

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application of Vectren)	
Energy Delivery of Ohio, Inc. for Approval to)	
Continue Demand Side Management Program)	Case No. 19-2084-GA-UNC
for its Residential, Commercial, and Industrial)	
Customers)	

**TESTIMONY OF RINA HARRIS
IN SUPPORT OF THE STIPULATION ON BEHALF OF
VECTREN ENERGY DELIVERY OF OHIO, INC.**

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1 **Direct Testimony of Rina Harris**

2 **I. INTRODUCTION**

3 **Q1. Please state your name and business address.**

4 A. My name is Rina H. Harris, and my business address is One Vectren Square, Evansville,
5 Indiana 47708.

6 **Q2. By whom are you employed?**

7 A. I am employed by CenterPoint Energy, Inc. (CenterPoint). Vectren Energy Delivery of
8 Ohio, Inc. (VEDO or the Company) is a utility subsidiary of CenterPoint.

9 **Q3. What position do you hold with VEDO?**

10 A. I am the Director of Energy Efficiency for CenterPoint, the parent company of VEDO. I
11 hold the same position with two other utility subsidiaries of CenterPoint —Southern
12 Indiana Gas and Electric Company d/b/a Vectren Energy Delivery of Indiana, Inc.
13 (Vectren South) and Indiana Gas Company, Inc. d/b/a/ Vectren Energy Delivery of
14 Indiana, Inc. (Vectren North).

15 **Q4. What are your present duties and responsibilities as Director of Energy Efficiency?**

16 A. As Director of Energy Efficiency (EE), I am responsible for managing all aspects of
17 electric and gas EE and Demand Side Management (DSM) programs for CenterPoint's
18 Indiana and Ohio regulated utilities. In this position, I oversee all aspects of
19 implementation, planning, marketing, execution, evaluation and reporting of the EE and
20 Demand Response (DR) Programs.

21 **Q5. Are you familiar with the Company's application in this proceeding?**

22 A. Yes. I am familiar with the Company's application filed on November 22, 2019 (the
23 Application) in this proceeding and the attachments included with it.

1 **Q6. What is the purpose and scope of your direct testimony?**

2 A. My testimony supports the Stipulation and Recommendation filed on June 26, 2020
3 (Stipulation), and provides certain facts relevant to the Stipulation's compliance with the
4 Commission's standards for stipulations that show that the Commission should approve
5 the Stipulation as filed without modification.

6 **II. THE STIPULATION**

7 **Q7. Prior to VEDO filing the Application, the Commission approved a Stipulation and**
8 **Recommendation in VEDO's last base rate case, Case No. 18-298-GA-AIR (2018**
9 **Rate Case Stipulation). What changes to VEDO's DSM programs did the 2018 Rate**
10 **Case Stipulation establish?**

11 A. VEDO agreed to two major changes for its DSM programs in the 2018 Rate Case
12 Stipulation. First, VEDO agreed to the removal of EE funding from base rates. Currently,
13 the Energy Efficiency Funding Rider (EEFR) recovers 100 percent of VEDO's approved
14 EE expenses. Second, VEDO agreed to seek Commission approval of EE program
15 portfolios and funding beginning in 2021. Prior to that change, the VEDO Collaborative
16 approved the EE program portfolio and funding. As a result of its agreement, VEDO filed
17 the Application, which initiated this proceeding, seeking approval of DSM programs for
18 2021 through 2023 (the 2021-2023 Plan).

19 **Q8. Please provide an overview of the 2021-2023 Plan, as filed.**

20 A. The 2021-2023 Plan, as filed, requests Commission approval of the following gas EE
21 programs for the residential and commercial & industrial (C&I) sectors in VEDO's
22 service territory: Residential Prescriptive, Home Insulation, School Education, Multi-
23 Family Direct Install (MFDI), Home Energy Reports, Low Income – VWP Programs,
24 Commercial Prescriptive, and Commercial Custom. The projected number of participants
25 and/or measures for the 2021-2023 Plan, as filed, is approximately 57,400. The projected

energy savings is approximately 1.42M Ccf – 1.45M Ccf each year over the three-year term. The projected investment annually in the proposed programs is \$5.8 – \$6.0 million. Table 1 to Attachment A to the Application provides these details on a program by program basis. VEDO also proposed a performance incentive that would be triggered, if the annual evaluation of the 2021-2023 Plan demonstrated that the Plan achieved savings at or in excess of 100% of the projected Plan benefits. The estimated average annual performance incentive, with maximum achievement, would be approximately \$450,000, and would be recovered via the Company’s annual EEFR filing. VEDO’s proposal was based on the same savings achievement tiers approved for Columbia Gas of Ohio, Inc. (Columbia).

Q9. Does the Stipulation adopt VEDO’s Application as filed?

A. No. The Stipulation incorporates several changes to the Application as part of the overall compromise that VEDO agreed to in order to resolve the issues in this proceeding.

Q10. Please provide an overview of the Stipulation.

A. As Paragraph 1 of the Stipulation indicates, the Stipulation recommends approval of the Application, subject to the findings and recommendations of Staff’s Review and Recommendations filed on March 6, 2020 (Staff Report) in this proceeding, and any other modification provided for in the Stipulation.

Q11. How does the Stipulation resolve the issue of VEDO’s proposal for an annual shared savings?

A. The Staff Report proposes to eliminate VEDO’s proposed implementation of a shared savings incentive. OCC’s initial comments also opposed VEDO’s share savings proposal. The Application asked the Commission to treat VEDO similarly to Columbia and provide the Company with the same opportunity as Columbia: the opportunity to earn a

1 performance incentive to the extent such evaluation demonstrates that the 2021-2023
2 Plan achieves savings at or in excess of 100 percent of the projected Plan benefits.¹ Staff,
3 however, does not see a need for a shared savings incentive program, given VEDO's
4 track record of managing its DSM program successfully and exceeding annual goals
5 without such an incentive. Although VEDO disagrees on the need for shared savings, to
6 resolve issues in this proceeding, and as part of the overall compromise embodied in the
7 Stipulation, VEDO has agreed to withdraw its proposal for an annual shared savings
8 performance incentive in this proceeding, as described in Paragraph 2 of the Stipulation.

