

WITNESS DIRECT TESTIMONY SUMMARY

Witness: Michael T. Hubbard
Title: Manager – Energy Conservation
Summary:

Company Witness Michael T. Hubbard first provides a status update on existing DSM programs and bundles, including the Phase VII non-residential lighting program. Mr. Hubbard next offers an overview of the development and design of the Company’s proposed Phase XIII Programs, including the request for proposal (“RFP”) process.

He describes in detail the one new Program, one pilot, and five redesigned Programs; the Company’s requested modification to the Phase XI Residential Income and Age Qualifying Bundled (EE) Program; the quality assurance process; and an update on the Company’s control of the rebate approval process and subsequent charges. The six proposed Programs and one pilot include the:

Residential Smart Thermostat Demand Response (DR)	Residential Curtailment (DR)
Non-residential Small Business Improvement (EE)	Non-residential Distributed Generation (DR)
Residential Data Center (EE)	Residential Battery Storage Pilot (DR)
Non-residential Enhanced Prescriptive (EE)	

Mr. Hubbard notes that although the Company is still using the phased approach for the purposes of cost caps, implementation, and marketing, the Company is continuing to move toward the consolidated program structure recommended in the Company’s Long-Term Plan (“DSM LTP” or “LTP”). Mr. Hubbard also explains that the Company plans to implement the proposed Phase XIII Programs 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 non-pilot Phase XIII Programs without predetermined closure dates, as previously approved by the Commission.

Also consistent with previously approved DSM Programs, Mr. Hubbard 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-2024-00222**

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, the requests for
11 proposals (“RFPs”) through which the Company selects vendors to help administer the
12 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 XIII,” which includes one new program, one pilot, five redesigned programs, and
16 a modification to the measure mix of the Phase XI Residential Income and Age
17 Qualifying Bundled (EE) Program to supplement the overall Portfolio; and (2) update and

1 continue rate adjustment clauses (“RACs”) designated Riders C1A and C4A
2 (collectively, the “Application”).

3 Specifically, I will provide an update on the status of the Company’s approved DSM
4 Programs and address the proposed updates to those programs. My testimony will also
5 provide an overview of the development and design of the proposed Phase XIII
6 Programs, including the RFP process.

7 In this DSM filing, the Company is seeking approval to implement six programs and one
8 pilot, which include: (i) the Residential Smart Thermostat Demand Response (DR); (ii)
9 the Non-residential Small Business Improvement (EE); (iii) Non-residential Data Center
10 (EE); (iv) Non-residential Enhanced Prescriptive (EE); (v) Non-residential Curtailment
11 (DR); (vi) the Non-residential Distributed Generation (DR) and (vii) the Residential
12 Battery Storage Pilot (DR). Additionally, the Company is requesting a modification to
13 the DSM Phase XI Residential Income and Age Qualifying Bundled (EE) Program.

14 Moreover, I will discuss the quality assurance process and give an update on the
15 Company’s controls surrounding the rebate approval process and any changes therein.
16 Lastly, I will address compliance with applicable provisions of the State Corporation
17 Commission’s (the “Commission”) Rules Governing Utility Promotional Allowances
18 (“Promotional Allowances Rules”) (20 VAC 5-303-10, *et seq.*).

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

20 A. Yes, Company Exhibit No. __, MTH, consisting of Schedules 1-7 was prepared under my
21 supervision, and is accurate and complete to the best of my knowledge and belief.
22 Schedule 1 includes fact sheets for each of the Company’s existing and active DSM

1 programs, excluding Phase XII, which was recently approved by the Commission on July
2 26, 2024. Schedule 2 was prepared at the direction of Ordering Paragraph (5) of the
3 Commission's Final Order in the Company's 2019 DSM Proceeding, Case No. PUR-
4 2019-00201. It summarizes the DSM Programs proposed by the Company in Phases I
5 through XII, with information regarding each Program's approval status, costs requested,
6 costs approved, actual costs and participation through December 31, 2023, among other
7 content.

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

17 I also sponsor Filing Schedule 46C, Statement 1 (Public and Extraordinarily Sensitive
18 versions filed under seal and subject to the Company's Motion for Protective Order and
19 Additional Protective Treatment filed coincident with the Application), which has been
20 prepared under my direction and supervision, and is accurate and complete to the best of
21 my knowledge and belief.

