

**DIRECT TESTIMONY  
OF  
MICHAEL T. HUBBARD  
ON BEHALF OF  
VIRGINIA ELECTRIC AND POWER COMPANY  
BEFORE THE  
STATE CORPORATION COMMISSION OF VIRGINIA  
CASE NO. PUR-2023-00217**

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 XII,” which includes new Programs to supplement the overall Portfolio; and (2)  
16 update and continue rate adjustment clauses (“RACs”) designated Riders C1A, C2A, and  
17 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 XII Programs,  
4 including the RFP process.

5 In this DSM filing, the Company is seeking approval to implement four new program re-  
6 designs, which include: (i) The Residential Smart Thermostat Purchase (EE); (ii) the  
7 Residential Smart Thermostat Demand Response (DR); (iii) the Residential New  
8 Construction (EE); and (iv) the Non-residential New Construction (EE). Additionally,  
9 the Company is requesting modifications to the Non-residential Small Business  
10 Improvement Enhanced Program and the Non-residential Midstream Energy Efficiency  
11 Products Program.

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

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

18 A. Yes, Company Exhibit No. \_\_\_, MTH, consisting of Schedules 1-7 was prepared under my  
19 supervision, and is accurate and complete to the best of my knowledge and belief.  
20 Schedule 1 includes fact sheets for each of the Company’s existing and active DSM  
21 programs, excluding Phase XI, which was recently approved by the Commission on  
22 August 4, 2023. Schedule 2 was prepared at the direction of Ordering Paragraph (5) of

1 the Commission's Final Order in the Company's 2019 DSM Proceeding, Case No. PUR-  
2 2019-00201. It summarizes the DSM Programs proposed by the Company in Phases I  
3 through XI, with information regarding each Program's approval status, costs requested,  
4 costs approved, actual costs and participation through December 31, 2022, and start and  
5 end dates, among other content.

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

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

5 III. Launch Efforts of Phase XI 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 XI 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, 2022, are  
18 sponsored by Company Witness Dan Feng of DNV, the Company's EM&V expert  
19 witness. Please also see my Schedule 2, which summarizes the DSM Programs, proposed  
20 by the Company in Phases I through XI, with information regarding each Program's  
21 approval status, costs requested, costs approved, actual costs and participation through  
22 December 31, 2022, and start and end dates, among other content.

1 **Q. Did the Company include the same health and safety measures in both the**  
2 **Residential and Non-residential IAQ Bundles as directed by the Commission’s Final**  
3 **Order in the Company’s 2022 DSM proceeding, Case No. PUR-2022-00210?**

4 A. Yes. The Company has incorporated the same health and safety measures in both the  
5 Residential and Non-residential IAQ Program vendor contracts to comply with the  
6 Commission’s directive by coordinating with the implementation vendor to ensure the  
7 same health and safety measures are included in both the Residential and Non-residential  
8 IAQ Program bundle offerings.

9 **Q. Do you have any updates on the Company’s wind-down of the DSM Phase I**  
10 **Residential AC Cycling Program?**

11 A. Yes. The Residential AC Cycling Program was initially approved on March 24, 2010, in  
12 the Company’s 2009 DSM proceeding, Case No. PUE-2009-00081. In the 2012 DSM  
13 proceeding, Case No. PUE-2012-00100, the Commission approved the continuation of  
14 the AC Cycling Program through March 31, 2016. The Program was subsequently  
15 extended through March 31, 2021, pursuant to the Commission’s Final Order in the  
16 Company’s 2015 DSM proceeding, Case No. PUE-2015-00089. Subsequently, the  
17 Company requested and received a two-year extension through March 31, 2023, pursuant  
18 to the Commission’s Final Order in the Company’s 2019 DSM proceeding, Case No.  
19 PUR-2019-00201. In the 2021 DSM proceeding, Case No. PUR-2021-00247, the  
20 Company requested, and received Commission approval, for the closure of the Program,  
21 with the ability to recover wind-down costs in base rates through 2023.

22 The Company is continuing to wind-down the Program in a seamless manner, as well as  
23 offering customers alternative opportunities going forward.

1 **Q. Do you have any comments on the Company’s DSM Phase II Non-residential**  
2 **Distribution Generation (“DG”) Program?**

3 A. Yes. The Company’s Phase II Non-residential DG Program was extended for a five-year  
4 period in the 2016 DSM proceeding, Case No. PUE-2016-00111 and subsequently for a  
5 two-year extension in the 2020 DSM proceeding, Case No. PUR-2020-00274. Although  
6 relatively modest in size, it has remained a called upon resource for the Company during  
7 periods of peak demand. Nonetheless, due to current modeling factors such as the low  
8 value of capacity, the program is no longer cost effective. As such, the Company will be  
9 working with the program implementation vendor to explore options to wind down the  
10 Program.

