

## WITNESS DIRECT TESTIMONY SUMMARY

Witness: Michael T. Hubbard

Title: Manager – Energy Conservation

Summary:

Company Witness Michael T. Hubbard first provides an update on the Company's approved DSM Programs addressing the proposed updates to those programs and proposed Program Bundles. Mr. Hubbard next provides an overview of the development and design of the Company's proposed Phase XI Programs, including the request for proposal ("RFP") process. Mr. Hubbard notes that although the Company is still using the phased approach for the purposes of cost caps, and implementation, the Company is continuing to move toward the newly proposed seven program approach that the Company's consultant, Cadmus, recommended in the Company's Long-Term Plan ("DSM LTP" or "LTP") presented in last year's DSM proceeding. He describes in detail the five new Phase XI Programs and the four new Program Bundles to streamline the DSM Portfolio, inclusive of one proposed Phase VIII Program Bundle and one proposed Phase IX Program Bundle.

The five new proposed Programs include:

- Residential Customer Engagement (EE);
- Residential Energy Efficient Products Marketplace (EE);
- Residential Peak Time Rebate (DR);
- Non-residential Custom (EE); and
- the Residential Electric Vehicle ("EV") Telematics (Pilot).

The four new Program Bundles include:

- Residential Income and Age Qualifying Bundle (EE);
- Non-residential Income and Age Qualifying Bundle (EE);
- Non-residential Prescriptive Bundle (EE); and
- Residential Home Retrofit Bundle (EE)

Mr. Hubbard explains that the Company plans to implement the proposed Phase XI Programs and new Program Bundles through fully outsourced implementation vendors, similar to the approach successfully taken for previously-approved DSM Programs. He also states that the Company requests approval to operate the proposed Phase XI Programs and Bundles without predetermined closure dates, as previously approved by the Commission.

As with the previously approved DSM Programs, Mr. Hubbard further explains that the Company will require detailed reporting from its implementation vendors to help ensure that each Program meets its desired performance levels and participation targets. The Company will conduct evaluation, measurement and verification ("EM&V") on each Program, and will use internal Program Managers to monitor vendor performance, Program success, and customer satisfaction. In addition, the Program Managers will ensure vendor compliance with contractual requirements and performance targets through regular reporting and the proper coordination with the Company's systems and processes. Lastly, Mr. Hubbard discusses the quality assurance process and gives an update on the Company's controls surrounding the rebate approval process and any changes therein.

**DIRECT TESTIMONY  
OF  
MICHAEL T. HUBBARD  
ON BEHALF OF  
VIRGINIA ELECTRIC AND POWER COMPANY  
BEFORE THE  
STATE CORPORATION COMMISSION OF VIRGINIA  
CASE NO. PUR-2022-00210**

1 **Q. Please state your name, position with Virginia Electric and Power Company**  
2 **(“Dominion Energy Virginia” or the “Company”), and business address.**

3 A. My name is Michael T. Hubbard, and I am Manager – Energy Conservation for  
4 Dominion Energy Virginia. My business address is 600 East Canal Street, Richmond,  
5 Virginia 23219. A statement of my background and qualifications is attached as  
6 Appendix A.

7 **Q. Please describe your areas of responsibility with the Company.**

8 A. I am responsible for implementing the Company’s Demand-Side Management (“DSM”)  
9 programs (individually “DSM Program(s)” or “Program(s),” collectively “DSM  
10 Portfolio” or “Portfolio”), which includes oversight of Program planning and the requests  
11 for proposals (“RFPs”) through which the Company selects vendors to help administer  
12 the Programs, and oversight of the vendors during Program implementation.

13 **Q. What is the purpose of your testimony in this proceeding?**

14 A. My testimony supports the Company’s petition for approval to (1) implement DSM  
15 “Phase XI,” which includes new Programs to supplement the overall Portfolio, new  
16 Program Bundles, as well as associated requests for additional funding; and (2) update  
17 and continue rate adjustment clauses (“RACs”) designated Riders C1A, C2A, C3A, and  
18 C4A (collectively, the “Application”).

1 Specifically, I will provide an update on the status of the Company's approved DSM  
2 Programs, and address the proposed updates to those programs. My testimony will also  
3 provide an overview of the development and design of the proposed Phase XI Programs,  
4 including the RFP process. Although we are still using the phased approach for purposes  
5 of cost caps and implementation we are continuing to move toward the newly proposed  
6 seven program approach that the Company's consultant, Cadmus, recommended in the  
7 Company's Long-Term Plan ("DSM LTP" or "LTP") presented in last year's DSM  
8 proceeding.

9 Consistent with the LTP, Phase XI includes five new Programs and two new Program  
10 Bundles to streamline the DSM Portfolio. Additionally, there is one Phase VIII Program  
11 Bundle, as well as one Phase IX Program Bundle. The five new Programs are (i)  
12 Residential Customer Engagement (EE); (ii) Residential Energy Efficient Products  
13 Marketplace (EE); (iii) Residential Peak Time Rebate (DR); (iv) Non-residential Custom  
14 (EE); and (v) the Residential Electric Vehicle ("EV") Telematics (Pilot). The four new  
15 Program Bundles are the: (i) Residential Income and Age Qualifying Bundle (EE); (ii)  
16 Non-residential Income and Age Qualifying Bundle (EE); (iii) Non-residential  
17 Prescriptive Bundle (EE); and (iv) Residential Home Retrofit Bundle (EE).

