAEEC's position in PUE-2016-00111 and  
8 PUR-2017-00129.

9

10

## II. OVERVIEW OF RECOMMENDATIONS

11 **Q. Have you had the opportunity to review Dominion's initial filing in this docket?**

12 A. Yes, I have.

13

14 **Q. Please summarize your understanding of the Company's application.**

15 A. The Company's Application seeks approval of seven new energy-efficiency programs  
16 and the expansion or enhancement of two existing programs as part of Phase X. I fully support  
17 the nine programs proposed by the Company and consider them to be necessary additions to the  
18 Company's portfolio in order to achieve the targets in the Virginia Clean Economy Act  
19 ("VCEA").

20

21 In addition, the Company also outlines a Long-Term Plan ("LTP"), prepared by Cadmus and  
22 accompanying Company Witness Terry Fry's Testimony as his Schedule 1. This Long-Term

1 Plan was designed to assist the Company with meeting its obligations under the VCEA and the  
2 Grid Transformation and Security Act of 2018 (“GTSA”).

3

4 **Q. How is your testimony structured?**

5 A. My testimony provides an overview of the position of the Virginia Energy Efficiency  
6 Council in this docket. I provide an analysis of the Company’s LTP for Demand-Side

7 Management (“DSM”) programs, and I make recommendations on cost-effective efficiency  
8 targets, improved marketing strategies, and process evaluations via the stakeholder process.

9 Further, I make recommendations on how the Commission might allow the Company to expand  
10 the pool of consumers who are eligible to participate in energy efficiency (“EE”) programs.

11

12 My testimony is broken down into five sections; one related to the Company’s VCEA targets,  
13 and four related to the Company’s Demand-Side Management LTP. Those sections are:

14 1. VCEA Energy Efficiency Targets;

15 2. Proposed Portfolio Restructure;

16 3. Proposed Administrative Process;

17 4. DSM Marketing; and

18 5. Cost-Effectiveness Tests.

1 **III. VCEA ENERGY EFFICIENCY TARGETS**

2 **Q. Please describe your understanding of the VCEA energy efficiency savings targets.**

3 A. The Virginia Clean Economy Act amended Va. Code § 56-596.2 B 2 and requires the  
4 Company to achieve at least 1.25% energy savings through the implementation of DSM  
5 programs in calendar year 2022.<sup>1</sup> For the following year, that percentage increases to 2.5%.<sup>2</sup> It  
6 rises again to 3.75% in 2024 and at least 5% by 2025.<sup>3</sup> In all cases, the percentage targets are  
7 calculated using the Company's average annual energy jurisdictional retail sales in calendar year  
8 2019.<sup>4</sup> After 2025, the Commission is directed to assess and establish new targets for successive  
9 three-year periods.<sup>5</sup>

10  
11 **Q. In your testimony below, you support several changes being made by the Company  
12 and also recommend several others. Could resolution of these issues make the VCEA  
13 savings targets even more achievable?**

14 A. Yes. The necessary improvements outlined in the LTP, along with the recommendations  
15 in my testimony, will make it even easier for the Company to attain its energy-savings targets  
16 under the VCEA. Specifically, the removal of budget caps to increase the flexibility of DSM  
17 program budgets, a restructuring of the portfolio to consolidate programs prior to 2027, and  
18 additional program marketing would help the Company to attain its energy-savings targets more  
19 quickly.

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<sup>1</sup> VA. CODE ANN. § 56-596.2 B 2.

<sup>2</sup> VA. CODE ANN. § 56-596.2.

<sup>3</sup> *Id.*

<sup>4</sup> *Id.*

<sup>5</sup> *Id.*

1 **Q. Do you think there is additional potential for DSM programs not captured in prior**  
2 **estimates in Virginia?**

3 A. Yes. Dominion previously conducted an Energy Efficiency Potential Study<sup>6</sup> which was  
4 helpful in determining additional potential for DSM programs in Virginia. However, the study  
5 may have underestimated the vast potential for DSM programs here.

6  
7 In this docket, the LTP states that “utilities across the country experience declining energy  
8 savings potential due to the increasing market saturation of energy-efficient technologies and  
9 ongoing updates to building codes and equipment standards over the last several decades, which  
10 limit the amount of savings that can be claimed.”<sup>7</sup> However, as mentioned in previous testimony  
11 filed by the VAEEC, “[i]f the Company is using market codes as the baseline for calculating  
12 energy savings, it is likely undercounting program savings.”<sup>8</sup>

13  
14 The explanation for how an over-reliance on building codes occurs is straightforward. If the  
15 Potential Study assumes that all buildings have up-to-date lighting standards (or even that more  
16 buildings have up-to-date lighting standards than they actually do), then the estimated amount of  
17 energy saved through any DSM program incentivizing more efficient lighting is *lower* than the  
18 actual amount of energy the program would save.

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<sup>6</sup> *Dominion Energy Efficiency Potential Study: 2020 to 2029*, DOMINION ENERGY (Sep. 17, 2021), <https://cdn-dominionenergy-prd-001.azureedge.net/-/media/pdfs/virginia/save-energy/potential-study-final-report-august-2021.pdf?la=en&rev=0a762e9a58784aba8dde0ef3dfd355cf&hash=78B1D55649FC2B91AE627A27A750C94E>.

<sup>7</sup> Direct Testimony of Terry M. Fry, Schedule 1 at 107, Application of Virginia Electric and Power Company (2021) (No. PUR-2021-00247), available at <https://scc.virginia.gov/docketsearch/DOCS/67%40%2301!.PDF>.

<sup>8</sup> Direct Testimony of Mark James at 20-21, Petition of Virginia Electric and Power Company (2020) (No. PUR-2020-00156), available at <https://scc.virginia.gov/docketsearch/DOCS/4s%24m01!.PDF>.

1 This problem could be solved by performing baseline studies, which inspect random samples of  
2 buildings in each business sector to find what percent of buildings have energy efficient lighting,  
3 then using those percentages to calculate the estimated amount of saved energy. Accordingly, the  
4 VAEEC again urges the Company to perform baseline studies so that the Company is able to see  
5 the true savings produced by energy efficiency programs.