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

2 A. My testimony is organized as follows:

- 3 I. Status of Existing and Active Programs and Program Bundles
- 4 II. Proposed Phase XIII Programs
- 5 III. Launch Efforts of Phase XII Programs
- 6 IV. Customer Awareness Initiative Update
- 7 V. Quality Assurance and Controls and Compliance with Commission Orders
8 and Rules

9 **I. STATUS OF EXISTING AND ACTIVE PROGRAMS**
10 **AND PROGRAM BUNDLES**

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

13 A. Fact sheets for each of these Programs, with the exception of the recently approved DSM
14 Phase XII Programs, are attached collectively as my Schedule 1. Each fact sheet contains
15 detailed information, including a Program description, eligibility requirements, approved
16 measures, budget, participation, and energy savings. Program participation, energy
17 savings, demand savings, and Program spend values as of December 31, 2023, are
18 sponsored by Company Witness Dan Feng of DNV, the Company's Evaluation,
19 Measurement and Verification ("EM&V") expert witness. Please also see my Schedule
20 2, which summarizes the DSM Programs, proposed by the Company in Phases I through
21 XII, with information regarding each Program's approval status, costs requested, costs
22 approved, actual costs and participation through December 31, 2023, among other
23 content.

1 **Q. Please provide an update regarding the actual spend versus the cost limit for the**
2 **Phase VII Non-residential Lighting Program.**

3 A. In 2021, with the recognized positive spend ahead in the market plus the addition of the
4 previously exempt customers, the Company filed for an early replacement of the Phase
5 VII Non-residential Lighting Systems and Controls Program in Case No. PUR-2021-
6 00147, with the Phase X iteration of the program set to commence in 2023. During the
7 transition from DSM VII to DSM X Non-residential Lighting Systems and Controls
8 Program, the Company worked to stay within bounds of the cost cap, while looking to
9 maintain positive market acceptance, not confuse customers of start / stop activity with
10 one of the Company's most cost effective programs while striving to meet Virginia Clean
11 and Economy Act ("VCEA") savings goals.

12 During the transition from Phase VII to Phase X, the actual spend for the Phase VII Non-
13 residential Lighting program exceeded the 5% cost cap buffer approved in Case No.
14 PUR-2018-00168 by approximately \$170,000, as noted in the testimony of Company
15 Witness Jarvis E. Bates. One of the primary drivers in the overspend was that the
16 program saw additional participation from larger customers than anticipated at the time of
17 the program design. The original program design for DSM VII Non-residential Lighting
18 Systems and Controls Program was designed for 500 kilowatts ("kW") and below Non-
19 residential customers due to the passage of Grid Transformation and Security Act exempt
20 language. With the subsequent passing of VCEA and implementation of new rates in late
21 2021, Non-residential customers greater than 500 kW who began paying for the programs
22 in the rider due to legislative changes were now eligible to participate in respective Phase

1 VII and VIII programs, contributing to the overspend prior to the DSM X Non-residential
2 Lighting Systems and Controls launch.

3 II. PROPOSED PHASE XIII PROGRAMS

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

6 A. The Company is seeking approval of Phase XIII of its DSM Portfolio in this proceeding.
7 Specifically, the Company is proposing one new Program, one pilot, and five redesigned
8 Programs:

- 9 • Residential Smart Thermostat Demand Response (DR)
- 10 • Non-residential Small Business Improvement (EE)
- 11 • Non-residential Data Center (EE)
- 12 • Non-residential Enhanced Prescriptive (EE)
- 13 • Non-residential Curtailment (DR)
- 14 • Non-residential Distributed Generation (DR)
- 15 • Residential Battery Storage Pilot (DR)

16 Also, the Company is requesting a modification to the measure mix of the DSM Phase XI
17 Residential Income and Age Qualifying Bundle (EE), discussed in further detail later in
18 my testimony.

19 Although the Company is still using the phased approach for purposes of cost caps,
20 implementation and marketing, the Company continues to transition, where practicable,
21 to a consolidated program structure as recommended in the Company's Long-Term Plan
22 ("DSM LTP" or "LTP"). It is important to note that as the Company continues to work

1 on its customer awareness campaign while also enhancing its DSM program portfolio
2 offering, including updates to the seven categories suggested in the LTP that have
3 evolved and will continue to evolve to adapt to customer needs and the latest market
4 trends. Nonetheless, the Company will continue to use the consolidated program
5 structure to streamline its DSM program portfolio and present and report on its DSM
6 program performance metrics, such as the annual EM&V report.

7 Moreover, as detailed in the Application and consistent with the Commission's approval
8 of the Phase XII Programs, the Company requests approval like in recent cases to operate
9 the proposed Phase XIII Programs without a predetermined closure date (*i.e.*, no
10 expiration dates until discontinuation is proposed by the Company and/or the programs
11 are found to be no longer cost-effective after a reasonable time period to adjust
12 operations).

