2021 ANNUAL REPORT

For the Calendar Year Ending December 31, 2021

Pursuant to Section 2-122 of the Public Utilities Article,
Annotated Code of Maryland

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I. MEMBERSHIP OF THE COMMISSION

The Public Service Commission (Maryland PSC or Commission) consists of the Chairman and four Commissioners, each appointed by the Governor with the advice and consent of the Senate. The term of the Chairman and each of the Commissioners is five years, and those terms are staggered. All terms begin on July 1. As of December 31, 2021, the following persons were members of the Commission:

	Term Expires
Jason M. Stanek, Chairman	June 30, 2023
Michael T. Richard, Commissioner	June 30, 2025
Anthony J. O'Donnell, Commissioner	June 30, 2026
Odogwu Obi Linton, Commissioner	June 30, 2022
Mindy L. Herman, Commissioner	June 30, 2024

Anthony J. O'Donnell

Jason M. Stanek

Michael T. Richard

Odogwu Obi Linton

Mindy L. Herman

II. OVERVIEW OF THE COMMISSION

General Work of the Commission

In 1910, the Maryland General Assembly established the Commission to regulate public utilities and for-hire transportation companies doing business in Maryland. The categories of regulated public service companies and other regulated or licensed entities are:

- electric and gas utilities (separately and in combination);
- competitive electric and natural gas suppliers (NOTE: The Commission licenses and investigates complaints against electric suppliers—it does not regulate supplier pricing);
- telecommunications companies (landline phone service only);
- privately-owned water and sewage companies;
- bay pilots and docking masters;
- passenger motor vehicle carriers (including Transportation Network Companies such as Uber, Lyft, etc., and buses, limousines, sedans);
- railroad companies (the Commission's authority is limited here: the companies must be organized under Maryland law and jurisdiction extends only over certain conditions and rates for intrastate services);
- taxicabs operating in the City of Baltimore, Baltimore County, Charles County, Cumberland, and Hagerstown;
- hazardous liquid pipelines;
- private toll bridges; and other public service companies.

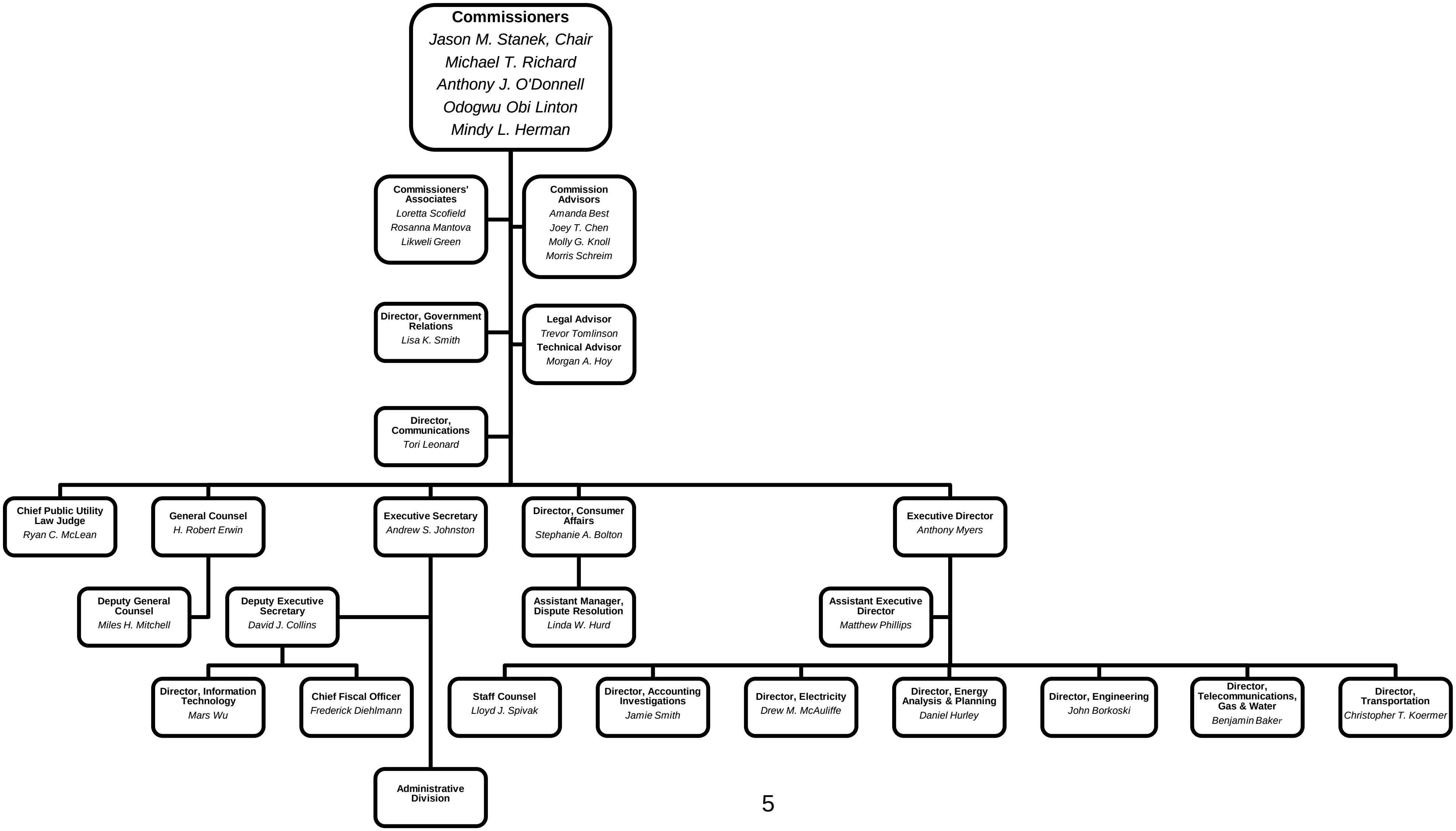
The jurisdiction and powers of the Commission are found in the Public Utilities Article (PUA), *Annotated Code of Maryland*. The Commission's jurisdiction, however, is limited to intrastate service. Interstate transportation is regulated in part by the U.S. Department of Transportation; interstate and wholesale activities of gas and electric utilities are regulated by the Federal Energy Regulatory Commission (FERC); and interstate telephone service, Voice over Internet Protocol and cable services are regulated by the Federal Communications Commission.