11 **II. PROPOSED PHASE XII PROGRAMS**

12 **Q. Please summarize the Company’s request in this proceeding with respect to new**  
13 **DSM Programs and enhancements to existing, approved DSM Programs.**

14 A. The Company is seeking approval of Phase XII of its DSM Portfolio in this proceeding.  
15 Specifically, the Company is proposing the following four re-designed Phase XII  
16 Programs:

- 17 • Residential New Construction (EE)
- 18 • Residential Smart Thermostat Purchase (EE)
- 19 • Residential Smart Thermostat (DR)
- 20 • Non-residential New Construction (EE)

21 Also, the Company is requesting a modification to the measure mix of the Non-  
22 residential Midstream Energy Efficiency Products (EE), discussed in further detail later

1 in my testimony, and a modification to the eligibility criteria for the Small Business  
2 Improvement Enhanced Program.

3 Although the Company is still using the phased approach for purposes of cost caps,  
4 implementation and marketing, the Company continues to transition, where practicable,  
5 to the consolidated program structure recommended in the Company's Long-Term Plan  
6 ("DSM LTP" or "LTP"). It is important to note that as the Company continues to work  
7 on its customer awareness campaign while also enhancing its DSM program portfolio  
8 offering, the seven categories have evolved and will continue to evolve to adapt to  
9 customer needs and the latest market trends. Nonetheless, the Company will continue to  
10 use the consolidated program structure to streamline its DSM program portfolio and  
11 present and report on its DSM program performance metrics, such as the annual  
12 Evaluation, Measurement, and Verification ("EM&V") report.

13 Moreover, as detailed in the Application and consistent with the Commission's approval  
14 of the Phase XI Programs, the Company requests approval to operate the proposed Phase  
15 XII Programs without a predetermined closure date (*i.e.*, no expiration dates until  
16 discontinuation is proposed by the Company and/or the programs are found to be no  
17 longer cost-effective after a reasonable time period to adjust operations).

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

19 A. The proposed Programs are updated and re-designed program designs from the existing  
20 DSM Program portfolio, which include program measures that have been suggested to  
21 the Company through various channels, including DSM stakeholders, DSM Market  
22 Potential Studies, the Stakeholder Review Process, and RFPs. Essentially, these new

1 programs incorporate vital program design updates to ensure the Company offers the  
2 latest energy efficient technologies for its residential and non-residential customers.

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

8 **Residential New Construction Program**  
9 **(Energy Efficiency)**

10 This Program will provide incentives to home builders for the construction of new homes  
11 that are ENERGY STAR certified by directly recruiting existing networks of  
12 homebuilders and Home Energy Rating System (HERS) Raters to build and inspect  
13 ENERGY STAR certified new homes. As detailed below, the re-designed Residential  
14 New Construction Program will expand its existing single path offering to encourage  
15 added builder participation through a flexible entry-level approach that appropriately  
16 incentivizes builders to invest in and promote deeper energy savings. Additionally, the  
17 re-design supports builders in constructing best in class above-code homes by offering a  
18 second tier to building eligibility. These two tiers consist of ENERGY STAR Version  
19 3.1 and ENERGY STAR NextGen Tier.



1                                   **Residential Smart Thermostat Purchase Program**  
2                                   **(Energy Efficiency)**

3           The Program would provide an incentive to residential customers to purchase a  
4           qualifying smart thermostat through the Company’s online marketplace platform and  
5           brick and mortar participating retailers.

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 New Construction Program**  
16                                   **(Energy Efficiency)**

17          The Program would provide qualifying facility owners with incentives to install energy  
18          efficient measures in their new construction project. The program design assistance will  
19          be provided throughout the building design and construction process, including design  
20          recommendations, a design documents review, and verification after the project is  
21          complete.

1 **Q. Please describe the difference between the DSM Phase VIII Residential New**  
2 **Construction Program and the proposed DSM Phase XII Residential New**  
3 **Construction Program.**

4 A. The proposed DSM Phase XII Residential New Construction program is a re-design of the  
5 DSM Phase VIII Residential New Construction Program in response to evolving builder  
6 codes and builder feedback within the Company’s service territory. The updated design  
7 will differ from the Phase VIII Residential New Construction Program, by expanding the  
8 existing single path offering to encourage added builder participation through a flexible  
9 approach and promote deeper energy savings per house with a step-up approach in current  
10 ENERGY STAR certification offerings. Additionally, the DSM Phase XII proposed re-  
11 design supports more builders in constructing above-code homes by offering two tiers to  
12 building eligibility and increased incentive levels, both in an effort to further drive builder  
13 participation in the Residential New Construction Program. These two tiers consist of  
14 ENERGY STAR Version 3.1 and ENERGY STAR NextGen Tier.