9 **Q12. How does the Stipulation resolve the issue of VEDO's EE program portfolio and**
10 **funding?**

11 A. The Stipulation recommends that VEDO's DSM portfolio funding for the 2021-2023
12 Plan will reflect the budgeted amounts set forth in Attachment A, Table 4 to the
13 Application, except that VEDO agrees to eliminate the budgeted funding for the Multi-
14 Family Direct Install (MFDI) program: \$158,194 for 2021, \$143,712 for 2022, and
15 \$129,238 for 2023. The elimination of the MFDI program is also a proposal that OCC
16 made in its initial comments in this proceeding. As shown in Table 1 to Attachment A,
17 the total participants and Ccf savings for the MFDI program were projected to gradually
18 decline over the three-year term of the Plan—the only residential program where the
19 Company projected such a decline. The removal of the MFDI, a program that in VEDO's
20 estimation was trending downward in participation, represents a minimal percent savings
21 reduction to the overall savings projected for the 2021-2023 Plan (less than 2 percent). To

¹ In addition to Ohio, the Company is aware of 11 other states that currently allow gas utilities to collect performance incentives for EE programs: Arkansas, California, Colorado, Connecticut, Louisiana, Massachusetts, Michigan, Minnesota, New Hampshire, North Carolina, and Oklahoma.

1 resolve issues in this proceeding, and as part of the overall compromise embodied in the
2 Stipulation, VEDO has agreed to this reduction in total DSM portfolio funding, as
3 described in Paragraph 3 of the Stipulation.

4 **Q13. What changes does the Stipulation recommend for VEDO's annual EEFR filings?**

5 A. VEDO will continue to recover all prudently-incurred DSM portfolio program costs
6 through the Energy Efficiency Funding Rider (EEFR), subject to an annual reconciliation
7 or adjustment. If approved by the Commission, the Stipulation, however, introduces two
8 major changes to VEDO's annual EEFR filings.

9 First, beginning in 2021, VEDO's EEFR Application will be filed annually on or
10 before July 1 for rates effective on or before November 1. The EEFR will continue to
11 reconcile VEDO's actual prudently-incurred DSM portfolio program costs for the prior
12 calendar year, but will now include projected DSM portfolio program costs for the
13 subsequent calendar year (e.g., the 2021 EEFR filing will reconcile actual 2020
14 prudently-incurred DSM portfolio program costs and project DSM portfolio program
15 costs for 2022). Signatory Parties have a right to intervene in the annual EEFR
16 proceeding, provide comments, and if the Commission sets a hearing, file testimony.

17 Second, an annual Evaluation, Measurement, and Verification (EM&V) of
18 VEDO's DSM portfolio programs will continue to be performed, in accordance with
19 recognized industry-standard EM&V best practices and protocols, by Cadmus, an
20 independent, third-party auditor previously selected by VEDO in 2018 after a Request for
21 Proposal (RFP) process. As Paragraph 7 of the Stipulation indicates, VEDO agrees to file
22 the EM&V annually with VEDO's application in the EEFR proceedings beginning with
23 the EEFR proceeding filed in 2021. The EM&V will cover the period of prior calendar

1 year's costs being reconciled in the EEFR proceedings. Currently, VEDO files its EEFR
2 annual updates on or before March 31 and does not include the EM&V in the filing.

3 In the Application, VEDO did not propose any changes to the currently approved
4 procedures to review and adjust the EEFR, but to resolve issues in this proceeding, and as
5 part of the overall compromise embodied in the Stipulation, VEDO has agreed to the
6 changes described in Paragraphs 6 and 7 of the Stipulation.

7 **Q14. What role will the VEDO Collaborative have going forward, if the Commission**
8 **approves the Stipulation?**

9 A. As proposed in the Application and consistent with the 2018 Rate Case Stipulation, the
10 Stipulation provides that the VEDO Collaborative will continue to review, evaluate, and
11 monitor the DSM portfolio programs, under similar procedures that have been in place
12 and established by the Commission in Case No. 05-1444-GA-UNC and Case No. 07-
13 1080-GA-AIR, but will no longer vote on the EE program portfolio and funding. In
14 addition, VEDO will continue to have the authorization to transfer funding across
15 programs within each calendar year of the 2021-2023 Plan.

16 Furthermore, as part of the overall compromise embodied in the Stipulation,
17 VEDO agrees to continue to provide Collaborative members with monthly scorecards,
18 annual reports, and annual operating plans in a form similar to the scorecards, reports,
19 and operating plans that VEDO previously provided to Collaborative members
20 concerning VEDO's 2019 and 2020 DSM portfolio programs. VEDO agrees to provide
21 Collaborative members with the annual report for the prior calendar year and the
22 operating plan for the current calendar year by or before March 1 of each year.

1 **Q15. What other exhibits do the Signatory Parties recommend be admitted into the**
2 **record?**

3 A. The Signatory Parties agree that the Application with attachments and the Staff Report
4 should be admitted into the record.

5 **III. THE CRITERIA FOR EVALUATING STIPULATION**

6 **Q16. What criteria does the Commission use to decide whether to approve a Stipulation?**

7 A. The Commission has applied the following three criteria: First, is the Stipulation a
8 product of serious bargaining among capable, knowledgeable parties? Second, taken as a
9 package, does the Stipulation benefit customers and the public interest? Third, does the
10 Stipulation violate any important regulatory principle or practice?