6

7 **Q. Do you think more analysis is needed of the potential for EE savings in Virginia?**

8 A. Yes. I believe it may be worthwhile to re-examine the analysis of energy-efficiency  
9 targets as identified in the Company’s 2021 Energy Efficiency Potential Study. The Potential  
10 Study sought to identify an upper limit of achievable energy savings in Virginia,<sup>9</sup> and therefore it  
11 is a key document that supports the energy-efficiency targets in the VCEA. The Commission and  
12 stakeholders should consider further evaluating DSM benefits, which directly relate to any  
13 calculation of the avoided cost of supply. A higher avoided cost of supply would justify a higher  
14 level of energy efficiency investment, so it is important to calculate avoided cost as accurately as  
15 possible.

16

17 For example, the Company, the Commission, and stakeholders should review a recent study  
18 completed by Synapse Energy Economics and commissioned by the New England Independent  
19 System Operator, which accounts for a broader list of avoided costs, including avoided RPS

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<sup>9</sup> *Dominion Energy Efficiency Potential Study: 2020 to 2029*, DOMINION ENERGY 7 (Sep. 17, 2021), <https://cdn-dominionenergy-prd-001.azureedge.net/-/media/pdfs/virginia/save-energy/potential-study-final-report-august-2021.pdf?la=en&rev=0a762e9a58784aba8dde0ef3dfd355cf&hash=78B1D55649FC2B91AE627A27A750C94E>.

1 compliance costs, avoided Greenhouse Gas pollution costs, and avoided NO<sub>x</sub> emission costs,  
2 among other factors.<sup>10</sup>

3

4 **IV. PROPOSED PORTFOLIO RESTRUCTURE**

5 **Q. In this filing, the Company proposes restructuring its current DSM portfolio. Do**  
6 **you support that restructuring plan?**

7 A. Yes. In general, the VAEEC supports the Company’s proposed portfolio restructuring  
8 plan as outlined in the LTP.<sup>11</sup> Streamlining their 37 programs into seven overarching programs  
9 will help in a variety of ways, including decreasing inefficient uses of staff resources, increasing  
10 trade ally awareness, and increasing customer engagement. Increasing customer engagement is  
11 especially important because customer awareness and engagement rates are rather low despite  
12 higher customer interest in participating in the DSM programs. For example, a survey by  
13 Cadmus revealed that only 13% of surveyed residential customers were participating in the  
14 Company’s DSM programs while 84% would be at least somewhat interested in participating.<sup>12</sup>  
15 The same survey revealed only 12% of nonresidential survey participants had participated in the  
16 Company’s DSM programs in the past while 49% reported that they were at least somewhat  
17 likely to participate in a program within the next three years.<sup>13</sup> Consolidating the DSM programs  
18 and increasing marketing of the programs will help the Company inform customers of the  
19 programs which will increase participation rates.

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<sup>10</sup> *Avoided Energy Supply Components in New England: 2021 Report*, SYNAPSE ENERGY ECON. 5 (2021), [https://www.synapse-energy.com/sites/default/files/AESC%202021\\_20-068.pdf](https://www.synapse-energy.com/sites/default/files/AESC%202021_20-068.pdf) (See ES Table 1 for the list of costs examined).

<sup>11</sup> Direct Testimony of Terry M. Fry, Schedule 1 at 51, Application of Virginia Electric and Power Company (2021) (No. PUR-2021-00247), available at <https://scc.virginia.gov/docketsearch/DOCS/67%40d01!.PDF> (see figure 5).

<sup>12</sup> *Id.* at 36-37; Direct Testimony of Nathan J. Frost at 13, 15-16, Application of Virginia Electric and Power Company (2021) (No. PUR-2021-00247), available at <https://scc.virginia.gov/docketsearch/DOCS/67%40c01!.PDF>.

<sup>13</sup> *Id.*

1 **Q. As part of the proposed restructuring plan, the Company plans to begin conducting**  
2 **process evaluations. What is your opinion of this?**

3 A. I am pleased to see that the Company is planning to begin implementing process  
4 evaluations. Process evaluation is an important tool to ensure that programs are being properly  
5 implemented and to identify areas where program delivery might be improved. This is  
6 particularly important in the first year or two of a new or re-designed program.

7  
8 **Q. Do you have any concerns regarding the proposed portfolio restructuring?**

9 A. Yes. While the immediate resolution is to consolidate the programs in customer-facing  
10 materials (i.e. website, materials, etc.), the Company does not intend to restructure and  
11 consolidate the actual programs until all of the contracts expire, and this will not happen until  
12 2027.<sup>14</sup> I would suggest that the Company work with its implementation vendors, especially the  
13 many vendors who implement multiple programs, to renegotiate those contracts. If necessary, the  
14 Company can ask for approval for the renegotiated contracts in the DSM Phase XI filings in  
15 order to consolidate programs as soon as possible.

16  
17 The Company's response to VAEEC Interrogatory Set 2, Question 6 (included with my  
18 testimony as **Attachment CH-2**), confirms that half of Dominion's vendors are implementing  
19 two or more Commission-approved DSM programs. Program consolidation would likely benefit  
20 these implementation vendors because it would cut down on administrative inefficiencies caused  
21 by keeping records separate for various programs.<sup>15</sup>

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<sup>14</sup> *Id.*

<sup>15</sup> *See, e.g.*, Direct Testimony of Commission Staff Witness Brian S. Pratt, Attachment No. BSP-4, Application of Virginia Electric and Power Company (2016) (No. PUE-2016-00111), available at <https://scc.virginia.gov/docketsearch/DOCS/4%408n01!.PDF>.

1 Additionally, these administrative inefficiencies could lead to trade ally attrition from the  
2 network. If a contractor provides multiple services to a customer from separate programs, they  
3 should be able to submit all documentation on one invoice. However, given the history of  
4 substantial documentation that is typically required for the auditing of these programs,<sup>16</sup> I  
5 imagine that individual recordkeeping by program is currently necessary which causes undue  
6 burden on the trade ally network.

