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STATE OF MARYLAND



PUBLIC SERVICE COMMISSION

ML# 180913

January 15, 2016

Daniel W. Hurson
Assistant General Counsel
BGE Legal Department
Baltimore Gas and Electric Company
2 Center Plaza, 12th Floor
110 West Fayette Street
Baltimore, MD 21201

Dear Mr. Hurson, and other Interested Parties:

The Commission has reviewed the Public Purpose Microgrid Proposal (“Proposal”) filed on December 18, 2015 by Baltimore Gas and Electric Company (“BGE” or the “Company”). The Company requests approval for a pilot project to construct, operate and recover costs associated with two “public-purpose” microgrids located within the Company’s electric distribution service territory and a request for a waiver of the requirement to obtain a Certificate of Public Convenience and Necessity (“CPCN”) for the pilot project.

As noted in the Company’s Proposal, public purpose microgrids in Maryland were the subject of a report issued on June 23, 2014 by the *Resiliency Through Microgrids Task Force*, established pursuant to a February 24, 2014 executive directive. The Commission has also discussed the deployment of microgrids in the State in at least two proceedings;¹ however, the Commission identified several areas for further study in the most recently applicable proceeding that would serve as conditions precedent to approval of the microgrid projects at issue in the case.² In regard to the instant filing, the Commission is requesting comments from BGE and any other interested party that may address some of these previously identified issues, as well as any other matter related to the Company’s Proposal.

¹ See Case No. 9298 - Order No. 85385 (Feb. 27, 2013) at 19; Case No. 9361 - Order No. 86990 (May 15, 2015) at 76-78.

² Order No. 86990 at A-18 – A-19 (“Condition 13”), stating in part that a report on the legal, financial, and practical issues associated with the planning and development of the microgrid proposals should address at a minimum: different ownership and operational structures; a legal assessment of the ability of an investor-owned utility to own either or both of the distribution and generation assets integrated into a microgrid project; and a description of any federal, state, or local contribution to the development of the microgrid projects.

Pursuant to the provisions of § 4-204 of the Public Utilities Article, *Annotated Code of Maryland*, the Commission concludes that all of the proposed rates and charges outlined in the Company's Proposal should be suspended for a period of 150 days from February 1, 2016. The suspension period is necessary to provide the Commission with an opportunity to determine the justness and reasonableness of the Proposal, as well as to consider the comments solicited herein.

Written comments pertaining to BGE's Proposal shall be filed no later than Friday, February 26, 2016 by the Company, as well as any other interested party. Any party wishing to file comments on this matter should reference ML#180913 in the heading. An original and 17 paper copies, and one electronic copy, of the comments shall be submitted to David J. Collins, Executive Secretary, Maryland Public Service Commission, William Donald Schaefer Tower, 6 St. Paul Street, 16th Floor, Baltimore, Maryland 21202. Five of the paper copies shall be three-hole punched. The public version of the electronic copy may be filed via the "e-file" system that is available at the Commission's website, www.psc.state.md.us.

The Company requested that the Commission consider this matter at its January 27, 2016 Administrative Meeting. However, due to the Commission's request for additional comments regarding BGE's Proposal, the Commission will defer consideration of this matter to a future Administrative Meeting subsequent to receipt of all written comments.

By Direction of the Commission,

David J. Collins
Executive Secretary

cc: Paula Carmody, Office of People's Counsel
Leslie Romine, Staff Counsel
Director Leigh Williams, Maryland Energy Administration
Secretary Ben Grumbles, Maryland Department of the Environment
Matthew Nayden, Esq. Baltimore City Law Dept. – Chief Litigation Practice Group
Gary W. Kuc, Esq., Howard County Solicitor