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

14 A. The proposed Programs, with the exception of the proposed Non-residential Curtailment
15 Program and the Residential Battery Storage Pilot, are not "new" programs but updated
16 and re-designed program designs from the existing DSM Program portfolio, which
17 include program measures that have been suggested to the Company through various
18 channels, including DSM stakeholders, DSM Market Potential Studies, the Stakeholder
19 Review Process, and RFPs. Essentially, these redesigned programs incorporate vital
20 program design updates to ensure the Company offers the latest energy efficient
21 technologies for its residential and non-residential customers.

1 Below are brief descriptions of the new Phase XIII Programs. Detailed Program sheets
2 including descriptions, eligibility, measure lists, projected participation and energy
3 savings, and cost caps are provided in my Schedule 3, with additional design details also
4 provided in my Schedule 4. Cost/benefit results for the Programs are discussed and
5 provided by Company Witness Rachel L. Hagerman's direct testimony and schedules.

6 **Residential Smart Thermostat Demand Response Program**
7 **(Demand Response)**

8 The Residential Smart Thermostat (DR) Program is a peak demand response program
9 through which demand response is called by the Company during times of peak system
10 demand throughout the year and thermostats of participating customers would be
11 adjusted to achieve a specified amount of load reduction while maintaining reasonable
12 customer comfort through a gradual change in home temperature and allowing customers
13 to opt-out of specific events if they choose to do so. Customers receive a one-time
14 enrollment incentive and an annual incentive for participating in the Program.

15 **Non-residential Small Business Improvement Program**
16 **(Energy Efficiency)**

17 The proposed program design offers a comprehensive and flexible approach that includes
18 an assessment to identify and prioritize energy-saving opportunities for qualifying small
19 business customers with financial incentives for the installation of specific energy
20 efficiency measures. Further discussion on the operation of this program, including
21 eligibility expansion can be found later in my testimony.

22 **Non-residential Data Center Program**
23 **(Energy Efficiency)**

24 This Program will provide qualifying non-residential customers with incentives to install

1 energy efficiency measures related to the equipment in and operation of data centers.

2 The proposed Program would be a “one-stop-shop” for data center customers to
3 implement energy efficiency measures such as computer and power distribution
4 equipment, HVAC, chiller, lighting and controls upgrades, as well as economizers and
5 other small, medium and large custom measures based on the customers’ needs. This
6 whole-building analysis approach will allow flexibility for data center customers to
7 pursue energy efficiency upgrades with a diverse set of program portfolio energy
8 efficiency measures and services.

9 Program services, as well as program measure installation, for this Program will be
10 delivered through a network of qualified contractors and/or consultants with the
11 appropriate specialization and experience to provide relevant, up-to-date advice on the
12 measures included in the proposed program design.

13 **Non-residential Enhanced Prescriptive Program**
14 **(Energy Efficiency)**

15 The proposed Program would provide qualifying non-residential customers with
16 incentives for the installation of refrigeration, commercial kitchen equipment, HVAC
17 improvements, window film installation and maintenance and installation of other
18 program specific, energy efficiency measures.

19 **Non-residential Curtailment Program**
20 **(Demand Response)**

21 The proposed Program design targets medium- and large-sized commercial and industrial
22 customers to curtail their energy usage using manual load curtailment during times of
23 peak system demand. Each participating customer (*i.e.*, facility) will have a curtailment
24 plan developed, also known as a load reduction plan (“LRP”), which is specific to the

1 facility and guided by engineering assessments created by the program implementation
2 vendor in collaboration with facility staff, factoring in the opportunity cost of
3 participation, facility equipment and operations, and staff availability. The LRP is
4 specific to each customer site and provides a specific plan on how the customer is to
5 reduce their electric demand during a demand response event, detailing the measures
6 (equipment) the customer can turn off or turn down during the DR event window. The
7 LRP also provides an overview of the load shed potential associated with the specific
8 measures along with the expected incentive the customer can expect to earn.

9 **Residential Battery Storage Pilot**
10 **(Demand Response)**

11 The proposed pilot will provide an incentive for residential customers to discharge their
12 home battery storage system when called upon during peak electrical demand. The pilot
13 will target residential customers who have a battery storage system controlled by an
14 approved original equipment manufacturer (OEM) with an incentive for participation in
15 demand response events during times of peak system demand. During a demand
16 response event, the battery will be remotely discharged without the customer's active
17 participation. Customers can opt-out of events at any time.

18 **Non-residential Distributed Generation Program**
19 **(Demand Response)**

20 The Program will provide qualifying non-residential customers with an incentive to
21 curtail load by operating backup generation when called upon during times of peak
22 system demand throughout the year. The program implementation vendor is responsible
23 for enabling remote operation and monitoring the customers' generators.