7  
8 **Q. Do you have additional thoughts on the Company’s proposed portfolio**  
9 **restructuring plan?**

10 A. Yes. I would like to recognize the Company’s intent to “monitor the market for emerging  
11 technologies and delivery methods that can be used to expand the portfolio and provide new  
12 sources of energy savings,”<sup>17</sup> and I encourage the Company to establish a process that ensures it  
13 implements new, energy-saving technologies as they become available. One opportunity to  
14 implement new technologies could be through pilot programs, which are already considered  
15 within the public interest under the VCEA statute.

16  
17 Additionally, I would also suggest that Dominion modify its definition of “beneficial  
18 electrification” to encompass more of the beneficiaries of DSM programs. Currently, Dominion  
19 defines beneficial electrification as an “accelerated system-wide replacement of equipment  
20 fueled by natural gas (or delivered fuels such as propane, oil, and wood) with electricity-  
21 consuming equipment that can be supplied with zero or low carbon energy resources.”<sup>18</sup>

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<sup>16</sup> *Id.* at 14.

<sup>17</sup> Direct Testimony of Terry M. Fry, Schedule 1 at 117, Application of Virginia Electric and Power Company (2021) (No. PUR-2021-00247), available at <https://scc.virginia.gov/docketsearch/DOCS/67%40%2301!.PDF>.

<sup>18</sup> *Id.* at 110.

1 I recommend that Dominion define “beneficial electrification” as electrification that “promotes  
2 the use of electric-powered devices that boost consumer savings and reduce pollution while  
3 improving grid resiliency and quality of life.”<sup>19</sup> This definition better captures the benefits that  
4 the Company’s DSM programs provide to both utilities *and* their customers.

5  
6 Finally, I would suggest that Dominion continue efforts to increase the amount of stakeholder  
7 participation in the DSM planning process because stakeholders can provide valuable insight into  
8 the types and features of DSM programs that are of greatest interest to customers.

9

10

#### V. PROPOSED ADMINISTRATIVE PROCESS

11 **Q. In its DSM filing, the Company outlines a new proposed administrative process for  
12 the approval and implementation of its DSM portfolio. Do you support this proposal?**

13 A. Yes. I fully support the Company’s proposed administrative process, and I provide the  
14 reasons for my support in more detail below regarding budget caps and flexibility as well as  
15 program expiration dates. In addition, I also suggest that the Company and the Commission Staff  
16 work together to expand the pool of eligible DSM program participants by removing restrictions  
17 that prevent customers who use gas to heat their homes from participating in DSM programs.

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<sup>19</sup> Cathy Cash, *Minnesota Co-ops Help Pass Law That Favors Beneficial Electrification*, NAT’L RURAL ELEC. COOP. ASSOC. (Jul. 9, 2021), <https://www.electric.coop/minnesota-co-ops-help-pass-law-that-favors-beneficial-electrification>.

1 **Q. How does the Commission currently establish budget caps for energy efficiency**  
2 **programs?**

3 A. Currently, the Commission caps the budget for each individual DSM program. This  
4 means that once a program’s budget is approved as part of a particular phase, it is capped to that  
5 individual program. The Company can shift funds between programs within a single phase but  
6 may not shift funds between programs in different phases or increase program budgets without  
7 permission from the Commission through an annual DSM proceeding.<sup>20</sup> As a result, if a program  
8 exceeds its budget cap, Dominion must “submit a full new plan filing to extend or replace the  
9 program,” and it can take nearly two years to prepare, submit, and receive approval for the new  
10 plan.<sup>21</sup> This system greatly limits the Company’s flexibility in adjusting budgets for its DSM  
11 programs, and the Company needs budget flexibility in order for it to react to customer interest  
12 in, customer demand for, and customer feedback about its DSM programs.

13  
14 **Q. Do budget caps have any unintended consequences?**

15 A. Yes, and these consequences can limit the most effective DSM programs from continuing  
16 to build on their past successes. Programs that are successful and garner greater participation  
17 than anticipated will likely need additional funds to allow additional participants to participate.  
18 However, under the current budget cap system, if a program is performing exceptionally well  
19 and proving to be popular with customers, the Company may not shift resources to grow that  
20 program.

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<sup>20</sup> Direct Testimony of Terry M. Fry, Schedule 1 at 11, Application of Virginia Electric and Power Company (2021) (No. PUR-2021-00247), available at <https://scc.virginia.gov/docketsearch/DOCS/67%40d01!.PDF> (stating that Dominion “can shift funds between program years but may not shift funds between programs or increase its budget to manage costs without submitting a specific request for approval to extend or replace the program.”)

<sup>21</sup> *Id.* at 42.

1 Conversely, a weaker program might have lower than anticipated participation that creates a  
2 budget surplus. A less successful program might also benefit from tweaks in program design or  
3 (if it is truly underperforming) a reallocation of its budget to better-performing programs. It  
4 makes intuitive sense to move budgets from program to program as newer data informs our  
5 understanding of their effectiveness. However, Virginia utilities are prohibited from making  
6 rapid transitions under the current system of budget caps.<sup>22</sup> Instead, the utility must go through  
7 the lengthy process of submitting a new plan to increase the budget of successful programs.<sup>23</sup>

8

9 **Q. How could this consequence be avoided?**

10 A. One way this consequence could be avoided is by eliminating budget caps for individual  
11 programs, which would allow Dominion to spend additional money on energy efficiency  
12 programs, especially programs that are cost-effective. Currently, Dominion spends a lower  
13 percentage of its revenue on energy efficiency programs than its peer companies.<sup>24</sup> This is likely  
14 due, in part, to budget caps limiting how much Dominion can spend on its DSM programs.  
15 Eliminating a budget cap would help Dominion catch up to peer companies, many of which do  
16 not have budget caps, such as North Carolina and Kentucky.<sup>25</sup>

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<sup>22</sup> *Id.*

<sup>23</sup> *Id.*

<sup>24</sup> *Electric Power Sales, Revenue, And Energy Efficiency Form Eia-861 Detailed Data Files: Sales To Ultimate Customers; Energy Efficiency*, ENERGY INFORMATION ADMINISTRATION, (2021), <https://www.eia.gov/electricity/data/eia861/> (last visited Mar. 13, 2022) (Showing that Aramen Illinois Company and Duke Ohio spent 6.58% and 1.96% of their overall revenue on customer incentives and other costs for DSM programs respectively, while Dominion spent 0.4632% of its overall revenue).