11 **A. THE STIPULATION IS THE PRODUCT OF SERIOUS BARGAINING.**

12 **Q17. Is the Stipulation supported by parties representing a range of interests?**

13 A. Yes. The Stipulation is supported by parties representing a wide range of interests,
14 including those of VEDO's customers. In addition to the Company, the Signatory Parties
15 include the Commission's Staff; Ohio Partners for Affordable Energy (OPAE), an Ohio
16 non-profit corporation with a stated purpose of advocating for affordable energy policies
17 for low-and moderate-income Ohioans; and Environmental Law & Policy (Center), a
18 public interest environmental legal advocacy organization. In addition, Interstate Gas
19 Supply, Inc. (IGS), an independent retail natural gas and electric supplier, although it did
20 not sign the Stipulation, does not oppose it.

21 **Q18. Was the Stipulation the product of serious bargaining among capable,**
22 **knowledgeable parties?**

23 A. Yes. All of the intervening parties participated in, or had the opportunity to participate in,
24 the negotiations. The settlement negotiations involved a diverse group of experienced
25 parties. An initial settlement meeting with all parties was held on May 19, 2020. After

1 that meeting, all-party settlement meetings were held on June 4 and June 19. A telephone
2 or internet bridge was established for these sessions so that all parties could participate.
3 All parties who intervened in the case were invited to attend these negotiation sessions.
4 Parties circulated written proposals in advance or at the outset of these sessions. VEDO
5 answered questions from the parties and invited feedback and counterproposals to any
6 proposed settlement terms. All agreed upon terms and conditions were incorporated into
7 the Stipulation. Even for those parties who did not sign the Stipulation, proposals and
8 counterproposals were exchanged up until an impasse was recognized. The result of the
9 negotiations was a compromise that was materially different from VEDO's Application.
10 As discussed more below, the Stipulation strikes a reasonable balance that benefits
11 customers and the public interest.

12 **Q19. Were the parties represented by capable, knowledgeable persons?**

13 A. Yes. All of the parties were represented by attorneys, most if not all of whom have years
14 of experience in regulatory matters before this Commission and who possess extensive
15 information. In addition, all of the parties either employed or had access to technical
16 experts.

17 **Q20. Does the Stipulation reflect compromises from the positions supported in VEDO's**
18 **Application?**

19 A. Yes. As noted above, VEDO has agreed to eliminate funding for the MFDI program and
20 has agreed to withdraw its shared savings proposal. In addition, VEDO has agreed to
21 significant changes in EEFR process that were not proposed in the Application.

1 **B. THE STIPULATION BENEFITS CUSTOMERS AND IS IN THE PUBLIC INTEREST.**

2 **Q21. Does the Stipulation benefit customers and is it in the public interest?**

3 A. Yes. As described more fully below, the Commission’s approval of the Stipulation will
4 benefit customers in VEDO’s service territory and is in the public interest.

5 **Q22. What facts support that the Stipulation benefits customers and is in the public**
6 **interest?**

7 A. The Stipulation benefits VEDO’s customers and the public interest in numerous ways
8 such as:

- 9 1) Advancing the natural gas policies embedded in Ohio law and recognized by the
10 Commission;
- 11 2) Allowing for the uninterrupted continuation of VEDO’s successful, cost-effective
12 voluntary natural gas EE programs;
- 13 3) Encouraging VEDO’s natural gas customers, including lower-income customers,
14 to engage in more energy efficient behavior and invest in more energy efficient
15 products to decrease their natural gas usage, reduce their long-term energy
16 burdens, and potentially lower their bills as a result of energy savings;
- 17 4) Supporting energy efficiency jobs and other economic development in Ohio;
- 18 5) Fostering innovation in the energy efficiency marketplace;
- 19 6) Promoting long-term environmental benefits;
- 20 7) Contributing to reduced utility costs for participating customers; and
- 21 8) Improving the health, working conditions, and living conditions of Ohio’s
22 citizens.

23 **Q23. How does the Stipulation advance natural gas policies embedded in Ohio law and**
24 **recognized by the Commission?**

25 A. In Paragraph 4 of the Stipulation, the Signatory Parties agree that the Application and the
26 2021-2023 Plan, as modified by the Stipulation, are consistent with R.C. 4905.70 and
27 R.C. 4929.02(A)(12). The General Assembly has decreed that the Commission “shall
28 initiate programs that will promote and encourage energy conservation and reduce the

1 growth rate of energy consumption, promote economic efficiencies, and take into account
2 long-run incremental costs.” R.C. 4905.70. Further, it remains the policy of the state of
3 Ohio to “[p]romote an alignment of natural gas company interests with consumer
4 interests in energy efficiency and energy conservation.” R.C. 4929.02(A)(12). Against
5 the backdrop of these laws, the Commission has “long-recognized that conservation and
6 energy efficiency should be an integral part of natural gas policy.” *In re Columbia Gas of*
7 *Ohio, Inc.*, Case No. 16-1309-GA-UNC, Opin. and Order (Dec. 21, 2016) p. 63. The
8 Commission has also recognized that “DSM program designs that are cost-effective,
9 produce demonstrable benefits, and produce a reasonable balance between reducing total
10 costs and minimizing impacts on non-participants are consistent with Ohio's economic
11 and energy policy objectives.” *Id.* The Stipulation approves the continuation of VEDO’s
12 successful, cost-effective DSM programs, which is consistent with Ohio’s natural gas
13 policies, the Commission’s mandate to promote conservation and reduce consumption,
14 and the Commission’s prior decisions to approve voluntary natural gas EE programs.

15 **Q24. How does the continuation of VEDO’s voluntary natural gas EE programs benefit**
16 **VEDO’s customers?**

17 A. The 2021–2023 Plan, as modified by the Stipulation, continues VEDO’s current DSM
18 program offerings, with the exception of MFDI, while expanding and modifying some
19 program designs. Below are brief descriptions of the programs that comprise VEDO’s
20 DSM program portfolio, as modified by the Stipulation, and the associated benefits.
21 Detailed program descriptions are in Attachment A to the Application.