15 **Q. Can you comment on the proposed DSM XII Non-residential New Construction**  
16 **Program and how the design differs from the current DSM Phase VIII Non-**  
17 **residential New Construction?**

18 A. Yes. The DSM Phase VIII version of the Program was initially designed with measures  
19 and corresponding savings for small-to-medium-sized customers under the 500 kW  
20 monthly demand cap threshold for program eligibility. The program was designed before  
21 the Virginia Clean Economy Act (“VCEA”) became effective July 1, 2020, which  
22 removed prior language under Virginia Code § 56-585.1 A 5 that provided an automatic

1 exemption for large commercial and industrial customers—defined as any customer over  
2 500 kW from paying for new utility-sponsored energy efficiency programs.

3 Because the 500 kW eligibility cap was lifted as a direct result of the VCEA, the  
4 Company and the program implementation vendor have seen an increase in larger  
5 customers participating, yielding much larger savings per participant than the original  
6 program design. The continued customer interest and program popularity has created a  
7 pipeline of projects that will be completed in the next 12-18 months, which will exhaust  
8 the currently approved DSM Phase VIII Non-residential New Construction Program cost  
9 cap. As such, the proposed DSM Phase XII Non-residential New Construction Program  
10 design targets three main building-type categories—commercial buildings, industrial  
11 buildings and data centers. Furthermore, the DSM Phase VIII program measure offerings  
12 are based on specific equipment or technologies that were most common for smaller  
13 customers (under 500 kW monthly demand). While these technology types do cover  
14 most equipment used by smaller non-residential customers, the program design vendor  
15 has found from direct experience that there are gaps when it comes to the larger  
16 customers. As a result, the proposed Phase XII Program design measures take into  
17 consideration the needs of larger customers by incorporating new program measures such  
18 as refrigeration and process equipment.

19 **Q. Can you comment further on what the Company is requesting for the DSM Phase**  
20 **VIII Non-residential Energy Efficiency (EE) Midstream Program?**

21 A. Yes. The Company is requesting enhancements to the existing DSM Phase VIII  
22 Program in order to offer the latest energy efficient program measures to our non-  
23 residential customers. The Company is requesting to add additional program measures

1 such as ice makers and dishwashers in order to diversify its program measure portfolio  
2 and align with what the implementation vendor is currently observing operationally in the  
3 field.

4 **Q. Please describe the modification to the eligibility criteria for the Phase VIII Small**  
5 **Business Improvement Enhanced Program, as approved on July 30, 2020 by the**  
6 **Commission in the Company’s 2019 DSM proceeding, Case No. PUR-2019-00201?**

7 A. The Company is seeking Commission approval to update the eligibility requirements for  
8 the DSM Phase VIII Small Business Improvement Enhanced Program to remove the  
9 requirement that all participants must be privately-owned businesses with five or fewer  
10 qualifying locations within the Company’s service territory, while continuing to enforce  
11 the eligibility criteria that all non-residential customers that do not exceed the 100  
12 kilowatts (“kW”) demand threshold are eligible to participate in the Program.

13 As the program has continued to gain momentum over the years, it has gained attention  
14 among local and small businesses, especially with certain small businesses that have  
15 more than five locations across the Company’s service territory. The program  
16 implementation vendor unfortunately turned down these small business customers  
17 because they had more than five business locations, even though the premises did not  
18 exceed the 100 kW demand threshold. As a result, the Company is requesting the  
19 Commission to remove the locations cap to ensure more smaller businesses can partake  
20 in the incentives geared towards them in the Company’s DSM Phase VIII Small Business  
21 Improvement Enhanced Program.

1 **Q. Please describe the eligibility requirements for the proposed Phase XII DSM**  
2 **Programs.**

3 A. Details regarding eligibility for each of the proposed Phase XII DSM Programs are  
4 included within the Schedule 3 program sheets. The proposed Programs are designed for  
5 specific segments of residential and non-residential customers. Customers may enroll if  
6 they meet the eligibility requirements and agree to the applicable terms and conditions for  
7 that Program. The Company has quality control IT flag exception processes that the  
8 program managers utilize, as well as field quality assurance checks to provide protection  
9 against multiple payments for the same measure. These restrictions are necessary in  
10 order to avoid incenting a customer multiple times for the same demand response action.