<sup>25</sup> Direct Testimony of Terry M. Fry, Schedule 1 at 42-43, Application of Virginia Electric and Power Company (2021) (No. PUR-2021-00247), available at <https://scc.virginia.gov/docketsearch/DOCS/67%40d01!.PDF>.

1 Another way the Commission could solve this challenge would be by utilizing *portfolio-wide*  
2 budget caps. This would maintain the Commission’s past preference for budget caps while also  
3 allowing utilities to move budgets from program-to-program within a portfolio. To be clear, all  
4 programs in the portfolio would previously have been found to be cost-effective, which should  
5 allay any concerns about profitable programs being used to subsidize “unsuccessful” measures.  
6

7 **Q. What are your thoughts on the Company’s request to increase spending flexibility**  
8 **above proposed budgets for its DSM programs?**

9 A. As the Company mentioned in its LTP,<sup>26</sup> in “many states, regulatory rules include  
10 provisions to provide utilities with some flexibility to adjust budgets as necessary to respond to  
11 unexpected market changes or other factors.”<sup>27</sup> The Company’s request to re-allocate up to 15%  
12 of program budgets<sup>28</sup> is within the range of standard requests by utilities for their DSM  
13 portfolios. As previously mentioned, re-allocation of budgets is an important tool that can give  
14 utilities additional flexibility necessary to ensure that they are maximizing the potential of their  
15 DSM portfolios.

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<sup>26</sup> *Id.* (stating that “[i]n many states, regulatory rules include provisions to provide utilities with some flexibility to adjust budgets as necessary to respond to unexpected market changes or other factors.”).  
<sup>27</sup> Weston Berg et al., *The 2020 State Energy Efficiency Scorecard*, AMERICAN COUNCIL FOR AN ENERGY-EFFICIENT ECON. (“ACEE”) 45, 151-158 (Dec. 2020) <https://www.aceee.org/sites/default/files/pdfs/u2011.pdf>.  
<sup>28</sup> Direct Testimony of Nathan J. Frost at 20-21, Application of Virginia Electric and Power Company (2021) (No. PUR-2021-00247), available at <https://scc.virginia.gov/docketsearch/DOCS/67%40c01!.PDF>.

1 **Q. What is the process that a utility company would have to go through to continue**  
2 **using an energy efficiency program that they found to be successful after the end of the**  
3 **program’s term?**

4 A. Currently, successful DSM programs in Virginia must be shut down and reapproved if  
5 they are to continue past their initial term.<sup>29</sup> If a utility would like to continue the program, it  
6 must first shut the program down when the term ends and then seek approval to restart the  
7 program. This process is inefficient and time-consuming because it requires the utility to invest  
8 time and money into shutting down the DSM program, seeking new approval, and then restarting  
9 the DSM program that was previously shut down. Additionally, shutting down a successful DSM  
10 program means that the program stops producing energy savings while it is going through the  
11 process of reapproval, and this additionally lowers confidence in program’s long-term existence  
12 for trade ally network. This is a concern that the VAEEC has raised in prior cases as well.  
13 VAEEC Witness, Andrew Grigsby, testifying in the 2016 docket, explained:

14 “I can definitively state that it causes confusion, customer loss, and a substantial  
15 harm to small businesses when programs are started, cancelled, and re-started  
16 after a gap in the program. It hurts contractors to have to hire, lay off, and then  
17 attempt to re-hire staff who have moved on to other jobs and opportunities.”<sup>30</sup>

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<sup>29</sup> Direct Testimony of Terry M. Fry, Schedule 1 at 43, Application of Virginia Electric and Power Company (2021) (No. PUR-2021-00247), available at <https://scc.virginia.gov/docketsearch/DOCS/67%40d01!.PDF> (Stating that “very few utilities are required to file programs with a specific duration; rather, at the end of a given filing cycle, utilities can request to either extend, modify, or discontinue an existing program.”).

<sup>30</sup> Direct Testimony of Andrew Grigsby, at 6-7, Application of Virginia Electric and Power Company (2016) (No. PUE-2016-00111), available at <https://scc.virginia.gov/docketsearch/DOCS/4%408h01!.PDF>.

1 **Q. How can the Commission address this issue in a cost-effective way?**

2 A. A more efficient method of renewing successful programs is a renewal or an extension  
3 process that explicitly allows for program continuation. Under this system, utilities may file for a  
4 program extension of the program before the program's term expires. This allows utilities to  
5 avoid the costs associated with shutting down and restarting the DSM program during the re-  
6 approval process. Additionally, under this system, the program can continue producing energy  
7 efficiency benefits while the application to renew is pending.

8

9 **Q. How is participation in energy efficiency programs limited?**

10 A. Currently, some Dominion DSM programs have requirements that exclude customers  
11 who do not use electricity to heat their home from participating in those programs. For example,  
12 the Smart Thermostat rebate program requires that customers have an air source, ductless mini-  
13 split, or geothermal heat pump to participate in the program.<sup>31</sup> All three of the specified heat  
14 pumps use electricity to produce heat,<sup>32</sup> which excludes the one in three households in Virginia  
15 that use gas to power their homes<sup>33</sup> from participating in the rebate program. As a result, a  
16 significant number of households (including my own) are ineligible for the Smart Thermostat  
17 rebate, even though participation by those households would provide *both* electricity and gas  
18 savings.

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<sup>31</sup> Control Your Heating & Cooling: Get a Smart Thermostat, DOMINION ENERGY (last visited Mar. 16, 2022), accessible at <https://www.dominionenergy.com/virginia/save-energy/control-your-heating-and-cooling>.

<sup>32</sup> *Energy Saver: Heat Pump Systems*, U.S. DEP'T OF ENERGY (last visited Mar. 16, 2022) <https://www.energy.gov/energysaver/heat-pump-systems>.

<sup>33</sup> *State Profile and Energy Estimates: Virginia*, ENERGY INFO. ADMIN. (last visited Mar. 16, 2022), accessible at <https://www.eia.gov/state/analysis.php?sid=VA#52>.