18 I will also discuss the quality assurance process and give an update on the Company's  
19 controls surrounding the rebate approval process and any changes therein. Lastly, I will  
20 address compliance with applicable provisions of the State Corporation Commission's  
21 (the "Commission") Rules Governing Utility Promotional Allowances ("Promotional  
22 Allowances Rules") (20 VAC 5-303-10, *et seq.*).

1 **Q. Are you sponsoring an exhibit in this proceeding?**

2 A. Yes, Company Exhibit No. \_\_, MTH, consisting of Schedules 1-7 was prepared under my  
3 supervision, and is accurate and complete to the best of my knowledge and belief.

4 Schedule 1 includes fact sheets for each of the Company's existing and active DSM  
5 programs, excluding Phase X, which was recently approved by the Commission on  
6 August 10, 2022. Schedule 2 was prepared at the direction of Ordering Paragraph (5) of  
7 the Commission's Final Order in the Company's 2019 DSM Proceeding, Case No. PUR-  
8 2019-00201. It summarizes the DSM Programs proposed by the Company in Phases I  
9 through X, with information regarding each Program's approval status, costs requested,  
10 costs approved, actual costs and participation through December 31, 2021, and start and  
11 end dates, among other content.

12 Schedule 3 provides a description of the proposed Phase XI Programs and Program  
13 Bundles. Schedule 4 (Public and Extraordinarily Sensitive versions filed under seal and  
14 subject to the Company's Motion for Protective Order and Additional Protective  
15 Treatment filed coincident with the Application) contains additional program detail for  
16 the Phase XI Programs and Program Bundles. Schedule 5 provides an overview of the  
17 Company's rebate review and approval process. Schedule 6 illustrates the pre-approval  
18 operational procedure utilized by the Company's implementation vendor for the non-  
19 residential Programs. Finally, Schedule 7 is a sample data chart for existing and  
20 proposed Programs, which presents a mix of verified persistent savings and projections  
21 for future years.

22 I also sponsor Filing Schedule 46C, Statement 1 (Public and Extraordinarily Sensitive  
23 versions filed under seal and subject to the Company's Motion for Protective Order and

1 Additional Protective Treatment filed coincident with the Application), which has been  
2 prepared under my direction and supervision, and is accurate and complete to the best of  
3 my knowledge and belief.

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

5 A. My testimony is organized as follows:

6 I. Status of Existing and Active Programs and Proposed Program Bundles

7 II. Proposed Phase XI Programs

8 III. Launch Efforts of Phase X Programs

9 IV. Proposed Customer Awareness

10 V. Quality Assurance and Controls and Compliance with Commission Orders  
11 and Rules

12 **I. STATUS OF EXISTING AND ACTIVE PROGRAMS**  
13 **AND PROPOSED PROGRAM BUNDLES**

14 **Q. Mr. Hubbard, please provide an update on the Company's existing and active DSM**  
15 **Programs.**

16 A. Fact sheets for each of these Programs, with the exception of the recently approved DSM  
17 Phase X Programs, are attached collectively as my Schedule 1. Each fact sheet contains  
18 detailed information, including a Program description, eligibility requirements, approved  
19 measures, budget, participation, and energy savings. Program participation, energy  
20 savings, demand savings, and Program spend values as of December 31, 2021, are  
21 sponsored by Company Witness Dan Feng of DNV, the Company's evaluation,  
22 measurement, and verification ("EM&V") expert witness. Please also see my Schedule  
23 2, which summarizes the DSM Programs, proposed by the Company in Phases I through  
24 X, with information regarding each Program's approval status, costs requested, costs

1 approved, actual costs and participation through December 31, 2021, and start and end  
2 dates, among other content.

3 **Q. Is the Company requesting any updates to the Phase IX Non-residential**  
4 **Agricultural Program?**

5 A. Yes. The Company is requesting Commission approval to offer the DSM IX Agricultural  
6 Program to its residential customers, in addition to non-residential customers. Since the  
7 launch of the Program, the implementation vendor learned that there are agrarian and  
8 equestrian locations (*e.g.*, family farms), that are interested in the program and its  
9 measure mix, but those customers are receiving service under a residential tariff. As  
10 further detailed in the testimony of Company Witness Edmund J. Hall, the Company  
11 conducted a cost/benefit analysis of the Program under a residential rate, and the Program  
12 continues to pass three of the four cost/benefit tests. The Company, therefore, requests  
13 Commission approval to expand the Program eligibility, and allow residential customers  
14 to participate in the DSM Phase IX Agricultural Program.

15 **Q. Do you have any additional comments on the Company's existing DSM Programs?**

16 A. Yes. The Company's consultant, Cadmus, has proposed a restructuring of the  
17 Company's DSM Portfolio into seven overarching programs. The proposed restructuring  
18 was presented to the DSM stakeholder group and filed with the Commission in last year's  
19 DSM proceeding in Case No. PUR-2021-00247 as part of the Company's LTP. This  
20 reorganization would initially be customer-facing with the intent to increase customer  
21 awareness of the numerous DSM programs that the Company has to offer. As the  
22 Company began to work towards the seven overarching programs that Cadmus identified  
23 in the LTP, the Company identified several currently approved programs that have

1 energy efficiency measures that can be bundled into another DSM program, further  
2 improving optionality and the customer experience, without sacrificing cost-effective  
3 energy efficiency measures and programs.