1 **Q. Do you have any additional comments pertaining to the proposed Non-residential**
2 **Distributed Generation Program?**

3 A. Yes. Based on the Commission’s Final Order issued in Case No. PUR-2023-00217, the
4 Company has collaborated with its program implementation vendor for the DSM Phase II
5 Non-residential Distributed Generation Program and solicited new program proposals
6 during the 2024 DSM RFP for a new demand response program targeting the Company’s
7 commercial customers.

8 First, the Company worked with the program implementation vendor for the DSM Phase
9 II Non-residential Distributed Generation Program to bring forward an updated program
10 design for new and existing customers who have backup generators. As a result, the
11 Company is filing for approval in this proceeding an updated program design for the
12 Non-residential Distributed Generation Program, which consists of grandfathering
13 current program participants and increasing its customer enrollment to a total of 56
14 megawatts (“MW”) over the five-year proposed program design (Years 2026-2030). The
15 updated program design will allow the Company and its program implementation vendor
16 to attract and enroll new customer sites that have backup generators, and the qualifying
17 customers will receive a monthly incentive for switching their power source to a backup
18 generator for a limited number of hours each year.

19 Additionally, the Company solicited new demand response program design concepts
20 during the Company’s 2024 DSM RFP process, which is part of my Schedule 46A
21 Statement 1. As a result, the Company has brought forward a new and cost-effective
22 demand response program for its commercial customers, the Non-residential Curtailment
23 Program. For program specific information on this Program, see my Schedule 3. Based

1 on the directives received from the 2023 DSM Final Order, the Company is bringing
2 forward two new demand response programs for its eligible commercial customer
3 classes.

4 **Q. Can you comment on the proposed DSM XIII Non-residential Small Business**
5 **Improvement Program and how the design differs from the current DSM Phase**
6 **VIII Non-residential Small Business Improvement Program?**

7 A. Yes. As the current DSM VIII Small Business Improvement Program continues to
8 mature and grow across the Company's service territory, the program implementation
9 vendor has identified numerous program enhancements to capture additional participants
10 and energy savings across the small business customer segment. These enhancements
11 consist of:

- 12 • Expansion of the current DSM Phase VIII Program measure list to include new
13 energy efficiency measures based on the latest customer and market trends while also
14 removing program measures such as fluorescent lighting upgrades from the measure
15 list as they are no longer applicable due to the latest market, standard and regulatory
16 framework.
- 17 • Raising the Program's maximum monthly demand participation cap from 100 kW to
18 200 kW. Customers would be eligible for the Program if they have not exceeded a
19 monthly demand of 200 kW three or more times in the past twelve months. Market
20 research has found that the existing cap of 100 kW for a small business program is a
21 low threshold relative to other small business energy efficiency programs across the
22 country. Raising this cap will allow more energy-intensive small businesses to
23 participate in the program (larger grocery stores, warehouses, small industrial, mega-

1 churches, etc.). These customers also tend to have the building systems and potential
2 funding to pursue deeper-dive energy savings measures.

- 3 • Continuation of enhancing and training the network of Small Business Improvement
4 Program-participating contractors. The measure volume in the proposed DSM Phase
5 XIII Program is primarily consolidated into HVAC tune-ups, duct testing and sealing,
6 and LED lighting. While these measures will remain a large part of the program as
7 introductory “low hanging fruit” opportunities, training and enrolling new contractors
8 to target deeper-dive measure opportunities, such as HVAC, refrigeration, and
9 controls, will lead to additional energy savings potential.

10 **Q. Please discuss the proposed DSM XIII Non-residential Prescriptive Program and**
11 **how the design differs from the current DSM Phase IX Non-residential Prescriptive**
12 **Bundle Program.**

13 A. The proposed DSM Phase XIII Non-residential Prescriptive Program includes expansion
14 of the current program measure list to include the addition of energy efficiency measures
15 such as refrigeration, compressed air and HVAC measures. It also includes updated
16 program participation targets based on existing program experience and updated expected
17 performance projections. Furthermore, the proposed Phase XIII program design
18 incorporates a more targeted marketing approach by improving the current marketing
19 strategy and shifting the targeted market customer segment to commercial and industrial
20 customers while also increasing customer recruitment and engagement.