1 **Q. How could the pool of customers who are eligible to participate in DSM programs**  
2 **be expanded?**

3 A. The pool of customers who are eligible to participate in DSM programs could be  
4 expanded by removing restrictions that prevent customers with combined gas and electric  
5 cooling and heating systems from participation. The eligibility criteria in the Smart Thermostat  
6 rebate program could be modified to extend eligibility to customers who use gas to heat their  
7 homes so long as they would also see benefits in terms of reduced electricity consumption.  
8 Utilities in other states are able to allow these dual-fuel customers to participate in their  
9 programs by using inputs for avoided fuel savings in their cost-effectiveness tests, which are  
10 already modeled in any given Technical Reference Manual (“TRM”) for energy efficiency  
11 programs.<sup>34</sup> For example, the Mid-Atlantic TRM, which the Company used to model some of  
12 their DSM programs, provides a valuation of gross annual fossil fuel energy savings “for electric  
13 efficiency measures that also save fossil fuels.”<sup>35</sup> Expanding the pool of eligible customers for  
14 energy efficiency programs would also greatly improve the Company’s capability to meet its  
15 VCEA goals.

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<sup>34</sup> EMPOWER MARYLAND 2020 COST-EFFECTIVENESS RESULTS REPORT PRESENTED TO BALTIMORE GAS & ELEC. (Oct. 22, 2021).

<sup>35</sup> *Maryland/Mid-Atlantic Technical Reference Manual Version 10*, NORTHEAST ENERGY EFFICIENCY PARTNERSHIPS 9 (May 2020), <https://neep.org/sites/default/files/media-files/trmv10.pdf>.

1 **VI. DSM MARKETING**

2 **Q. Please summarize current issues related to the Company’s marketing of energy**  
3 **efficiency programs.**

4 A. Presently, the Commission only approves marketing funds at the program level, which  
5 has become very problematic as the Company’s portfolio of programs has significantly expanded  
6 over the last several years.

7  
8 Marketing at the phase and/or program level has led to a piecemeal marketing program without a  
9 clear, overarching strategy. The lack of a broader strategy has led to a lack of customer  
10 awareness of the Company’s “brand” as an energy efficiency program provider. That lack of  
11 brand awareness is evident from the Company’s customer surveys. For example, a survey by  
12 Cadmus revealed that only 19% of surveyed residential customers were at least somewhat  
13 familiar with the Company’s DSM programs and that only 15% of nonresidential survey  
14 participants had heard about the Company’s DSM programs.<sup>36</sup> Allowing the Company to have a  
15 portfolio-level marketing budget would help resolve these issues. Additionally, the VAEEC  
16 supports the inclusion of a “Common Costs” budget for the Company’s portfolio of DSM  
17 programs.<sup>37</sup>

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<sup>36</sup> Direct Testimony of Terry M. Fry, Schedule 1 at 36-37, Application of Virginia Electric and Power Company (2021) (No. PUR-2021-00247), available at <https://scc.virginia.gov/docketsearch/DOCS/67%40d01!.PDF>; Direct Testimony of Nathan J. Frost at 13, 15-16, Application of Virginia Electric and Power Company (2021) (No. PUR-2021-00247), available at <https://scc.virginia.gov/docketsearch/DOCS/67%40c01!.PDF>.

<sup>37</sup> Direct Testimony of Jarvis E. Bates at 4-8, Application of Virginia Electric and Power Company (2021) (No. PUR-2021-00247), available at <https://scc.virginia.gov/docketsearch/DOCS/67bm01!.PDF>.

1 **Q. What is your position on the Company’s plan to improve program marketing?**

2 A. I am generally supportive of the Company’s marketing plan, but I do have some  
3 additional recommendations. In particular, I support Dominion’s proposal to market at the  
4 portfolio level.<sup>38</sup> Like Dominion, I believe that the best practice for DSM program marketing is  
5 to market all programs together because it allows for message continuity and cross-program  
6 promotion, leading to more customer engagement in DSM programs. At the same time, I also  
7 have a few suggestions to make the Company’s marketing plan even stronger.

8

9 **Q. Please provide an overview of the suggestions you have to make DSM program**  
10 **marketing more effective.**

11 A. I would target improvements to the marketing plan development process, the way  
12 marketing is targeted, and the content of marketing materials. I also have suggestions for  
13 additional opportunities for marketing of DSM programs.

14

15 First, to improve the marketing plan development process, I recommend that the Commission  
16 direct the Company to use the stakeholder process when developing its marketing plan.

17

18 Second, to improve the way marketing is targeted, I suggest that the Company consider using  
19 geotargeting in order to reach customers in areas with low participation rates and to further  
20 inform customers in areas with high grid congestion of programs they can participate in to  
21 increase grid stability and save on their electricity bills.

22

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<sup>38</sup> Direct Testimony of Terry M. Fry, Schedule 1 at 102, Application of Virginia Electric and Power Company (2021) (No. PUR-2021-00247), available at <https://scc.virginia.gov/docketsearch/DOCS/67%40%2301!.PDF>.

1 Third, to improve the content of marketing materials, I suggest that the Commission direct  
2 Dominion and shareholders to cross-promote DSM programs and include action items in its  
3 marketing materials. I also suggest that Dominion and stakeholders consider whether to include a  
4 discussion of how DSM programs contribute to grid stability and lower the cost of electricity for  
5 customers in order to further encourage customers to participate in DSM programs.

6

7 **Q. What are your suggestions for the marketing planning process?**

8 A. I believe that the goal of marketing for DSM programs should be to increase customer  
9 engagement in DSM programs. I also believe that a more effective marketing plan would be  
10 created with greater stakeholder involvement. Accordingly, I recommend that the Commission  
11 direct the Company to work with stakeholders to develop its marketing plan in order to ensure  
12 that marketing is as effective as possible.

13

14 **Q. What suggestions do you have for targeted marketing programs?**

15 A. Currently, Dominion’s long-term plan specifically mentions that it targets marketing  
16 programs to “specific small business segments, such as restaurants, retail stores, or office  
17 buildings” and that it has vendors market to the target customers their programs serve.<sup>39</sup> I support  
18 Dominion’s use of targeted marketing because it leads to greater participation in DSM programs  
19 and makes programs more cost-effective.