4 **Q. Can you describe this bundling in further detail?**

5 A. Yes. Should the Company's request for approval of the requested Program Bundles for  
6 existing DSM Programs be approved by the Commission, the Company respectfully  
7 requests that the Commission close the following currently approved DSM Programs at  
8 the end of 2023:

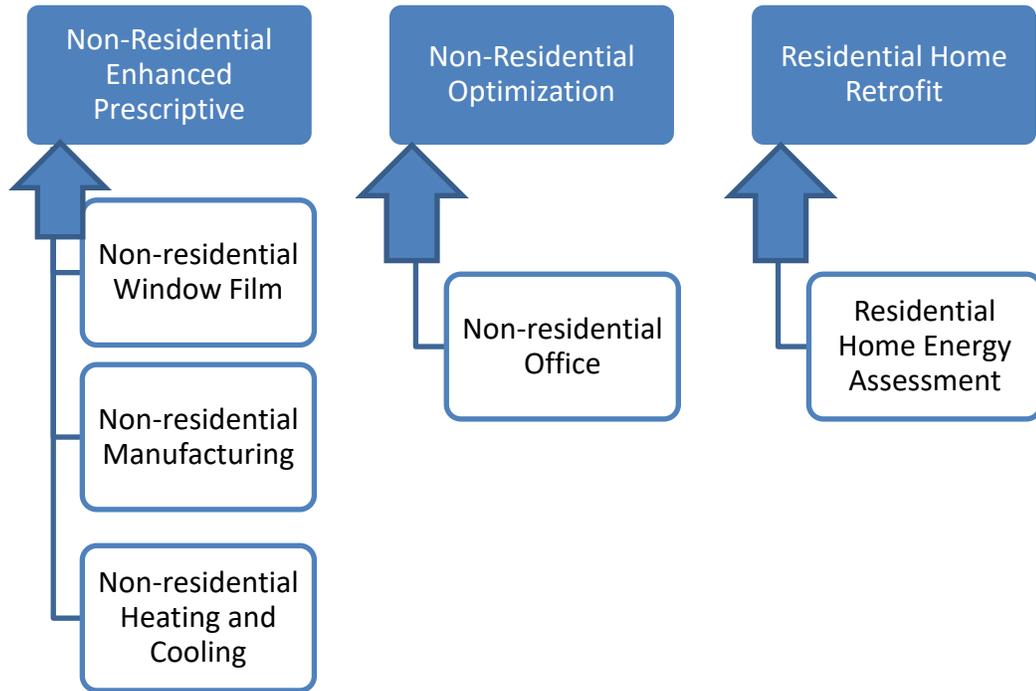
- 9 ○ Phase VII Residential Home Energy Assessment Program (EE)
- 10 ○ Phase VII Non-residential Window Film Program (EE)
- 11 ○ Phase VII Non-residential Small Manufacturing Program (EE)
- 12 ○ Phase VII Non-residential Heating and Cooling Efficiency Program (EE)
- 13 ○ Phase VII Residential Appliance Recycling Program (EE)
- 14 ○ Phase VII Non-residential Office Program (EE)
- 15 ○ Phase VIII HB 2789 (Heating and Cooling/Health and Safety) (EE)

16 For five of the programs listed above, excluding the Residential Appliance Recycling and  
17 Non-residential Office Programs, the Company has identified opportunities to bundle  
18 those expiring program offerings within currently existing programs, propose an  
19 increased cost cap and, in some cases, extend the offerings beyond original plans. For  
20 example, rather than having stand-alone programs for the Non-residential Window Film,  
21 Small Manufacturing, and Heating and Cooling Efficiency Programs, the Company  
22 requests that key program measures from the three non-residential programs, be included  
23 in the Phase IX Non-residential Prescriptive Bundle described in detail later in my

1 testimony. Furthermore, the Company is proposing to incorporate key program measures  
2 from the Company's Phase VII Residential Home Energy Assessment Program into the  
3 Phase VIII Residential Home Retrofit Program, while introducing a handful of select new  
4 program measures, including the replacement of electric baseboard heating with air  
5 source heat pump, high efficiency AC upgrades, and shower thermostats, to create the  
6 Phase VIII Residential Home Retrofit Bundle.

7 Essentially, the goal of bundling the Company's DSM Program portfolio, when feasible,  
8 will improve customer awareness, customer experience and customer enrollment while  
9 optimizing energy efficiency measures across the Company's DSM Program Portfolio, as  
10 recommended by the Commission-approved LTP. As such, the Company has identified  
11 near-term opportunities with the bundling of the four programs identified above. Figure  
12 1 below demonstrates how the elements of those programs will be folded into currently  
13 approved DSM Programs. A further breakdown of the proposed Bundled Programs is  
14 included in my Schedules 3 and 4.

**Figure 1**



1 **Q. Please elaborate on each of the proposed Bundled Programs that are part of the**  
2 **Company’s efforts to streamline its Portfolio.**

3 A. As noted above, the Company is proposing several program designs that will, if  
4 approved, streamline the Company’s overall DSM Portfolio, while further improving the  
5 customer experience. Below are brief descriptions of the Bundled Programs proposed in  
6 this proceeding. Detailed Program sheets including descriptions, eligibility, measure  
7 lists, projected participation and energy savings, and cost caps are provided in my  
8 Schedule 3, with additional design details also provided in my Schedule 4. Cost/benefit  
9 results for the Programs are discussed and provided by Company Witness Edmund J.  
10 Hall’s direct testimony and schedules.