- 22 • Residential Prescriptive Rebate Program: The Residential Prescriptive Rebate
23 Program is designed to influence customer purchasing decisions when replacing
24 existing or installing new equipment. Financial incentives (online or mail-in
25 rebates) encourage customers to purchase high efficiency products, instead of
26 standard efficiency products. These incentives help to reduce the incremental cost
27 of purchasing higher efficiency and higher priced products. The measures include

95% and 97% AFUE Furnaces, 95% Boilers, a variety of ENERGY STAR qualified Smart Wi-Fi Thermostats as well as Basic Wi-Fi Thermostats.

- Home Insulation and Air Sealing Program: The Home Insulation and Air Sealing Program is a trade ally driven market approach to comprehensive energy efficiency projects. The objective of the program is to deliver air sealing and insulation upgrades to serve individually metered 1-4-unit single family homes in VEDO's territory through a network of participating contractors. In 2021, the program will be expanded to include the installation of Smart Wi-Fi Thermostats.
- School Education Program: The School Education Program is designed to raise awareness about how individual actions and low-cost measures can provide significant reductions in energy and water consumption. The program is offered to 5th-12th grade students who attend school within the VEDO service territory. The program effectively educates students, families, and teachers on how to use energy efficient devices and adopt conservation and energy efficiency behaviors.
- Home Energy Reports Program: The Home Energy Reports Program provides consumers with regular mailings that combine energy usage data along with customer demographic, housing and utility data to develop specific, targeted recommendations to motivate consumers to reduce their energy consumption.
- Low Income – Vectren Weatherization Program (VWP): The VWP programs focus on shell measures such as insulation and air sealing, but also offer replacement of non-functioning natural gas furnaces and water heaters, and minor repairs intended to increase the health and safety of the occupants of the home. VWP I provides for single-family home weatherization services for customers with incomes up to 200% of federal poverty guidelines, while VWP II funds home weatherization for customers in the range of 201% up to 300% of federal poverty income guidelines. VWP II allows VEDO to reach customers who have not traditionally been eligible for weatherization assistance, yet do not have the disposable income to make needed energy efficiency improvements.
- Commercial Prescriptive Program: Like the Residential Prescriptive program, the Commercial Prescriptive Rebate Program is designed to influence commercial customers to install energy efficient technologies. Financial incentives (mail-in rebates) encourage customers to purchase high efficiency products, instead of standard efficiency products. The program targets commercial customers in rate classes 320, 321 and 325, defined as having annual usage less than 150,000 Ccf, and includes a number of product rebates, including Smart Wi-Fi Thermostats.
- Commercial Custom Program: The Commercial Custom Program offers business customers incentives for qualifying energy efficiency upgrades not covered under the Commercial Prescriptive program, encouraging the purchase and installation of efficient technologies or implementation of process improvements. VEDO works directly with key customers and market providers to identify potential

energy savings projects and then partners with a qualified implementation subcontractor to complete applications and monitor projects until completion.

Q25. Have VEDO's DSM programs produced benefits for consumers?

A. Yes. For the past nine years (2011-2019), VEDO has exceeded its targeted gross Ccf savings each year. Attachments C and D to the Application included Ccf savings from 2009 through 2018. In addition, VEDO Exhibit 2.1 is a copy of the 2019 Scorecard. This data shows that VEDO's EE programs have helped customers save approximately 50 million cumulative Ccfs since 2009. VEDO Exhibit 2.2, which is a copy of the June 2020 Scorecard, shows that VEDO remains on track to meet its targeted Ccf savings for 2020.

Q26. How in particular have VEDO's low-income weatherization programs fared?

A. The data below shows that VEDO's weatherization programs have consistently delivered services to low-to-moderate income households that have reduced overall natural gas consumption and provided customers with an increased ability to manage energy costs.

Vectren Weatherization Program Historical Results		
Year	Homes Weatherized	Savings (ccf)
2012	397	53,839
2013	400	73,206
2014	306	41,462
2015	386	52,470
2016	345	63,264
2017	338	95,845
2018	351	69,802
2019	297	69,579
Total	2,820	519,467

Q27. Does VEDO measure the cost-effectiveness of its DSM programs?

A. Yes. VEDO measures the cost-effectiveness of its non-low-income EE programs, and has delivered cost-effective programs since inception in 2009. From 2009-2020, TRC net benefits for VEDO's DSM programs exceed \$35 million.

1 **Q28. Did the Commission recently find that VEDO’s EE programs are cost effective and**
2 **provide benefits to customers?**

3 A. Yes. Less than a year ago, in the 2018 Rate Case, the Commission found that the
4 “evidence in the record demonstrates that VEDO’s EE programs are cost-effective” and
5 “produce demonstrable benefits” in rejecting OCC’s recommendation to eliminate
6 funding for VEDO’s non-low-income programs. *In re Vectren Energy Delivery of Ohio,*
7 *Inc.*, Case No. 18-298-GA- AIR, Opin. and Order (Aug. 28, 2019) pp 68-69.

8 **Q29. Are the DSM programs included in the 2021-2023 Plan, as modified by the**
9 **Stipulation, projected to be cost-effective?**

10 A. Yes. Table 8 in Attachment A to the Application shows that the programs included in the
11 2021-2023 Plan, as modified by the Stipulation, have a benefit-to-cost ratio greater than
12 1.0, using the Total Resource Cost (TRC) Test and Utility Cost Test (UCT), confirming
13 that the benefits of the programs outweigh the total costs to deliver the EE programs. The
14 table below shows that, after elimination of the MFDI program and shared savings, the
15 net benefits over the lifetime of the measures in the 2021-2023 Plan, as modified by the
16 Stipulation, are approximately \$7.6M for a TRC benefit-to-cost ratio of 1.45.