20

21 I would also like to support geotargeted DSM programs and suggest that Dominion use  
22 additional geographic targeted marketing. As the VAEEC has noted in previous testimony in

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<sup>39</sup> *Id.* at 96.

1 PUR-2020-00156, geographic analyses of DSM program participation and effectiveness have a  
2 litany of benefits that can make DSM programs more effective.<sup>40</sup> However, geographical  
3 analyses alone only reveal information about where DSM programs are effective and where they  
4 can be improved. To be truly effective, geographical analyses need to be coupled with action  
5 such as additional, geotargeted programs and/or additional, targeted geographical marketing. For  
6 example, when geographical analyses reveal that an area has low DSM participation, targeted  
7 geographical marketing can help improve awareness of DSM programs and increase  
8 participation. Similarly, when geographic analyses reveal that an area has grid congestion,  
9 targeted geographical marketing can lessen the congestion by improving customer awareness of  
10 and customer participation in DSM programs.

11  
12 It seems that Dominion has considered geotargeted programs and geotargeted marketing  
13 materials. In its LTP, Dominion has mentioned the possibility of using “geographic distribution”  
14 as a criteria to inform marketing parameters<sup>41</sup> and also stated that the Company “may be able to  
15 leverage the locational value of each resource and reduce the need for distribution upgrades  
16 through energy efficiency and demand response initiatives [by] targeting customers within a  
17 constrained distribution network.”<sup>42</sup>

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<sup>40</sup> Direct Testimony of Mark James at 33, Petition of Virginia Electric and Power Company (2020) (No. PUR-2020-00156), available at <https://scc.virginia.gov/docketsearch/DOCS/4s%24m01!.PDF> (stating that geographical analyses “increase transparency into where programs are offered and how programs might be targeted to address grid congestion and other infrastructure needs,” “lead to identifying program design elements that can drive the most valuable savings,” “uncover opportunities for targeted programs to defer transmission and distribution system investment,” and allow “[t]he Company and its vendors to identify underserved areas and to refine outreach activities to ensure that all the Company’s customers benefit from the program offerings.”).

<sup>41</sup> Direct Testimony of Terry M. Fry, Schedule 1 at 103, Application of Virginia Electric and Power Company (2021) (No. PUR-2021-00247), available at <https://scc.virginia.gov/docketsearch/DOCS/67%40%2301!.PDF>.

<sup>42</sup> *Id.* at 108.

1 While I commend Dominion for recognizing the importance of geography in targeted marketing  
2 and the potential of geotargeting programs, Dominion does not seem to have any specific  
3 geotargeted marketing efforts yet. I encourage the Company to work with stakeholders to  
4 develop a marketing plan that includes geotargeted marketing. Doing so would increase DSM  
5 program participation and further harness the potential DSM programs have as a grid resource.

6

7 **Q. Please say more about the VAEEC’s prior testimony on geotargeting.**

8 A. Mark James discussed “geotargeting” in previous testimony on behalf of the VAEEC and  
9 explained that geotargeting is an opportunity to “focus energy and demand reductions in areas  
10 where they produce high customer and system benefits by allowing the Company to test the  
11 potential of demand-size management programs to reduce specific load and peak demand in  
12 congested areas, while collecting data that would inform the design of future programs.”<sup>43</sup>  
13 Geotargeting DSM programs in constrained distribution and transmission areas should allow the  
14 Company to obtain much greater cost-savings from demand reduction, thereby increasing the  
15 benefits of DSM programs for participating customers and all Virginia ratepayers. For example,  
16 a demand reduction of 1 MW designed to provide capacity relief for a constrained feeder or  
17 transformer will result in greater cost savings from deferred or avoided capital expenditures,  
18 which in turn will result in greater benefits to Virginia ratepayers than a system wide demand  
19 reduction of 1 MW that does not defer or avoid any capital expenditure. The Company should  
20 seize the opportunity that geotargeting provides to increase grid stability. Additionally,  
21 geotargeting might also be an excellent option for pilot measures and the testing of future DSM  
22 programs.

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<sup>43</sup> Direct Testimony of Mark James at 30, Application of Virginia Electric and Power Company (2019) (No. PUR-2019-00201), available at <https://scc.virginia.gov/docketsearch/DOCS/4lyz01!.PDF>.

1 **Q. What other recommendations do you have for the content of marketing materials?**

2 A. I commend Dominion for recognizing that DSM programs contribute to grid stability and  
3 can “lead to lower costs for customers, greater grid flexibility and resilience, and additional  
4 innovation in the electric power industry.”<sup>44</sup> I suggest that Dominion consider emphasizing these  
5 points in marketing materials so that customers can better understand the broader benefits of  
6 DSM programs.

7  
8 **Q. Do you have any concerns about the Company’s approach to marketing?**

9 A. I am somewhat concerned that the Company’s LTP states that customer education does  
10 not need to “necessarily [be] link[ed] to an immediate action.”<sup>45</sup> Divorcing marketing from a  
11 direct-action opportunity runs the risk of missing out on energy-saving opportunities because  
12 outlining specific action items in the marketing would help unlock additional energy efficiency  
13 potential. Customers who react positively to the Company’s marketing will benefit from an  
14 immediate opportunity for action, while the issue is top-of-mind. Accordingly, I recommend that  
15 the Commission require Dominion to include information about other relevant DSM programs  
16 and outline specific action items in its customer education materials. This requirement would be  
17 further strengthened if Dominion is also directed to work with stakeholders (as suggested above)  
18 to develop a marketing plan.

19  
20 Finally, I encourage the Company to educate its customers about the potential for energy  
21 efficiency. The more that customers know about how DSM works, the more motivated they will

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<sup>44</sup> Direct Testimony of Terry M. Fry, Schedule 1 at 108, Application of Virginia Electric and Power Company (2021) (No. PUR-2021-00247), available at <https://scc.virginia.gov/docketsearch/DOCS/67%40%2301!.PDF>.

<sup>45</sup> *Id.* at 102.

1 be to participate. Customers might understand that EE programs cut some portion of their energy  
2 costs, but they rarely understand that there are systemwide savings as well. A better  
3 understanding of systemwide benefits would help “sell” the Company’s DSM programs to  
4 customers who are concerned about their carbon or environmental footprints. Educating  
5 customers now will provide a strong foundation for public support and customer acceptance as  
6 the Company implements the LTP.