1 **Q. Can you outline the difference between the DSM Phase IX Non-residential Data**
2 **Center and Server Rooms Program and the proposed DSM Phase XIII Non-**
3 **residential Data Center Program?**

4 A. Yes. The main difference between the DSM IX program design and the DSM XIII
5 program design is an expanded focus on serving larger, dedicated data center customers.
6 With the rapid expansion of the data center industry in Virginia, there is an increased
7 focus on offering energy efficiency services and efficient measure opportunities specific
8 to these larger customers. When the DSM Phase IX Non-residential Data Center and
9 Computer Room Program was designed, it was designed for customers who had a demand
10 threshold of 500 kW and below (in order to comply with the then-existing exemption
11 statutory guidelines set forth in the GTSA) and prior to the VCEA becoming effective
12 July 1, 2020. The VCEA removed prior language under Virginia Code § 56-585.1 A 5
13 that provided an automatic exemption for large commercial and industrial customers—
14 defined as any customer over 500 kW from paying for new utility-sponsored energy
15 efficiency programs. Instead, the VCEA redefines a “Large General Service Customer”
16 (“LGS Customer”) as a customer that has a verifiable history of having used more than
17 one MW of demand from a single site and directs the Commission to establish a
18 qualification and opt-out process for eligible LGS Customers that implement energy
19 efficiency measures at their own expense. The shift of the regulatory policy allowed
20 additional customers to participate that would have otherwise not been able to partake
21 prior to the legislative changes.

22 As such, the newly proposed DSM Phase XIII Non-residential Data Center Program
23 design targets large commercial data centers above the 500-kW demand threshold. To

1 that end, the new program design includes more participants on average per year over the
2 five-year term, and includes the following:

- 3 • New program design incorporates an expanded list of energy efficiency measures and
4 funding for small-, medium-, and large-sized data center customers, including
5 computer and power distribution equipment, HVAC, lighting, controls, and whole-
6 building analysis options.
- 7 • Additional outreach and program management resources to support
8 customers/contractor relationships, project identification, and the rebate application
9 process.
- 10 • Additional engineering project support for increased project volume and focus on
11 larger, more complex projects.

12 **Q. Can you comment on the status of the DSM Phase XII Residential Smart**
13 **Thermostat Demand Response?**

14 A. Yes. Shortly after the Program design approval and during the development of final
15 contract pricing with the program implementation vendor, it was determined that the
16 program design inadvertently excluded costs associated with the demand response load
17 management fee per thermostat in the approved DSM Phase XII Residential Smart
18 Thermostat Demand Response (DR) program design. In the 2023 DSM filing, the
19 Company requested and received approval in the 2023 DSM Final Order in Case No.
20 PUR-2023-00217 for total five-year program costs of \$18,330,403; however, the
21 corrected program design, part of this proceeding, consists of \$27,260,642 for the five-
22 year program costs.

1 The Company has re-run its cost/benefit analysis for updated program cost parameters
2 and as presented by Company Witness Rachel L. Hagerman, the Program passes three of
3 the four cost/benefit tests. As such, the Company is re-filing the Phase XII Residential
4 Smart Thermostat Demand Response (DR) Program with updated program costs and
5 cost-benefit analysis.

6 **Q. Please describe the modifications in the measure mix of the DSM Phase XI**
7 **Residential Income and Age Qualifying Home Improvement Program Bundle that**
8 **the Company is requesting in this Proceeding.**

9 A. The Company and its program implementation vendor for its income and age qualifying
10 programs hosted its 2024 kick-off IAQ stakeholder meeting on February 13, 2024. The
11 meeting provided an opportunity for providers, contractors and all other stakeholders to
12 learn more about the 2024 IAQ program offerings. During the meeting, stakeholders
13 provided feedback based on their IAQ program implementation experience, including the
14 request for the Company to add two program measures that would benefit the IAQ
15 customer segment. As such, the Company has updated its DSM Phase XI Residential
16 Income and Age Qualifying Program Bundle parameters to reflect this change in the
17 program measure mix, which includes the addition of the attic hatch insulation and
18 pulldown attic access insulation measures.

19 **Q. Are there any other programmatic updates being made to the DSM Phase XI**
20 **Residential Income and Age Qualifying Program Bundle?**

21 A. Yes. The updated program design also incorporates updated incentive levels for a
22 handful of measures without impacting the overall DSM Phase XI five-year Commission-
23 approved Residential IAQ Program budget. The adjusted incentives reflect the current

1 market conditions and feedback received from the weatherization service providers
2 performing the field work. For program years 2026 to 2028, total incentives increased
3 slightly due to increasing the incentives of seven program approved energy efficiency
4 measures (Energy Star windows, doors, heat pump water heater, Energy Star
5 refrigerators, Energy Star washers, Energy Star dryer and Energy Star dishwasher).

