

Pathways for Energy Efficiency in Virginia

Scenarios for Dominion to Achieve the VCEA Energy Efficiency Savings Goals



Overview

Dominion Energy Virginia can cost-effectively achieve energy efficiency (EE) targets established by the Virginia Clean Economy Act (VCEA). What's more, the utility can meet those targets while also spending at least 15% of their EE dollars on low- and moderate-income (LMI) customers, a requirement of the VCEA.

These are the results from [new modeling](#) developed by Energy Futures Group (EFG), a consulting firm that designs, implements, and evaluates programs and policies to promote investments in efficiency, renewable energy, other distributed resources, and strategic electrification. This modeling demonstrates that Dominion can achieve these energy efficiency targets via a number of different ways, employing EE measures and programs focused on different customer segments, including residential and small business customers.

Pathways

Using data from Dominion's 2020 Integrated Resource Plan and the energy and cost savings achieved by comparable Southeastern and Midwestern utilities via energy efficiency, EFG developed four different EE pathways. Each pathway illustrates a specific set of EE programs that will allow Dominion to cost-effectively meet their VCEA EE targets. Summarized below, each of these pathways shows one way that Dominion can achieve its 2022-2025 VCEA targets and meet its obligations to LMI customers.

- The **lower cost pathway** illustrates how Dominion can achieve the VCEA EE targets by focusing on lower cost program opportunities. It accomplishes this by balancing

moderate levels of savings through residential energy efficiency programs with high-yield business programs that provide the majority of savings through efficient lighting and controls, and heating, cooling, and hot water efficiency.

- The **LMI pathway** emphasizes programs that maximize savings for economically disadvantaged customers by providing efficient heating and cooling equipment, insulation, lighting, and appliances (like refrigerators). In this scenario, over 20% of Dominion's spending on EE programs would be targeted to LMI households in 2025. While LMI programs may not save as many dollars for every dollar invested, they save money for households with the greatest need.
- The **high residential pathway** maximizes savings for residential consumers, including LMI households. Programs in this pathway include residential whole house efficiency and equipment retrofits, efficient new homes, multifamily building efficiency, and rebates for energy-efficient appliances and lighting.
- The **high small business pathway** emphasizes energy savings for small business customers, primarily through efficient lighting, heating and cooling, hot water, and refrigeration. The savings resulting from this portfolio far exceed VCEA targets, indicating that there are significant opportunities in Virginia for Dominion to meet their EE targets while saving small businesses money on their electricity bills.

Key Takeaways

Energy efficiency is a flexible, effective tool to address the energy burdens of specific communities and customer groups, be they low-income families or small business owners. Dominion can use different program approaches to meet its VCEA targets while providing the benefits of efficiency to a wide range of customers. **The sheer variety of pathways Dominion can follow to meet their EE targets should reassure regulators and lawmakers about sustaining and expanding the VCEA EE targets beyond 2025.**

This model demonstrates that Dominion can achieve new incremental annual savings beyond the 2022-2025 VCEA targets by operating a robust portfolio of energy efficiency programs. Dominion can achieve these energy savings while meeting and exceeding its commitment to serve LMI customers.

Learn More

EFG's modeling tool is designed for anyone to use, so all Virginians can see how EE could help serve their community and meet the Commonwealth's goals. Learn more about the tool, the results, and how you can use it at: ACEEE.org/pathways-energy-efficiency-Virginia.