Vectren Ohio 2021-2023 Gas DSM Plan		
Cost Effectiveness Results		
Residential Programs	TRC	TRC Net Benefits
Residential Prescriptive	1.58	\$ 4,653,479
Home Insulation Program	1.63	\$ 3,204,352
School Education Program	1.31	\$ 249,773
Home Energy Reports	1.13	\$ 36,642
Low Income - VWP Program		
Residential Programs Total	1.45	\$ 8,144,246
C&I Programs	TRC	TRC Net Benefits
Commercial Prescriptive	1.83	\$ 473,505
Commercial Custom	1.74	\$ 381,079
C&I Programs Total	1.78	\$ 854,584
Portfolio Results	TRC	TRC Net Benefits
Residential and Commercial & Industrial Combined	1.45	\$ 7,584,413

Q30. Does eliminating the funding for the MFDI program adversely affect the other DSM programs in the 2021-2023 Plan, as modified by the Stipulation?

A. No. Eliminating the funding for the MFDI program does not adversely affect other DSM programs in the 2021-2023 Plan. For example, VEDO still projects approximately 4,000-4,200 Smart Wi-Fi Thermostats per year for the Residential Prescriptive Rebate Program, and still intends to utilize an online marketplace presence to offer some of those rebates.

Q31. How will the Stipulation encourage more energy efficient behavior and more energy efficient investments from VEDO's customers?

A. The typical home or building improvements that lead to energy saving opportunities for residential and commercial customers include sealing air leaks and adding insulation, improving heating and cooling systems, and upgrading appliances and thermostats. The Ohio Market Potential Study (MPS), which is included with the Application as Attachment B, shows that there remains a need for efficiency that the current market for

1 these services and products is not meeting. The MPS included a detailed, bottom-up
2 assessment of the market in the Dayton metropolitan area: projected baseline gas usage,
3 forecasts of energy savings achievable through efficiency measures, and program designs
4 and strategies to optimally deliver those savings. There may be more EE products now, as
5 compared to 20 years ago, but VEDO's well-designed programs continue to offer
6 valuable education, choices, and incremental benefits for consumers in its service
7 territory. Additionally, VEDO's EE programs undergo a routine process and impact
8 evaluation to assess, in part, whether its customers are properly incentivized to take
9 action to enroll in EE programs on their own. These evaluations, which will be filed with
10 VEDO's annual EEFr applications as agreed to in the Stipulation, help VEDO to verify
11 savings and improve the delivery design of its EE programs to ensure that the Company
12 will continue to reach customers who would not otherwise act on their own without the
13 availability of utility-sponsored EE programs.

14 **Q32. How does the Stipulation support energy efficiency jobs and other economic**
15 **development in Ohio?**

16 A. DSM programs provide jobs. The programs create jobs for auditors, installers, designers,
17 and manufacturers of EE products, and supports a supply chain of large and small
18 wholesalers and distributors. Energy efficiency, in short, is an engine for economic
19 development and an industry experiencing rapid growth. And employment is a large
20 contributing factor in making energy affordable. Eliminating or scaling back on existing
21 DSM programs that provide stable employment is not in the best interest of Ohio.

22 **Q33. How does the Stipulation foster innovation in the energy efficiency marketplace?**

23 A. Utility-sponsored EE programs contribute to the transformation and advancement of the
24 inventory practices of the retail market and the product offerings available to consumers.

VEDO's EE programs and partnerships help to steer the practices adopted by the Company's network of trained providers and distributors. In turn, they gain access to the more efficient technologies made available in the enhanced marketplace.

Q34. How does the Stipulation promote long-term environmental benefits?

A. Collective individual action to implement cost-effective, technologically feasible energy efficiency measures—whether it is installing smart thermostats, upgrading appliances, or better insulating buildings—can achieve meaningful reductions to greenhouse gas emissions, which benefits all ratepayers, and not just participating customers. This reduction helps states and cities achieve carbon targets and ultimately leads to economic savings in the response to climate change.

Q35. How does the Stipulation contribute to reduced utility costs for participating customers?

A. In addition to reductions in bills for those participating customers, to the extent that customers can lower their bills through lowered usage, they can lower accrued arrearages that are ultimately collected from all customers through rates. To the extent that energy efficiency programs can contribute to reduced utility costs, all ratepayers benefit.

Q36. How does the Stipulation improve the health, working conditions, and living conditions of Ohio's citizens?

A. To the extent that increased efficiency collectively reduces the utility's reliance on fossil fuel power, the resulting benefit is improvements in air quality through reduced air pollution. Individual decisions by residential and commercial customers to invest in energy efficiency can also enhance work conditions in office buildings (e.g., through better control of temperature) and improve living conditions at home (e.g., through weatherization). There is added value to green buildings whether at home or at the office.

1 **Q37. How does VEDO intend to educate consumers and work with industry partners to**
2 **deliver the programs in the 2021-2023 Plan?**

3 A. The mission of energy efficiency programs provided by VEDO is to educate and
4 encourage customers to make energy efficient decisions for their home and/or business.
5 Each program is designed to incorporate education components and delivery mechanisms
6 that best allow the programs to overcome market barriers and cost-effectively promote
7 the relevant technologies in the marketplace. The details of the specific education
8 components and delivery mechanisms can be found in Attachment A to the Application.

9 Typically, VEDO practices a multi-faceted approach to ensure the communication
10 channels to reach each program target are utilized. For the 2021-2023 Plan period, using
11 creative methods, media messages will be short, quick and succinct featuring appliance
12 rebates and tips. Bill inserts, press releases, customer e-mails and a variety of mass media
13 messaging will assist VEDO in educating customers about rebate programs available to
14 help assist the choice of high efficiency. Mass media outreach will focus on television,
15 radio and print advertising, as well as digital marketing including YouTube, Pandora,
16 Weather.com, Hulu, Twitter, Facebook and web display. VEDO launched a redesigned,
17 mobile-responsive website in May 2017, which includes an enhanced Save Energy
18 portion that outlines and details energy efficiency programs much more robustly than
19 before. VEDO also launched high energy usage alert emails to notify customers in the
20 middle of a billing cycle when weather indicates they are on track for a higher bill than
21 expected. This email includes tips and ideas for conserving energy to reduce consumption
22 before the billing cycle ends. We expect to continue enhancements throughout 2021 and
23 beyond, including directing customers to create an online account to view their energy
24 usage comparisons and participate in online energy audits. Information regarding

availability of incentives, program requirements, rebate claim forms, and product fact sheets is also available through VEDO's website (<https://www.vectren.com/SaveEnergy>).