6 While incentive levels for the noted program measures above have slightly increased,
7 measure counts for LED lighting have decreased as incandescent bulbs and other less
8 efficient bulbs are becoming more difficult to find in the field and the program
9 implementation vendor expects to see a continuing decrease customer uptake for that
10 lighting. Thus, the Company is not seeking additional costs for the Phase XI Residential
11 IAQ Program but is instead seeking approval to the adjusted program design assumptions
12 outlined above. As part of this proceeding, the Company has included updated program
13 design, load shape and cost-benefit analysis which incorporates the programmatic
14 changes discussed therein.

15 **Q. Do you have comments about the Company's DSM Phase VII Non-residential**
16 **Lighting Systems and Controls Program?**

17 A. Yes. The Company's DSM Phase VII Non-residential Lighting Systems and Controls
18 was initially approved for a five-year period in Case No. 2018-00168 with an additional
19 five-year extension granted as a Phase X program by the Commission in its Final Order
20 in Case No. PUR-2021-00247. Throughout the program offering period, it has continued
21 to be high in demand, popular and an important program for the Company's non-
22 residential customer class. Furthermore, the Program continued to see an increased
23 customer uptake because of the passing of the VCEA in 2020, which now allowed non-

1 residential customers greater than 500 kW to become eligible to participate in all Phase
2 VII and Phase VIII programs, including the Phase VII Non-residential Lighting Systems
3 & Controls Program.

4 In 2021, the Company filed for approval of a re-designed DSM Phase X Non-residential
5 Lighting Systems and Controls Program that was a replacement for the DSM Phase VII
6 Non-residential Lighting Systems and Controls Program and is inclusive of non-
7 residential customers above the 500-kW threshold. Following the Commission's August
8 2022 Final Order for the Phase X Program, the Company and its program implementation
9 vendor began to transition from the DSM Phase VII Program to the DSM Phase X
10 Program. Both parties worked diligently to stay within bounds of the approved DSM
11 Phase VII Program cost cap while striving to maintain positive market acceptance and
12 avoid customer confusion due to the start and stop activities of the Phase VII and launch
13 of the replacement and approved Phase X Non-residential Lighting Systems and Controls
14 Program, all while maintaining program terms and conditions on rebate submittal and
15 payment requirements. However, during this transitional period, the Company and its
16 program implementation vendor did issue rebates to qualifying customers under the DSM
17 Phase VII Program approved budget in recognition of customer impacts. This caused the
18 Phase VII Program to exceed the 5% cost cap buffer approved in Case No. PUR-2018-
19 00168. In this proceeding, the Company is requesting additional funding to cover the
20 amount above the approved cost cap for a program that remains cost-effective, as
21 discussed in Company Witness Jarvis Bates' direct testimony.

1 **Q. Can you comment on the Company's proposed Residential Battery Storage Pilot?**

2 A. Yes. The Company has continued to evaluate the latest market trends and market
3 adaptation of battery storage solutions for backup power among its residential customers.
4 As such, the Company is proposing a three-year pilot as part of this proceeding with the
5 intent to better understand the benefits to the system of this behind the meter asset during
6 load curtailment events. The proposed three-year pilot will allow for enough time for the
7 Company to launch the pilot, capture appropriate participation and load curtailment data,
8 and conduct EM&V to fully evaluate the potential for transitioning the pilot to a full
9 program.

10 **Q. Please describe the eligibility requirements for the proposed Phase XIII DSM**
11 **Programs.**

12 A. Details regarding eligibility for each of the proposed Phase XIII DSM Programs are
13 included within the Schedule 3 program sheets. The proposed Programs are designed for
14 specific segments of residential and non-residential customers. Customers may enroll if
15 they meet the eligibility requirements and agree to the applicable terms and conditions for
16 that Program. The Company has quality control IT flag exception processes that the
17 program managers utilize, as well as field quality assurance checks to provide protection
18 against multiple payments for the same measure. These restrictions are necessary in
19 order to avoid incenting a customer multiple times for the same measure or action.
20 Finally, customers over 1 MW must not have opted out of paying the DSM rider in order
21 to participate in an approved DSM program offered by Dominion Energy Virginia.

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

2 A. Yes. While not applicable to all Phase XIII because some of the proposed Programs are
3 energy efficiency, the Company does have certain restrictions in place regarding
4 simultaneous participation in its demand response programs with other curtailment rate
5 schedules. Specifically, a non-residential customer that participates in the Company's
6 DSM Phase II Non-residential Distributed Generation Program is unable to participate
7 simultaneously in the dynamic pricing rate schedule, the standby generation/curtailable
8 service rate schedules, and the Schedule 10 rate schedule. Similarly customers that
9 participate in the Company's DSM Phase VIII Residential Electric Vehicle Program DR
10 Program and peak-shaving components, are prohibited from participating in the dynamic
11 pricing rate schedule. Additionally, customers that participate in the Phase XI Telematics
12 Pilot are prohibited from participating in the Company's DSM Phase VIII Residential
13 Electric Vehicle DR Program, as well as the dynamic pricing rate schedule.