7

8

## **VII. COST-EFFECTIVENESS TESTS**

9 **Q. How is the cost-effectiveness of DSM programs currently measured?**

10 A. Generally, Virginia’s statute provides that utility DSM programs must pass three of four  
11 cost-effectiveness tests in order to be deemed cost-effective and in the public interest.<sup>46</sup> As  
12 reviewed by Cadmus in the LTP, most states rely on only one test (the “TRC”) to determine cost-  
13 effectiveness while only two other states requiring DSM programs to pass multiple cost-  
14 effectiveness tests. These additional tests mean that utilities in Virginia are unable to submit  
15 many standard energy-efficiency programs that are widely implemented by other utilities across  
16 the country.

17

18 For example, in Company Witness Hubbard’s testimony, he indicates that a Non-Residential  
19 Strategic Energy Management (“SEM”) program is not proposed in Virginia because of concerns  
20 with its cost-effective scores.<sup>47</sup> Yet an SEM program is a systematic, continual improvement  
21 approach that is widely used in the commercial and industrial sectors. Currently, there are more

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<sup>46</sup> VA. CODE ANN. § 56-576 (providing a definition of “in the public interest” for the purpose of assessing EE programs. Note that there are exceptions for low-income and age-qualifying programs.).

<sup>47</sup> Direct Testimony of Michael T. Hubbard Schedule 5 at 1, Application of Virginia Electric and Power Company (2021) (No. PUR-2021-00247), available at <https://scc.virginia.gov/docketsearch/DOCS/67%40g01!.PDF>.

1 than 20 SEM programs offered by utilities throughout the nation, including a program by one of  
2 the Company’s peer utilities, Duke Energy.<sup>48</sup>

3  
4 Similarly, Company Witness Hubbard indicates that proposed residential water heating programs  
5 and non-residential demand response programs—both popular utility programs deployed  
6 throughout the country—are not being proposed here because of how they scored on cost-  
7 effective tests.<sup>49</sup> These surprising results highlight the negative impacts of an overly burdensome  
8 and restrictive approach to cost-effectiveness testing.

9  
10 In contrast, it is typical in other jurisdictions for cost-effectiveness testing to be evaluated at the  
11 portfolio level instead of at the program or measure level. A report by the American Council for  
12 an Energy Efficient Economy explains that 70% of jurisdictions evaluate cost-effectiveness at  
13 the overall portfolio or total program level.<sup>50</sup> The result of limiting options in Virginia deprives  
14 customers from greater savings potential and hinders the Company’s ability to meet its energy  
15 efficiency savings targets in the VCEA.

16

17 **Q. Are there issues related to how Virginia’s cost-effectiveness tests are used?**

18 A. Yes. The cost-effectiveness test results for the programs, as illustrated in the LTP,  
19 illustrate a couple of deficiencies with the current method used by the Commission. First, the

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<sup>48</sup> Ethan Rogers et al., *Features and Performance of Energy Management Programs*, AMERICAN COUNCIL FOR AN ENERGY-EFFICIENT ECON. (“ACEE”) 61-62 (Jan. 2019), available at <https://www.aceee.org/sites/default/files/publications/researchreports/ie1901.pdf>.

<sup>49</sup> Direct Testimony of Michael T. Hubbard Schedule 5 at 1, Application of Virginia Electric and Power Company (2021) (No. PUR-2021-00247), available at <https://scc.virginia.gov/docketsearch/DOCS/67%40g01!.PDF>.

<sup>50</sup> Martin Kushler et al., *A National Survey of State Policies and Practices for the Evaluation of Ratepayer-Funded Energy Efficiency Program*, AMERICAN COUNCIL FOR AN ENERGY-EFFICIENT ECON. (“ACEE”) 31 (Feb. 2012), available at <https://www.aceee.org/sites/default/files/publications/researchreports/u122.pdf>.

1 Ratepayer Impact Measure (“RIM”) Test, which can be instructive from a perspective of  
2 program design and equitable distribution of benefits and burdens, is inappropriate as a  
3 determinative test because it is not designed to reflect the actual benefits and costs of such  
4 programs. Most of the programs proposed by the Company, which are programs widely  
5 deployed in similar versions in other jurisdictions, fail to clear the RIM Test.

6

7 Additional information on the use of cost-effectiveness tests was provided by Company Witness  
8 Fry and Environmental Respondent Witness Jim Grevatt in presentations to the Dominion  
9 Energy Efficiency Stakeholder Policy Subgroup.

10

11 **Q. Do you have other suggestions for how the Company’s and the Commission’s use of**  
12 **cost-benefits tests might be improved?**

13 A. Yes. The Virginia cost-benefit tests should be modified to include the indirect benefits  
14 provided by energy-efficiency programs, including non-energy benefits (“NEBs”). For example,  
15 as the Company mentions in its LTP, greenhouse gas emissions are a NEB provided by energy  
16 efficiency programs.<sup>51</sup>

17

18 The Dominion Energy Efficiency Stakeholder Policy Subgroup has already begun exploring this  
19 topic. Some high impact NEBs that have been discussed in the Subgroup include avoided future  
20 environmental compliance costs, market price effects, discount rates, and other fuel savings.

21

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<sup>51</sup> Direct Testimony of Terry M. Fry, Schedule 1 at 109, Application of Virginia Electric and Power Company (2021) (No. PUR-2021-00247), available at <https://scc.virginia.gov/docketsearch/DOCS/67%40%2301!.PDF> (stating that “some industry experts anticipate that GHG reductions could become the common denominator for measuring progress and a key input to calculating the cost-effectiveness of these efforts.”).