1                                   **Residential Income and Age Qualifying Bundle**  
2                                   **(Energy Efficiency)**

3           The proposed Residential Income and Age Qualifying Bundle combines existing and new  
4           program measures from the Company’s existing Phase IX Residential Income and Age  
5           Qualifying, Phase X Residential Income and Age Qualifying Enhanced and DSM Phase  
6           VIII House Bill 2789 (Heating and Cooling/Health and Safety Component) Programs,  
7           extends planned operation through 2028, and adds several new program measures to  
8           provide income and age qualifying residential customers with in-home energy  
9           assessments and installation of select energy-saving measures.

10          Energy assessments and installations will be conducted by qualified, local Weatherization  
11          Service Providers (“WSPs”) who currently offer weatherization related services through  
12          the Virginia Department of Housing and Community Development and have been  
13          approved by the Income and Age Qualifying Program to complete assessments and install  
14          the selected energy-saving products. The newly added program measures are wall  
15          insulation, heat pump replacement, baseboard upgrade, upgrade to mini split, ventilation  
16          fan, and duct replacement as well as EnergyStar ceiling fans, smart power strips, and T8  
17          and T12 (fluorescent tube lighting) upgrade to LED lighting. This Bundled Program  
18          approach will allow homes to be treated more comprehensively and offer qualifying  
19          customers the opportunity to implement a wider variety of energy efficiency measures  
20          during the in-home energy assessment stage.

21                                   **Non-residential Income and Age Qualifying Bundle (Energy Efficiency)**

22          The proposed Non-residential Income and Age Qualifying Bundle combines the Phase  
23          VIII House Bill 2789 Program (Heating and Cooling/Health and Safety Component) and

1 the Non-residential Income and Age Qualifying Program and extends them until 2028.  
2 The Non-residential Income and Age Qualifying Bundle would offer installation of select  
3 energy-saving measures to be installed in properties that house low-income and aging  
4 residents, but the electric bill is paid by the property, rather than the individual resident.  
5 This would include housing authority and master metered properties, assisted living  
6 residences, and nursing homes. These properties could enroll through the current  
7 process, have the incomes of the residents verified, and participate in the Non-residential  
8 Income and Age Qualifying Bundle. The energy assessments and installations will be  
9 conducted by qualified, local WSPs who currently offer weatherization related services  
10 through the Virginia Department of Housing and Community Development and have  
11 been approved by the Income and Age Qualifying Program to complete assessments and  
12 install the selected energy-saving products in the residential living areas.

### 13 **Non-residential Prescriptive Bundle (Energy Efficiency)**

14 The proposed Non-residential Prescriptive Bundle would incorporate the Company's  
15 expiring Phase VII Non-residential Heating and Cooling Efficiency Program, Non-  
16 residential Small Manufacturing and Non-residential Window Film Programs with the  
17 Phase IX Non-residential Enhanced Prescriptive Program. The consolidation of various  
18 program measures into an updated version of the Phase IX Non-residential Enhanced  
19 Prescriptive Program would allow the Company to consolidate programs and offer  
20 qualifying non-residential customers the ease of implementing a wide variety of energy  
21 efficiency measures. This Program would provide qualifying non-residential customers  
22 with incentives for the installation of refrigeration, commercial kitchen equipment,

1 HVAC improvements, window film installation and maintenance and installation of other  
2 program specific, energy efficiency measures.

### 3 **Residential Home Retrofit Bundle (Energy Efficiency)**

4 The proposed program re-design incorporates key program measures from the  
5 Company's Phase VII Residential Home Energy Assessment Program into the Phase VIII  
6 Residential Home Retrofit Program, but the requirement for all contractors to have  
7 Building Performance Institute ("BPI") certification will no longer be required for all  
8 installed measures. Instead, BPI certification will only be required for those contractors  
9 that perform measures that require BPI certification for detail diagnostic audits, including  
10 – air sealing, attic insulation, drill & fill wall insulation, basement wall insulation, and  
11 crawl space insulation. A-line LEDs are not included in the Program redesign in  
12 response to recent Energy Independence and Security Act driven changes to baseline  
13 efficiency. Program design introduces a handful of select new measures including the  
14 replacement of electric baseboard heating with air source heat pump, high efficiency  
15 room AC upgrades, and shower thermostats.

16 **Q. Is the Company pursuing a consolidation or program design extension of the**  
17 **Company's DSM Phase VII Residential Appliance Recycling Program?**

18 A. No. The Company most recently went to the market and issued an RFP, see Filing  
19 Schedule 46C, Statement 1, seeking cost-effective bids for the Program, either as a stand-  
20 alone program or as part of a program bundle offering. The Company did not receive any  
21 viable market interest from the industry experts on this particular Program and therefore  
22 is not planning to offer this Program beyond 2023, as approved in Case No. PUR-2018-  
23 00168 on May 2, 2019. Additionally, the market has changed and the popularity of the

1 program has waned. Moreover, the Company has experienced setbacks with its program  
2 implementation contractor as a direct result of the COVID-19 pandemic, including the  
3 inability to retain employees to pick up and recycle the appliances.