14 **Q. Please describe the RFP process that led to the development of the Phase XIII**
15 **Programs.**

16 A. The proposed DSM Phase XIII Program concepts were developed through the energy
17 efficiency stakeholder process, as directed by Chapter 397 of the 2019 Virginia Acts of
18 Assembly, as required by § 56-596.2 of the Code of Virginia. To date, the Company has
19 participated in 19 stakeholder group meetings since early 2019, all led by the
20 Commission-appointed independent moderator. In addition to the Company being an
21 active participant in the stakeholder meetings, the Company has continued to be actively
22 involved and continues to meet with stakeholders in sub-group meetings, which take
23 place outside the larger scheduled stakeholder meetings on more specific topic areas.

1 During these sub-group meetings, stakeholders provided input on areas of focus for
2 energy efficiency programs and specific conservation measures, which is part of my
3 Filing Schedule 46C, Statement 1. Statement 1 consists of the Company's DSM Update
4 presentations that were shared with the stakeholders in the last two SRP meetings, which
5 took place in 2024. The presentations contain updates on potential RFP program
6 concepts and ideas received from various stakeholders. The Company then, to the best of
7 its ability, incorporates the stakeholders' ideas and recommendations into an RFP to
8 solicit proposals for program designs based on those concepts developed at the
9 stakeholder meetings. Specifically, this resulted in an RFP issued in June 2024, soliciting
10 bids for energy efficiency and demand response programs.

11 A copy of the 2024 RFP is included in Filing Schedule 46C, Statement 1. Proposed
12 program designs requested through the RFP process included, but were not limited to:
13 development of specific program measures, incentives, parameters and assumptions,
14 projected participation, projected costs, load profiles, projected energy and demand
15 savings, and eligibility requirements. The RFP process, as well as the subsequent
16 evaluation of proposals received, resulted in the Program proposals in this filing.

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

18 A. The Company used the RFP responses to define measures that would be included in
19 Programs and to develop the estimated penetrations, costs, as well as the energy and load
20 reductions associated with the proposed Programs for purposes of the cost/benefit
21 evaluations.

1 **Q. How does the Company propose to implement the Phase XIII Programs?**

2 A. The Company plans to implement the proposed Phase XIII Programs through fully
3 outsourced implementation vendors, similar to the approach successfully used in
4 previously-approved DSM Programs and Phases. The implementation vendor(s) often
5 utilize a contractor network to assist in delivering the program in the field, similar to
6 previous phases. Final implementation details will be negotiated with the selected
7 implementation contractor(s) upon Program approval.

8 **Q. When does the Company anticipate the Phase XIII Programs will be available to**
9 **customers?**

10 A. With Commission approval, the Company anticipates the Phase XIII Programs will be
11 available to customers in the first quarter of 2026, with launch activities beginning
12 shortly after the Commission's final order in this proceeding.

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

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

1 As with the previously approved DSM Programs, the Company will require detailed
2 reporting from its implementation vendors to help ensure that each Program meets its
3 desired performance levels and participation targets. The Company will conduct EM&V
4 on each Program and will include those results in its annual EM&V filing with the
5 Commission, as discussed further in the pre-filed direct testimony of Company Witness
6 Dan Feng of DNV.

7 III. LAUNCH EFFORTS OF PHASE XII PROGRAMS

8 **Q. Please provide the status on the launch efforts of the recently approved Phase XII**
9 **Programs.**

10 A. Since the Final Order in Case No. PUR-2023-00217 (“2023 DSM Final Order”) was
11 issued on July 26, 2024, the Company has worked diligently with the various program
12 implementation vendors to finalize contracts while beginning program launch activities.
13 The Company began its Program launch activities promptly after the 2023 DSM Final
14 Order, including contractor background checks; cyber risk assessment and development
15 of mitigation plans; development of data security specifications, data pipelines,
16 transmission, and access protocols; program terms and conditions; program web
17 development and deployment; call center scripts and staffing; interactive voice response
18 system programming; design and production of program specific marketing materials;
19 development of program data collection specifications for EM&V; secure data exchange
20 rollout and testing; and development of contractor network and/or subcontractors.