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

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

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

17 A. Yes. While not applicable to all Phase XII because some of the proposed Programs are  
18 energy efficiency, the Company does have certain restrictions in place regarding  
19 simultaneous participation in its demand response programs. Specifically, a non-  
20 residential customer that participates in the Company's DSM Phase II Non-residential  
21 Distributed Generation Program is unable to participate simultaneously in the dynamic  
22 pricing rate schedule, the standby generation/curtailable service rate schedules, and the

1 Schedule 10 rate schedule. Customers that participate in the Company’s DSM Phase VIII  
2 Residential Electric Vehicle Program DR Program and peak-shaving components, are  
3 prohibited from participating in the dynamic pricing rate schedule. Additionally,  
4 customers that participate in the Phase XI Telematics Pilot are prohibited from  
5 participating in the Company’s DSM Phase VIII Residential Electric Vehicle DR  
6 Program, as well as the dynamic pricing rate schedule.

7 **Q. Please describe the RFP process that led to the development of the Phase XII**  
8 **Programs.**

9 A. The proposed DSM Phase XII 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 17 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.

17 During these sub-group meetings, stakeholders provided input on areas of focus for  
18 energy efficiency programs and specific conservation measures, which is part of my  
19 Filing Schedule 46C, Statement 1. Statement 1 consists of the following stakeholder  
20 review process (“SRP”) items that contributed toward the development of the Company’s  
21 2023 DSM RFPs: the independent monitor’s meeting notes from the February 2023 and  
22 June 2023 SRP update meeting; and the Company’s DSM Update presentations that were  
23 shared with the stakeholders in the last three SRP meetings, which took place throughout

1 2023. The presentations contain updates on potential RFP program concepts and ideas  
2 received from various stakeholders. The Company then, to the best of its ability,  
3 incorporates the stakeholders' ideas and recommendations into an RFP to solicit  
4 proposals for program designs based on those concepts developed at the stakeholder  
5 meetings. Specifically, this resulted in a RFP issued in May 2023, soliciting bids for  
6 energy efficiency and demand response programs.

7 A copy of the 2023 RFP is included in Filing Schedule 46C, Statement 1. Proposed  
8 program designs requested through the RFP process included, but were not limited to:  
9 development of specific program measures, incentives, parameters and assumptions,  
10 projected participation, projected costs, load profiles, projected energy and demand  
11 savings, and eligibility requirements. The RFP process, as well as the subsequent  
12 evaluation of proposals received, resulted in the Program proposals in this filing.

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

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

18 **Q. How does the Company propose to implement the Phase XII Programs?**

19 A. The Company plans to implement the proposed Phase XII Programs through fully  
20 outsourced implementation vendors, similar to the approach successfully used in  
21 previously-approved DSM Programs. The implementation vendor(s), in conjunction with  
22 the Company, often utilizes 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 XII Programs will be available to**  
4 **customers?**

5 A. With Commission approval, the Company anticipates the Phase XII Programs will be  
6 available to customers in the first quarter of 2025, with launch activities beginning  
7 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 to monitor vendor performance, Program success, and customer satisfaction.  
18 In addition, the Program Managers will ensure vendor compliance with contractual  
19 requirements and performance targets through regular reporting, and the proper  
20 coordination with the Company's systems and processes. Such monitoring and oversight  
21 should go unnoticed by the customer and will help to ensure successful and efficient  
22 interaction between the Company and its vendors.



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

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

4 A. Since the Final Order in Case No. PUR-2022-00210 (“2022 DSM Final Order”) was  
5 issued on August 4, 2023, 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 2022 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 all approved Phase XI Programs will be available to customers in  
16 the first quarter of 2024.

17 **IV. PORTFOLIO 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 contracted with West Cary Group (“WCG”) to lead the customer  
21 awareness initiative for its DSM portfolio. WCG is currently engaged 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 regarding the

1 awareness initiative is discussed and provided by Company Witness David F. Walker'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.

13 The final information is also submitted to DNV, the Company's EM&V vendor, to  
14 calculate energy savings and check data quality on a monthly basis. The DSM tracking  
15 system validates measures and prevents acceptance of measures previously installed  
16 under the same customer account. Company personnel work closely with the  
17 implementation vendor to help ensure that rebates and supporting application data are  
18 accurate. Any errors that are identified in the Company's weekly exception reports are  
19 captured and corrected by the appropriate program manager and analyst prior to being  
20 processed. The rebate back-up documentation is scanned and stored in the Company's  
21 implementation vendor's systems, as with the quality assurance field work when  
22 performed. This supporting documentation can be matched to completed work once a  
23 completed rebate 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 requested 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 requested information. This data chart presented  
19 in 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 New  
7 Construction Program promotes appliances or equipment that fall within the scope of  
8 NAECA.

9 **Q. Has the Company considered whether the proposed DSM Phase XII 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 XII Programs will have a significant effect on the sales  
15 levels of alternative energy suppliers. The proposed Programs are not designed or  
16 expected to influence the use of one energy source over another but, rather, are designed  
17 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 XII 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.