The programs are designed with the need to include local trade allies, retailers and contractors as delivery partners in their transactions with customers. In many cases, customers will come directly to trade allies such as HVAC contractors, plumbers and retailers to answer their questions and buy energy equipment and services. By working with the trade groups, VEDO can distribute relevant information and education at the time of the customer transaction and ensure that the utility energy-efficiency options are fairly considered. The programs also include activities and costs dedicated to working with trade allies and retailers to develop and deliver the necessary training and assistance. VEDO provides training and instruction to the associated trade allies and contract installers to ensure proper installation of equipment and quality assurance. The most efficient technology will not deliver the associated load impacts if not installed properly.

The program design includes strategic use of financial incentives as a means of advancing participation in the marketplace. Most of the programs include a customer incentive contribution to reduce the higher cost of the energy efficient technology and overcome related financial barriers. Effort was directed at designing incentive amounts to provide a percentage of the technology cost, since participants will also benefit from lower bills. The program design also includes efforts by VEDO to show participants how to obtain financing to procure energy efficient technologies from various market sources.

Q38. How does VEDO design and deliver its DSM programs to balance total costs and minimize impacts on non-participants?

A. VEDO uses its EM&V and benefit-cost analysis results to help assess whether its programs deliver reasonable, impactful, and cost-effective programs. In an effort to

balance total costs and minimize impacts to non-participants, this information is utilized to design programs in the following ways:

- Minimize unnecessary and undue ratepayer impacts – The programs are designed in a manner that attempt to share program costs with participants, taking participant bill savings impacts into account.
- Capturing “lost opportunities” – VEDO’s EE portfolio includes programs aimed at securing long-term Ccf savings at the time of equipment replacement and during the design phase for new construction. For example, the replacement of retrofit and new construction furnaces provides savings for an estimated useful life of 20 or more years. The residential furnace program effort also incorporates a component targeting the early retirement market which will encourage customers with older equipment to change out an inefficient system before it runs to failure and needs replacement.
- Minimize “Free Riders”² – The programs are designed with the recognition of free-ridership, and incentive levels and outreach/marketing activities are monitored and adjusted as needed to target those who would not participate in EE programs without utility sponsorship.

Q39. Did VEDO make other commitments in the Stipulation that are in the public interest?

A. Yes. As noted above, VEDO agreed to changes to the procedures to review and adjust the EEFR that were not proposed in the Application. Specifically, VEDO agreed to make its annual EEFR filing on or before July 1 for rates effective on or before November 1. VEDO also agreed to file the EM&V annually in the EEFR proceedings beginning with the EEFR proceeding filed in 2021. The EM&V will cover the annual prior calendar year’s costs being reconciled in the EEFR proceedings. Currently, VEDO files its EEFR annual updates on or before March 31 and does not include the EM&V in the filing.

Q40. How much will VEDO’s residential customers pay to fund the 2021-2023 Plan, as modified by the Stipulation?

A. VEDO’s residential customers will pay approximately \$13.50 per year, or \$1.12 per month, to fund the EE programs in the 2021-2023 Plan, as modified by the Stipulation.

² Free-rider is someone who would install an energy-efficiency measure without utility sponsored program incentives.

1 When focusing on only VEDO’s low-income EE programs, the per customer funding
2 goes down to approximately \$5.50 per year, or \$0.45 per month. This amount of
3 ratepayer funding is relatively small, given the long-term benefits and savings that these
4 EE programs provide.

5 **C. THE STIPULATION DOES NOT VIOLATE ANY IMPORTANT REGULATORY**
6 **PRINCIPLE OR PRACTICE.**

7 **Q41. Does the Stipulation violate any important regulatory principle or practice?**

8 A. No. The Stipulation does not violate any important regulatory principle or practice. For
9 over a decade, the Commission has continued to find value in Ohio's gas distribution
10 utilities offering DSM programs, and has consistently approved voluntary and cost-
11 effective natural gas DSM programs that produce demonstrable benefits, reasonably
12 balance total costs, and minimize the impact to non-participants. Over the last decade in
13 VEDO’s service territory, average usage declined, and annual energy savings goals were
14 still met, even as the price of the commodity went down. Indeed, the Commission has
15 found that a period of low gas prices may present a particularly appropriate time to
16 encourage and incentivize customer participation through the DSM programs so that
17 customers can purchase or install energy efficiency measures that will provide long-term
18 energy conservation benefits to protect customers as a hedge against volatile spikes in
19 prices. The 2021 – 2023 Plan, as modified by the Stipulation, promotes energy
20 conservation and encourages reduced energy consumption by providing opportunities for
21 customers to reduce their energy usage and make more educated choices about how they
22 consume energy—consistent with R.C. 4905.70 and R.C. 4929.02(A)(12).

1 **IV. CONCLUSION**

2 **Q42. What is your recommendation to the Commission?**

3 A. I recommend that the Commission approve the Stipulation. The Stipulation represents a
4 fair, balanced, and reasonable compromise of diverse interests and provides a highly
5 beneficial result for customers, thereby meeting the Commission's criteria for adopting
6 settlements.