21 The Company expects all approved Phase XII Programs to be available to customers in
22 the first quarter of 2025.

1 **IV. PORTFOLIO CUSTOMER AWARENESS**

2 **Q. Please explain how the Company plans to increase customer awareness for its DSM**
3 **program portfolio offering.**

4 A. The Company in coordination with its Corporate Communications department and other
5 internal communication partners, contracted with West Cary Group (“WCG”) to assist
6 with the customer awareness initiative for its DSM portfolio. The Company is currently
7 engaged in a data driven campaign to raise awareness around the Company’s DSM
8 portfolio, utilizing information from the LTP, as well as from the DSM stakeholder
9 group. Further detail regarding the awareness initiative is discussed and provided by
10 Company Witness David F. Walker’s direct testimony.

11 **V. QUALITY ASSURANCE AND CONTROLS AND COMPLIANCE WITH**
12 **COMMISSION ORDERS AND RULES**

13 **Q. Please describe the difference between the Company’s quality control and quality**
14 **assurance processes.**

15 A. The Company has a quality control process that utilizes internal automated queries and
16 staff to track and flag measures installed in its programs. Rebate application information
17 and installation work must be completed before rebates are funded and approved during
18 the weekly review process. Each measure is tracked for accuracy in the Company’s
19 DSM tracking system (the official system of record that all rebates are approved from)
20 and checked again against the Program’s applicable eligibility criteria for each program.

21 The final information is also submitted to DNV, the Company’s EM&V vendor, to
22 calculate energy savings and check data quality on a monthly basis. The DSM tracking
23 system validates measures and prevents acceptance of measures previously installed

1 under the same customer account. Company personnel work closely with the
2 implementation vendor to help ensure that rebates and supporting application data are
3 accurate. Any errors that are identified in the Company's weekly exception reports are
4 captured and corrected by the appropriate program manager and analyst prior to being
5 processed. The rebate back-up documentation is scanned and stored in the Company's
6 implementation vendor's systems, as with the quality assurance field work when
7 performed. This supporting documentation can be matched to completed work once a
8 completed rebate application is submitted and approved for payment.

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

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

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

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

3 A. In addition to continuing enhancements to the pre-approval processes, one of the
4 Company's program implementation vendors has launched an electronic rebate tracking
5 system, which will continue to safeguard and securely transfer data between the
6 implementation vendor and the Company while processing rebate applications more
7 swiftly. The program implementation vendor has successfully integrated its new
8 electronic rebate tracking system into numerous programs in DSM Phases V, VI, VII,
9 VIII, IX, X, and XI enabling opportunities to streamline field data collection and quality
10 control mechanisms while safeguarding and securely transferring data between the
11 implementation vendor and the Company. The tracking system and reporting tools
12 improved the Company and its program implementation vendor's ability to analyze data,
13 monitor trends, and make more informed business decisions, thereby enhancing overall
14 program performance.

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

19 A. Yes. Please see my Schedules 1-4 for the requested information, which, in total, provides
20 the supporting cost information for the measures included in the Company's IAQ
21 Programs. Accordingly, the Company believes it has complied with this requirement
22 through the information presented in these schedules.

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

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

10 **Q. Do the proposed Programs promote appliances and equipment subject to the federal**
11 **standards contained in the National Appliance Energy Conservation Act**
12 **("NAECA") in accordance with Rule 40(1)(d) of the Promotional Allowance Rules**
13 **(20 VAC 5-303-40(1)(d))?**

14 A. Yes. The NAECA standards establish minimum energy efficiency requirements for
15 certain types of residential appliances sold in the United States. The Residential New
16 Construction Program promotes appliances or equipment that fall within the scope of
17 NAECA.

18 **Q. Has the Company considered whether the proposed DSM Phase XIII Programs will**
19 **have any significant effect on the sales levels of an alternative energy supplier in**
20 **accordance with Rule 40(1)(e) of the Promotional Allowances Rules (20 VAC 5-303-**
21 **40(1)(e))?**

22 A. As required by Rule 40(1)(e), the Company has considered this issue and does not
23 believe the proposed DSM Phase XIII Programs will have a significant effect on the sales

1 levels of alternative energy suppliers. The proposed Programs are not designed or
2 expected to influence the use of one energy source over another but, rather, are designed
3 to specifically target and reduce electric applications and consumption.

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

8 A. The RFP issued for the potential Phase XIII Programs requested information regarding
9 how each contractor plans to use other small and/or diverse businesses or subcontractors.
10 When evaluating the bids, the Company favorably considered the bidders' affirmative
11 responses and responsive examples to these questions. This requirement is further
12 embodied in the Company's implementation contracts. Additionally, there are private
13 businesses that serve as the delivery mechanism for services and the installation of
14 energy saving measures within the Programs. This approach directly supports local and
15 private businesses.

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

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

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

2 **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.