4 **Q. Why is the Company seeking to close the DSM Phase VII Non-residential Office**  
5 **Program?**

6 A. The Company’s Phase VII Non-residential Office Program, approved in Case No. PUR-  
7 2018-00168 on May 2, 2019, was initially targeted for non- residential customers in  
8 smaller office facilities below the 500 kilowatts (“kW”) demand range and before the  
9 exempt/opt out rules were removed as a direct result of the Virginia Clean Economy Act  
10 (“VCEA”). The VCEA, which became effective July 1, 2020, removed prior language  
11 under Virginia Code § 56-585.1 A 5 that provided an automatic exemption for large  
12 commercial and industrial customers—defined as any customer over 500 kW from  
13 paying for new utility-sponsored energy efficiency programs. Instead, the VCEA  
14 redefines a “Large General Service Customer” (“LGS Customer”) as a customer that has  
15 a verifiable history of having used more than one megawatt (“MW”) of demand from a  
16 single site and directs the Commission to establish a qualification and opt-out process for  
17 eligible LGS Customers that implement energy efficiency measures at their own expense.  
18 With the VCEA changing the law from an automatic exemption to an opt-out process and  
19 the demand threshold changing from 500 kW to 1 MW, the Company is streamlining the  
20 Non-residential Office Program into the Non-residential Building Optimization Program  
21 since the program measure offerings are substantially the same.

22 The Company is not seeking any additional funds within the approved cost caps for the  
23 DSM Phase IX Non-residential Building Optimization Program, which was approved in

1 Case No. PUR-2020-00274, but is requesting to close the Phase VII Non-residential  
2 Office Program as a stand-alone Program and the cost cap associated with it while  
3 offering the same program measures in the Company's approved DSM Phase IX Non-  
4 residential Building Optimization Program.

## 5 II. PROPOSED PHASE XI PROGRAMS

6 **Q. Please summarize the Company's request in this proceeding with respect to new  
7 DSM Programs and enhancements to existing, approved DSM Programs.**

8 A. The Company is seeking approval of Phase XI of its DSM Portfolio in this proceeding.  
9 Specifically, the Company is proposing the following five new Phase XI Programs:

- 10 • Residential Customer Engagement (EE)
- 11 • Residential Energy Efficient Products Marketplace (EE)
- 12 • Residential Peak Time Rebates (DR)
- 13 • Non-residential Custom (EE)
- 14 • Residential EV Telematics (Pilot)

15 As noted above, although we are still using the Phased approach for purposes of cost caps  
16 and implementation, the Company intends to move to the proposed seven program  
17 approach recommended in the Company's LTP. Moreover, as detailed in the Application  
18 and consistent with the Commission's approval of the Phase X Programs, the Company  
19 requests approval to operate the proposed Phase XI Programs without a predetermined  
20 closure date (*i.e.*, no expiration dates until discontinuation is proposed by the Company  
21 and/or the programs are found to be no longer cost-effective after a reasonable time  
22 period to adjust operations).

1 **Q. Why is the Company requesting approval of new programs in this proceeding?**

2 A. The proposed Programs include multiple measures as suggested to the Company through  
3 various channels, including DSM stakeholders, DSM Market Potential Studies, the  
4 Stakeholder Review Process, and RFPs. Essentially, certain measures within these newly  
5 proposed Programs fill “gaps” in the Company’s existing portfolio of programs as  
6 identified by the LTP and the stakeholders.

7 Below are brief descriptions of the new Phase XI Programs. Detailed Program sheets  
8 including descriptions, eligibility, measure lists, projected participation and energy  
9 savings, and cost caps are provided in my Schedule 3, with additional design details also  
10 provided in my Schedule 4. Cost/benefit results for the Programs are discussed and  
11 provided by Company Witness Edmund J. Hall’s direct testimony and schedules.

12 **Residential Customer Engagement Program (Energy Efficiency)**

13 The Residential Customer Engagement Program will target certain high energy usage  
14 customers and provide them with educational insights into their energy consumption via a  
15 Home Energy Report. The Home Energy report is intended to provide periodic  
16 suggestions on how to save energy based upon analysis of the customer’s energy usage.  
17 Customers can opt-out of participating in the Program at any time. This is a new program  
18 design, building upon the success of the Phase VIII Residential Customer Engagement  
19 Program.

20 **Residential Energy Efficient Products Marketplace Program**  
21 **(Energy Efficiency)**

22 The Program provides residential customers an incentive to purchase specific energy  
23 efficient appliances with a rebate through an online marketplace and through stores. This

1 is a new program design, building upon the success of the Phase VII Residential Efficient  
2 Products Marketplace Program.

3 **Residential Peak Time Rebate Program**  
4 **(Demand Response)**

5 This Program would enable residential customers to reduce their energy usage  
6 consumption during peak time periods as called upon by the Company. During peak time  
7 rebate event days, the Company or the implementation vendor will alert customers with  
8 text messaging, emails or outbound telemarketing voicemails, as well as by utilizing the  
9 Company's dominionenergy.com website with banner announcements informing  
10 participants an event is in progress.

11 **Non-residential Custom Program (Energy Efficiency)**

12 This Program would provide qualifying non-residential customers, with a focus on larger  
13 facilities with demand greater than 300 kW, with the technical support and incentives  
14 needed to pursue non-standard, more complex energy efficiency projects. Through this  
15 proposed Program, the Company can help qualifying customers develop tailored projects  
16 that best meet their unique facility and organizational goals while achieving savings from  
17 a diverse mix of measures.