7 **Q43. Does this conclude your testimony?**

8 A. Yes.

CERTIFICATE OF SERVICE

I hereby certify that a courtesy copy of the foregoing was served by electronic mail this

21st day of July, 2020, to the following:

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One of the Attorneys for Vectren Energy Delivery
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December 2019 Scorecard - Vectren Ohio

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	Measures Implemented				Gross CCF Savings				Program Expenditures			
	Current Month (December)	YTD	Planning Goal	% to Goal	Current Month (December)	YTD	Planning Goal	% to Goal	Current Month (December)	YTD	Planning Goal	% to Goal
Residential Programs												
Residential Prescriptive Program												
Furnace 95%	154	1,909	1,775	108%	18,588	230,416	214,243	108%				
Furnace 97%	56	710	600	118%	8,469	107,380	90,744	118%				
Boiler 95%	4	34	30	113%	648	5,017	5,257	95%				
Wi-Fi (Smart) Thermostat	164	1,977	2,200	255%	11,050	133,210	148,236	255%				
Wi-Fi (Smart) Thermostat Online Store *	381	3,629			25,672	244,522						
Wi-Fi (Basic) Thermostat	58	784	1,100	71%	3,340	45,151	63,349	71%				
Residential Prescriptive Subtotal	817	9,043	5,705	159%	67,768	765,696	521,828	147%	\$ 93,649	\$ 1,200,001	\$ 1,051,561	114%
Furnace Tune Up & Tstat	38	132	800	17%	3,846	13,094	83,129	16%	\$ 2,024	\$ 49,846	\$ 142,223	35%
Residential Behavioral *	0	34,000	34,000	100%	48,616	243,080	243,083	100%	\$ 2,047	\$ 132,324	\$ 137,446	96%
Residential Home Insulation												
Wall Insulation	11	158	246	64%	2,774	36,758	56,769	65%				
Attic Insulation	30	606	539	112%	3,741	77,922	69,479	112%				
Air Sealing	30	643	582	110%	3,051	65,393	59,211	110%				
Residential Home Insulation	71	1,407	1,367	103%	9,566	180,073	185,459	97%	\$ 51,129	\$ 1,011,325	\$ 1,024,325	99%
DP&L EE Kits *	663	15,004	15,000	100%	4,986	112,830	112,800	100%	\$ -	\$ 117,837	\$ 117,837	100%
Schools *	1,232	9,000	9,000	100%	13,577	99,180	99,180	100%	\$ 31,306	\$ 282,845	\$ 309,641	91%
Total Residential	2,821	68,586	65,871	104%	148,359	1,413,953	1,245,479	114%	\$ 180,154	\$ 2,794,179	\$ 2,783,034	100%
Commercial Programs												
Commercial Prescriptive Program												
Furnace 95%	1	54	75	72%	162	7,043	10,572	67%				
Furnace 97%	0	0	5	0%	0	0	953	0%				
Boiler - Commercial Prescriptive	5	21	20	105%	10,874	27,937	17,724	158%				
Boiler Tune-Up	0	5	15	33%	0	1,079	2,475	44%				
Wi-Fi (Smart) Thermostat	0	9	100	9%	0	2,277	25,300	9%				
Wi-Fi (Smart) Thermostat Online Store	0	0			0	0						
Wi-Fi (Basic) Thermostat 2018 C/O	0	1	0	0%	0	42	0	0%				
Steam Cooker	0	0	3	0%	0	0	444	0%				
Convection Oven	0	0	5	0%	0	0	1,315	0%				
Gas Fryer	0	0	3	0%	0	0	1,515	0%				
Unit Heater - Condensing <300 MBH	0	0	3	0%	0	0	798	0%				
Infrared Heater	0	28	3	933%	0	8,848	948	933%				
Commercial Prescriptive Subtotal	6	118	232	51%	11,036	47,227	62,044	76%	\$ 31,330	\$ 157,189	\$ 170,356	92%



December 2019 Scorecard - Vectren Ohio

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	Measures Implemented				Gross CCF Savings				Program Expenditures			
	Current Month (December)	YTD	Planning Goal	% to Goal	Current Month (December)	YTD	Planning Goal	% to Goal	Current Month (December)	YTD	Planning Goal	% to Goal
Commercial Custom *												
< 7500 Therms	0	5	12	42%	0	24,565	42,000	58%				
>=7500 Therms	1	6	3	200%	7,980	44,190	33,000	134%				
Total Commercial Custom	1	11	15	73%	7,980	68,755	75,000	92%	\$ 40,669	\$ 123,288	\$ 198,310	62%
Total Commercial	7	129	247	52%	19,016	115,982	137,044	85%	\$ 71,999	\$ 280,477	\$ 368,666	76%
Total Residential & Commercial	2,828	68,715	66,118	104%	167,375	1,529,935	1,382,523	111%	\$ 252,153	\$ 3,074,655	\$ 3,151,700	98%
Program Outreach and Education									\$ 107,405	\$ 168,592	\$ 350,000	48%
Online Tool Licensing Fees									\$ -	\$ 76,294	\$ 76,294	100%
Portfolio Total	2,828	68,715	66,118	104%	167,375	1,529,935	1,382,523	111%	\$ 359,559	\$ 3,319,542	\$ 3,577,994	93%
* Denotes Integrated DP&L Programs												
	Homes Weatherized				Gross CCF Savings				Program Expenditures			
	Current Month (December)	YTD	Planning Goal	% to Goal	Current Month (December)	YTD	Planning Goal	% to Goal	Current Month (December)	YTD	Planning Goal	% to Goal
VWP I	57	195	169	115%	12,825	43,875	38,025	115%	\$ 320,429	\$ 992,044	\$ 1,115,468	89%
VWP II	11	102	138	74%	2,772	25,704	34,776	74%	\$ 109,236	\$ 1,005,886	\$ 1,046,261	96%
Total	68	297	307	97%	15,597	69,579	72,801	96%	\$ 429,665	\$ 1,997,930	\$ 2,161,729	92%