1 **Q. Are there national standards that could guide any revisions to Virginia’s cost-**  
2 **effectiveness tests?**

3 A. Yes. The Commission should consider recommendations in the National Standard  
4 Practice Manual for Distributed Energy Resources (“NSPM for DER”, formerly published as  
5 NSPM for Energy Efficiency).<sup>52</sup> A key feature of the NSPM is to evaluate energy efficiency  
6 programs with one test that aligns with the state’s policy goals,<sup>53</sup> rather than with a test that  
7 privileges one party’s perspective over others or with a test that is a conflicting combination of  
8 all perspectives. What often gets lost in the various tests are the overall impacts of energy  
9 efficiency programs to the well-being of the utility system. In the broader context of the policy  
10 goals of the Commonwealth, the focus on the overall well-being of the utility system best aligns  
11 with the mission of utility regulation and the holistic perspective of the regulator as the caretaker  
12 of the utility system and a public servant of the jurisdiction. This approach is also well-aligned  
13 with, and foundational to, key strategies in the LTP, particularly Chapter 6 (“Future  
14 Considerations for Dominion Energy”), and the VCEA.

15  
16 The Commission does not need to invent a new test to use the NSPM approach. Rather, the  
17 Commission could modify the existing cost-effectiveness tests in a way that draws on  
18 appropriate components from multiple tests to advance Virginia’s energy goals and policies. The  
19 Dominion Energy Efficiency Stakeholder Policy Subgroup has already begun laying the  
20 groundwork to move towards this aligned policy approach. Additionally, Public Utility

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<sup>52</sup> See *National Standard Practice Manual for Benefit-Cost Analysis of Distributed Energy Resources*, NAT’L ENERGY SCREENING PROJECT (NESP) i (Aug. 2020), [https://www.nationalenergyscreeningproject.org/wp-content/uploads/2020/08/NSPM-DERs\\_08-24-2020.pdf](https://www.nationalenergyscreeningproject.org/wp-content/uploads/2020/08/NSPM-DERs_08-24-2020.pdf).

<sup>53</sup> *Id.*

1 Commissions in Arkansas, New Hampshire, Minnesota and Rhode Island are looking at  
2 modifying their existing tests based on the NSPM principles.<sup>54</sup>

3

4 **Q. Do you have any final comments on the Company’s DSM application?**

5 A. Yes. It is evident the Company realizes the potential for DSM programs as part of  
6 broader resource planning. The LTP articulates how DSM programs may reduce the total amount  
7 of supply resources the Company must procure, reduce the need for distribution upgrades, and  
8 potentially generate revenue by serving as capacity resources in wholesale markets. These are  
9 significant benefits that can provide positive impacts outside customers’ energy bills. For  
10 example, DSM programs could improve air quality by avoiding harmful supply-source emissions  
11 and create a new source of revenue for the Company that will also help lower the cost of service  
12 for customers.

13

14 **Q. Does this conclude your direct testimony?**

15 A. Yes.

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<sup>54</sup> *A New Tool to Improve Energy Efficiency Practices: The Database of State Efficiency Screening Practices (DSESP)* AMERICAN COUNCIL FOR AN ENERGY-EFFICIENT ECON. 9 (July 2019), <https://www.aceee.org/sites/default/files/dseep.pdf>.

# **Attachment CH-1**

Resume of Chelsea Harnish

## Experience

Executive Director, Virginia Energy Efficiency Council November 2015- present

- Work with membership and stakeholders to fulfill the organization's mission through our programmatic work
- Lead the organization's regulatory and legislative work
- Manage budgets and contracts

Policy and Campaigns Manager, Climate and Energy, Virginia Conservation Network July 2012-October 2015

- Facilitated monthly meetings and coordinate legislative agenda for work group during general assembly sessions
- Participated in revising state energy plan through four-year appointment on the Governor's Energy Council
- Wrote and edited whitepapers on energy policy for annual briefing book for state legislators and their staff

Project Management Consultant, Virginia Conservation Network February 2012-June 2012

- Coordinated a press conference to release the report, *Potential Economic Impacts of Renewable Energy in Virginia*
- Set up a webinar for legislators to showcase report findings
- Worked with researchers and stakeholders to finalize the report for public release

Virginia Policy Coordinator, Chesapeake Climate Action Network September 2010-February 2012

- Established the legislative agenda for Virginia staff
- Collaborated with coalition partners on federal and state environmental policy initiatives
- Lobbied General Assembly on priority energy legislation

Regional Campaign Coordinator, Chesapeake Climate Action Network January 2009-August 2010

- Developed and implemented campaign strategy for federal, state and local issues
- Lobbied General Assembly on priority legislation with emphasis on renewable energy and energy efficiency
- Built grassroots base throughout Virginia to support our work

Development Associate, Clean Power Now May 2008-December 2008

- Wrote grant applications for submission to foundations
- Assisted with direct mail appeals to our membership
- Planned and executed summer house parties

Membership Coordinator, Clean Power Now October 2005-May 2008

- Coordinated with Executive Director to develop campaign strategy promoting Cape Wind
- Handled all communication with members including e-newsletters and campaign materials

## Education

Boston University September 2004

Master of Science in Biology with an emphasis in Marine Ecology and Conservation

University of South Carolina May 2000

Bachelor of Science in Biology with an emphasis in Marine Science

## **Attachment CH-2**

Company Response to VAEEC  
Interrogatory Set 2, Question 6

**Virginia Electric and Power Company**  
**Case No. PUR-2021-00247**  
**Virginia Energy Efficiency Council**  
**Second Set**

The following response to Question No. 6 of the Second Set of Interrogatories and Requests for Production of Documents propounded by the Virginia Energy Efficiency Council and received on March 14, 2022, was prepared by or under the supervision of:

Michael T. Hubbard  
Manager, Energy Conservation  
Dominion Energy Virginia

Terry Fry  
Senior Vice President  
Cadmus

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**Question No. 6**

Reference Pages 114-118 of the Demand-Side Management Long-Term Plan presented in the Direct Testimony of Company witness Terry M. Fry. The Plan recommends that the Company “bridge[s] expiring implementation vendor contracts as they naturally expire.”

Please provide the total number of individual vendors, the total number of vendors working on one Commission-approved programs, the total number of vendors working on two Commission-approved programs, the total number of vendors working on three Commission-approved programs, and the total number of vendors working on more than three Commission-approved programs.

**Response:**

Please see the table below for the requested totals:

<b>Discovery Request</b>	<b>Response</b>
Total number of individual vendors	8
Total number of vendors working on one Commission-approved programs	4
Total number of vendors working on two Commission-approved programs	2
Total number of vendors working on three Commission-approved programs	1
Total number of vendors working on more than three Commission-approved programs	1