18 **Residential EV Telematics - Pilot (Demand Response)**

19 The proposed Pilot Program would run in parallel with the current Electric Vehicle DR  
20 Program. Instead of communicating with the electric vehicle charger, the proposed Pilot  
21 Program would allow for integration with the onboard vehicle telematics to capture  
22 charging data and control the charging rate during load curtailment events dispatched by  
23 the Company.

1 **Q. Please describe the eligibility requirements for the proposed Phase XI DSM**  
2 **Programs and Program Bundles.**

3 A. Details regarding eligibility for each of the proposed Phase XI DSM Programs and  
4 Program Bundles are included within the Schedule 3 program sheets. The proposed  
5 Programs are designed for specific segments of residential and non-residential customers.  
6 Customers may enroll if they meet the eligibility requirements and agree to the applicable  
7 terms and conditions for that Program.

8 Additionally, customers participating in more than one DSM Program may only be  
9 incented for a particular measure once, even if the measure is offered in multiple  
10 programs.

11 Finally, customers over 1 MW must not have opted out of paying the DSM rider in order  
12 to participate in an approved DSM program offered by Dominion Energy Virginia.

13 **Q. Are there any other eligibility requirements you wish to address?**

14 A. Yes. While not applicable to the Phase XI EE Programs, the Company does have certain  
15 restrictions in place regarding simultaneous participation in its demand-response  
16 Programs. Specifically, a non-residential customer that participates in the Company's  
17 DSM Phase II Non-residential Distributed Generation Program is unable to participate  
18 simultaneously in the dynamic pricing rate schedule, the standby generation/curtailable  
19 service rate schedules, and Schedule 10 rate schedule. Customers that participate in the  
20 Company's DSM Phase VIII Residential Electric Vehicle DR Program and peak-shaving  
21 components, are prohibited from participating in the dynamic pricing rate schedule.  
22 Finally, Customers that participate in the Phase XI Telematics Pilot are prohibited from

1 participating in the Company’s DSM Phase VIII Residential Electric Vehicle DR  
2 Program, as well as the dynamic pricing rate schedule.

3 Lastly, the Company has quality control IT flag exception processes that the program  
4 managers utilize, as well as field quality assurance checks to provide protections against  
5 multiple payments for the same measure. These restrictions are necessary in order to  
6 avoid incenting a customer multiple times for the same demand response action.

7 **Q. Please describe the stakeholder and RFP processes that led to the development of**  
8 **the Phase XI Programs.**

9 A. The proposed DSM Phase XI Program concepts were developed through the energy  
10 efficiency stakeholder process, as directed by Chapter 397 of the 2019 Virginia Acts of  
11 Assembly, as required by § 56-596.2 of the Code of Virginia. To date, the Company has  
12 participated in 14 stakeholder group meetings since early 2019, all led by the  
13 Commission-appointed independent moderator. In addition to the Company being an  
14 active participant in the stakeholder meetings, the Company has continued to be actively  
15 involved and continues to meet with stakeholders in sub-group meetings, which take  
16 place outside the larger scheduled stakeholder meetings. During these sub-group  
17 meetings, stakeholders provided input on areas of focus for energy efficiency programs  
18 and specific conservation measures. Filing Schedule 46C, Statement 1 consists of the  
19 following stakeholder review process (“SRP”) items that contributed to the development  
20 of the Company’s 2022 DSM RFPs: the independent monitor’s meeting notes from the  
21 February 2022 SRP update meeting; and the Company’s DSM Update presentations that  
22 were shared with the stakeholders in the last three SRP meetings, which took place  
23 throughout 2022. The presentations contain updates on potential RFP program concepts

1 and ideas received from various stakeholders. The Company then, to the best of its  
2 ability, incorporates the stakeholders' ideas and recommendations into an RFP to solicit  
3 proposals for program designs based on those concepts developed at the stakeholder  
4 meetings. Specifically, this resulted in a RFP issued in June 2022, soliciting bids for  
5 energy efficiency and demand response programs.

6 A copy of the 2022 RFP is included in Filing Schedule 46C, Statement 1. Proposed  
7 program designs requested through the RFP process included, but were not limited to:  
8 development of specific program measures, incentives, parameters and assumptions,  
9 projected participation, projected costs, load profiles, projected energy and demand  
10 savings, and eligibility requirements. The RFP process, as well as the subsequent  
11 evaluation of proposals received, resulted in the Program proposals in this filing.

12 **Q. How were the results from the RFP used for purposes of this application?**

13 A. The Company used the RFP responses to define measures that would be included in  
14 Programs and to develop the estimated penetrations, costs, and energy and load  
15 reductions associated with the proposed Programs for purposes of the cost/benefit  
16 evaluations.

17 **Q. How does the Company propose to implement the Phase XI Programs?**

18 A. The Company plans to implement the proposed Phase XI Programs through fully  
19 outsourced implementation vendors, similar to the approach successfully used in  
20 previously-approved DSM Programs. The implementation vendor(s), in conjunction with  
21 the Company, often utilize a contractor network to assist in delivering the program in the

1 field, similar to previous phases. Final implementation details will be negotiated with the  
2 selected implementation contractor(s) upon Program approval.

3 **Q. When does the Company anticipate the Phase XI Programs will be available to**  
4 **customers?**

5 A. With Commission approval, the Company anticipates the Phase XI Programs and  
6 Program Bundles will be available to customers in the first quarter of 2024, with launch  
7 activities beginning shortly after the Commission's final order in this proceeding.