June 2020 Scorecard - Vectren Ohio

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	Measures Implemented				Gross CCF Savings				Program Expenditures			
	Current Month (June)	YTD	Planning Goal	% to Goal	Current Month (June)	YTD	Planning Goal	% to Goal	Current Month (June)	YTD	Planning Goal	% to Goal
Residential Programs												
Residential Prescriptive Program												
Boiler 95%	3	10	33	30%	455	1,299	6,433	20%				
Furnace 95%	93	703	1,800	39%	12,369	93,499	239,367	39%				
Furnace 97%	60	288	600	48%	9,074	43,557	90,731	48%				
Wi-Fi (Basic) Thermostat	43	241	1,041	23%	2,476	13,879	59,932	23%				
Wi-Fi (Smart) Thermostat	85	453	3,762	76%	4,895	26,088	253,461	75%				
Wi-Fi (Smart) Thermostat Online Store *	692	2,422			46,626	163,191						
Residential Prescriptive Subtotal	976	4,117	7,236	57%	75,896	341,514	649,924	53%	\$ 124,788	\$ 724,877	\$ 1,091,167	66%
DP&L Multifamily Direct Install *	0	1,267	4,375	29%	0	10,584	29,238	36%	\$ 1,230	\$ 16,669	\$ 47,585	35%
Bath Aerator	0	283	2,244	13%	0	775	6,145	13%				
Kitchen Aerator	0	475	590	81%	0	3,696	4,585	81%				
Showerhead	0	509	1,541	33%	0	6,113	18,508	33%				
Residential Behavioral *	0	34,000	34,000	100%	24,310	145,859	243,100	60%	\$ 988	\$ 95,499	\$ 101,652	94%
Residential Home Insulation												
Wall Insulation	6	57	263	22%	1,387	13,177	60,702	22%				
Attic Insulation	46	172	555	31%	5,934	21,674	71,562	30%				
Air Sealing	49	177	578	31%	4,983	18,001	58,748	31%				
Residential Home Insulation	101	406	1,395	29%	12,305	52,852	191,012	28%	\$ 171,099	\$ 420,853	\$ 976,365	43%
DP&L EE Kits *	1,055	17,616	15,000	117%	7,934	132,472	112,800	117%	\$ 34,158	\$ 143,189	\$ 137,182	104%
Schools *	0	0	9,000	0%	0	0	84,141	0%	\$ 12,472	\$ 82,860	\$ 280,783	30%
Total Residential	2,132	57,406	71,005	81%	120,445	683,281	1,310,215	52%	\$ 344,734	\$ 1,483,947	\$ 2,634,735	56%
Commercial Programs												
Commercial Prescriptive Program												
Boiler - Commercial Prescriptive	0	8	25	32%	0	10,972	22,303	49%				
Boiler Tune-Up	0	1	8	13%	0	3,139	1,320	238%				
Combi Oven	0	0	8	0%	0	0	5,288	0%				
Convection Oven	0	0	3	0%	0	0	789	0%				
Dishwasher	0	0	4	0%	0	0	2,228	0%				
Furnace 95%	0	4	62	6%	0	727	8,763	8%				
Gas Fryer	0	0	2	0%	0	0	1,010	0%				
Infrared Heater	0	0	4	0%	0	0	1,264	0%				
Steam Cooker	0	1	3	33%	0	148	444	33%				
Unit Heater - Condensing <300 MBH	0	0	1	0%	0	0	266	0%				
Wi-Fi (Smart) Thermostat	0	5	16	31%	0	1,265	3,922	32%				
Wi-Fi (Smart) Thermostat Online Store	0	0			0	0						
Commercial Prescriptive Subtotal	0	19	136	14%	0	16,252	47,597	34%	\$ 5,086	\$ 80,390	\$ 188,424	43%

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	Measures Implemented				Gross CCF Savings				Program Expenditures			
	Current Month (June)	YTD	Planning Goal	% to Goal	Current Month (June)	YTD	Planning Goal	% to Goal	Current Month (June)	YTD	Planning Goal	% to Goal
Commercial Custom *												
< 7500 Therms	0	1	5	20%	0	756	17,500	4%				
>=7500 Therms	0	0	2	0%	0	0	22,000	0%				
Total Commercial Custom	0	1	7	14%	0	756	39,500	2%	\$ 4,938	\$ 45,445	\$ 131,125	35%
Total Commercial	0	20	143	14%	0	17,008	87,097	20%	\$ 10,024	\$ 125,835	\$ 319,549	39%
Total Residential & Commercial	2,132	57,426	71,148	81%	120,445	700,289	1,397,312	50%	\$ 354,758	\$ 1,609,782	\$ 2,954,284	54%
Program Outreach and Education									\$ 3,899	\$ (1,025)	\$ 350,000	0%
Online Tool Licensing Fees									\$ -	\$ 82,246	\$ 82,246	100%
Contact Center									\$ -	\$ 8,750	\$ 35,000	25%
Evaluation									\$ 40,000	\$ 40,000	\$ 193,234	21%
Portfolio Total	2,132	57,426	71,148	81%	120,445	700,289	1,397,312	50%	\$ 358,658	\$ 1,691,003	\$ 3,614,764	47%
* Denotes Integrated DP&L Programs												
	Homes Weatherized				Gross CCF Savings				Program Expenditures			
	Current Month (June)	YTD	Planning Goal	% to Goal	Current Month (June)	YTD	Planning Goal	% to Goal	Current Month (June)	YTD	Planning Goal	% to Goal
VWP I	2	28	201	14%	406	5,684	40,803	14%	\$ 24,665	\$ 217,349	\$ 1,223,425	18%
VWP II	0	4	133	3%	0	864	28,728	3%	\$ 18,437	\$ 81,052	\$ 1,040,375	8%
Total	2	32	334	10%	406	6,548	69,531	9%	\$ 43,102	\$ 298,401	\$ 2,263,800	13%

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Case No(s). 19-2084-GA-UNC

Summary: Testimony Testimony of Rina Harris in Support of the Stipulation electronically filed by Christopher T Kennedy on behalf of Vectren Energy Delivery of Ohio, Inc.