8 **Q. How will the Company oversee the vendors selected to implement and manage these**  
9 **proposed Programs?**

10 A. As with the previously approved DSM Programs, the Company will require detailed  
11 reporting from its implementation vendors to help ensure that each program meets its  
12 desired performance levels and participation targets. The Company will conduct EM&V  
13 on each program and will include those results in its annual EM&V filing with the  
14 Commission, as discussed further in the pre-filed direct testimony of Company Witness  
15 Dan Feng of DNV.

16 As with the currently approved programs, the Company will use internal Program  
17 Managers and its operational manager to monitor vendor performance, Program success,  
18 and customer satisfaction. In addition, the Program Managers will ensure vendor  
19 compliance with contractual requirements and performance targets through regular  
20 reporting, and the proper coordination with the Company's systems and processes. Such  
21 monitoring and oversight should go unnoticed by the customer and will help to ensure  
22 successful and efficient interaction between the Company and its vendors.

1 **III. LAUNCH EFFORTS OF PHASE X PROGRAMS**

2 **Q. Please provide the status on the launch efforts of the recently approved Phase X**  
3 **Programs.**

4 A. Since the Final Order in Case No. PUR-2021-00247 (“2021 DSM Final Order”) was  
5 issued on August 10, 2022, the Company has worked diligently with the various program  
6 implementation vendors to finalize contracts while beginning program launch activities.  
7 The Company began its program launch activities promptly after the 2021 DSM Final  
8 Order, including contractor background checks; cyber risk assessment and development  
9 of mitigation plans; development of data security specifications, data pipelines,  
10 transmission, and access protocols; program terms and conditions; program web  
11 development and deployment; call center scripts and staffing; interactive voice response  
12 system programming; design and production of program specific marketing materials;  
13 development of program data collection specifications for EM&V; secure data exchange  
14 rollout and testing; and development of contractor network and/or subcontractors.

15 The Company expects nearly all approved Phase X Programs will be available to  
16 customers in the first quarter of 2023.

17 **IV. PROPOSED CUSTOMER AWARENESS**

18 **Q. Please explain how the Company plans to increase customer awareness for its DSM**  
19 **Program Portfolio offering.**

20 A. The Company recently contracted with West Cary Group (“WCG”) to lead the customer  
21 awareness initiative for its DSM Portfolio. WCG plans to engage in a data driven  
22 campaign to raise awareness around the Company’s DSM Portfolio, utilizing information  
23 from the LTP, as well as from the DSM stakeholder group. Further detail for the

1 awareness initiative is discussed and provided by Company Witness Nathan J. Frost's  
2 direct testimony.

3 **V. QUALITY ASSURANCE AND CONTROLS AND COMPLIANCE WITH**  
4 **COMMISSION ORDERS AND RULES**

5 **Q. Please describe the difference between the Company's quality control and quality**  
6 **assurance processes.**

7 A. The Company has a quality control process that utilizes internal automated queries and  
8 staff to track and flag measures installed in its programs. Rebate application information  
9 and installation work must be completed before rebates are funded and approved during  
10 the weekly review process. Each measure is tracked for accuracy in the Company's  
11 DSM tracking system (the official system of record that all rebates are approved from)  
12 and checked again against the program's applicable eligibility criteria. The final  
13 information is also submitted to DNV, the Company's EM&V vendor, to calculate  
14 energy savings and check data quality on a monthly basis. The DSM tracking system  
15 validates measures and prevents acceptance of measures previously installed under the  
16 same customer account. Company personnel work closely with the implementation  
17 vendor to help ensure that rebates and supporting application data are accurate. Any  
18 errors that are identified in the Company's weekly exception reports are captured and  
19 corrected by the appropriate program manager and analyst prior to being processed. The  
20 rebate back-up documentation is scanned and stored in the Company's implementation  
21 vendor's systems, as with the quality assurance field work when performed. This  
22 supporting documentation can be matched to completed work once a completed rebate  
23 application is submitted and approved for payment.

1 In addition to the quality control processes discussed above, the Company's field and  
2 quality assurance process is used to check and verify the quality of work on a percentage  
3 of each vendor's projects. It should also be noted that the program implementation  
4 vendor often meets with customers and participating contractors to address work to be  
5 performed. All these ongoing quality controls and quality assurance observations help to  
6 ensure that legitimate work is rebated and not duplicated.

7 **Q. Please elaborate on the Company's quality assurance process for DSM Program**  
8 **measure installations.**

9 A. As outlined in my Schedules 5 and 6, the Company has detailed guidelines and processes  
10 to confirm that approved Programs are being implemented as planned and tracked closely  
11 as to participation levels and spending. Data quality control and field inspections are  
12 done by our implementation vendors, EM&V vendors, and the Company's Energy  
13 Conservation department staff.

14 **Q. Does the Company have plans for any other future improvements or changes to its**  
15 **DSM Program and measure controls?**

16 A. In addition to continuing enhancements to the pre-approval processes, one of the  
17 Company's program implementation vendors has launched an electronic rebate tracking  
18 system, which will continue to safeguard and securely transfer data between the  
19 implementation vendor and the Company while processing rebate applications more  
20 swiftly. The program implementation vendor has successfully integrated its new  
21 electronic rebate tracking system into numerous programs in DSM Phases V, VI, VII,  
22 VIII, IX, and X, enabling opportunities to streamline field data collection and quality  
23 control mechanisms while safeguarding and securely transferring data between the

1 implementation vendor and the Company. The tracking system and reporting tools  
2 improved the Company and its program implementation vendor's ability to analyze data,  
3 monitor trends, and make more informed business decisions, thereby enhancing overall  
4 program performance.

5 **Q. In the Commission's 2020 DSM Update Final Order, the Commission directed the**  
6 **Company to provide detailed supporting cost information for the measures included**  
7 **in its IAQ Programs going forward. (2020 DSM Final Order at 9). Has the**  
8 **Company complied with this requirement?**

9 A. Yes. Please see my Schedules 1-4 for the required information, which, in total, provides  
10 the supporting cost information for the measures included in the Company's IAQ  
11 Programs. Accordingly, the Company believes it has complied with this requirement  
12 through the information presented in these schedules.

13 **Q. In the EM&V Proceeding (Case No. PUR-2020-00156), which reviewed the**  
14 **Company's EM&V practices, the Commission directed the Company to provide a**  
15 **sample data chart for existing and proposed programs, which will present a mix of**  
16 **verified persistent savings and projections for future years. Has the Company**  
17 **complied with this directive?**

18 A. Yes. Please see my Schedule 7 for the required information. This data chart presented in  
19 my Schedule 7 is not only responsive to the Commission's directive, but also provides  
20 information in response to the recommendation and request by Appalachian Voices  
21 Witness James Grevatt in the EM&V Proceeding.

1 **Q. Do the proposed Programs promote appliances and equipment subject to the federal**  
2 **standards contained in the National Appliance Energy Conservation Act**  
3 **(“NAECA”) in accordance with Rule 40(1)(d) of the Promotional Allowance Rules**  
4 **(20 VAC 5-303-40(1)(d))?**

5 A. Yes. The NAECA standards establish minimum energy efficiency requirements for  
6 certain types of residential appliances sold in the United States. The Residential Income  
7 and Age Qualifying and Residential Efficient Products Marketplace Programs promote  
8 appliances or equipment within the scope of NAECA.

9 **Q. Has the Company considered whether the proposed DSM Phase XI Programs will**  
10 **have any significant effect on the sales levels of an alternative energy supplier in**  
11 **accordance with Rule 40(1)(e) of the Promotional Allowances Rules (20 VAC 5-303-**  
12 **40(1)(e))?**

13 A. As required by Rule 40(1)(e), the Company has considered this issue and does not  
14 believe the proposed DSM Phase XI Programs and Program Bundles will have a  
15 significant effect on the sales levels of alternative energy suppliers. The proposed  
16 Programs are not designed or expected to influence the use of one energy source over  
17 another but, rather, are designed to specifically target electric applications.

18 **Q. How will the proposed DSM Programs conform to Rule 40(1)(c) of the Promotional**  
19 **Allowances Rules (20 VAC 5-303-40(1)(c)), which requires that the DSM Programs**  
20 **be designed to minimize the potential for placing private businesses at an undue**  
21 **competitive disadvantage?**

22 A. The RFP issued for the potential Phase XI Programs requested information regarding  
23 how each contractor plans to use other small and/or diverse businesses or subcontractors.

1           When evaluating the bids, the Company favorably considered the bidders' affirmative  
2           responses and responsive examples to these questions. This requirement is further  
3           embodied in the Company's implementation contracts. Additionally, private businesses  
4           serve as the delivery mechanism for services and energy saving measures within the  
5           Programs. This approach directly supports local and private businesses.

6   **Q.    Has the Company defined customer classes in compliance with Rule 40(1)(b) of the**  
7   **Promotional Allowances Rules (20 VAC 5-303-40(1)(b))?**

8   A.    Yes. The Company has defined the residential, commercial, and industrial customer  
9    classes in compliance with Rule 40(1)(b). The Company uniformly extends the DSM  
10   Programs to all customers in each defined class as allowed by statute, provided they meet  
11   the Program eligibility requirements.

12 **Q.    Does this conclude your pre-filed direct testimony?**

13 A.    Yes, it does.

**BACKGROUND AND QUALIFICATIONS  
OF  
MICHAEL T. HUBBARD**

Michael T. Hubbard is Manager – Energy Conservation for Dominion Energy Virginia. Since 2008, his responsibilities have included oversight of the design and implementation of new DSM programs, including vendor retention and oversight. In 2010, he served on the Governor’s Operational Review Taskforce to reduce costs and improve efficiencies for state government. He also served on the board of the Richmond Region Energy Alliance, and is currently on the board of the Virginia Energy Efficiency Council, working with stakeholders on key energy efficiency issues and the promotion of cost effective DSM programs. He is a certified Six Sigma Green Belt.

Mr. Hubbard joined Dominion Energy Virginia in 1996 and has served in a number of regulatory and customer service-related leadership roles in the Delivery and Service Company organizations.

While in the position of Underground Damage Prevention Manager, he was appointed to serve on the Commission’s Advisory Committee for matters concerning the enforcement of the Virginia Underground Utility Line Damage Prevention Act, and also served on the board of directors that formed a new statewide Miss Utility call center.

Mr. Hubbard has a B.S. in History from Hampden-Sydney College and M.S.L.S. (Masters in Library Sciences) from the University of Kentucky, and is a member of the Phi Beta Kappa National Honor Society.

Mr. Hubbard has previously presented testimony before the State Corporation Commission of Virginia and the North Carolina Utilities Commission.