Under the PUA, the Commission has broad authority to supervise and regulate the activities of public service companies and for-hire motor carriers and drivers. It is empowered to hear and decide matters relating to, among others, (1) rate adjustments, (2) applications to exercise or abandon franchises, (3) applications to modify the type or scope of service, (4) approval of issuance of securities, (5) promulgation of new rules and regulations, (6) mergers or acquisitions of electric companies or gas companies, and (7) quality of utility and common carrier service. The Commission has the authority to issue a Certificate of Public Convenience and Necessity (CPCN) for the construction or modification of a new generating station, a qualified generator lead line, or an overhead transmission line designed to carry a voltage in excess of 69,000 volts. In addition, the Commission collects and maintains records and reports of public service companies, reviews plans for service, inspects equipment, audits financial records, handles consumer complaints, issues passenger-for-hire permits and drivers' licenses, enforces its rules and regulations, defends its decisions on appeal to State courts, and intervenes in relevant cases before federal regulatory commissions and federal courts.

During calendar year 2021, the Commission initiated 17 new non-transportation–related dockets, conducted approximately 25 en banc hearings (legislative-style, evidentiary, or evening hearings for public comments as well as status conferences, discovery disputes, and prehearing conferences), held seven rulemaking sessions, participated in six public conference sessions, and presided over 43 administrative meetings—all held virtually due to the COVID-19 pandemic.

Also, the Commission actively participated in the regular General Assembly legislative session in 2021, by submitting comments on bills affecting public service companies or Commission operations, participating in work groups convened by Senate or House committees or subcommittees, and testifying before various Senate and House committees and subcommittees. In addition, the Commission monitored actions in the 2021 special session that affected the agency.

Maryland Public Service Commission Organizational Chart



Commission Work Groups

Stakeholder processes are important to the mission and work of the Commission. There are approximately 80 different work groups that the Commission either oversees or participates in via Staff representation. Work groups are often formed by Commission directives but can also be legislatively mandated or requested by various stakeholders that participate in Commission proceedings. **Table 1** below shows the number of work groups at the Commission by topic. **Table 2** summarizes the number of stakeholder processes in which representatives from the Commission participate.

Table 1 Summary of Work Groups at the Commission

	Energy Efficiency/ Demand Response	Grid Modernization/ PC44	Customer Choice/ Energy Supply	Utilities (Electric, Gas, Water, Telecom)	Transportation
Total	19	8	6	11	3

Table 2 Summary of Stakeholder Processes with Commission Representation

	Federal Agencies	Other State Agencies	PJM	NARUC	Other Organizations
Total	2	8	3	7	9

Commission Membership in Other Regulatory Organizations

Washington Metropolitan Area Transit Commission

The Washington Metropolitan Area Transit Commission (WMATC) was created in 1960 by the Washington Metropolitan Area Transit Regulation Compact for the purpose of regulating certain transportation carriers on a coordinated regional basis. The Compact is an interstate agreement among the State of Maryland, the Commonwealth of Virginia and the District of Columbia, which was approved by Congress in 1960. The Compact was amended in its entirety in 1990 (at Maryland's behest), and again in 2010 (to modify the articles regarding appointment of Commissioners to WMATC). Each amendment was enacted with the concurrence of each of the signatories and Congress' consent. The Compact, as amended, and the WMATC are codified in Title 10, Subtitle 2 of the Transportation Article, *Annotated Code of Maryland*.

Today, WMATC regulates private sector passenger carriers, including sightseeing, tour, and charter bus operators; airport shuttle companies; wheelchair van operators; and some sedan and limousine operators, transporting passengers for hire between points in the Washington Metropolitan Area Transit District (Metropolitan District). The Metropolitan District includes the District of Columbia; the Virginia cities of Alexandria and Falls Church; Virginia counties Arlington and Fairfax, and the political subdivisions located within those counties; that portion of Loudoun County, Virginia, occupied by the Washington Dulles International Airport; Montgomery County and Prince George's County in Maryland, and the political subdivisions located within those counties.

WMATC also sets interstate taxicab rates between signatories in the Metropolitan District, which for this purpose only includes Baltimore-Washington International Thurgood Marshall Airport (BWI) (except that this expansion of the

Metropolitan District to include BWI does not apply to transportation conducted in a taxicab licensed by the State of Maryland or a political subdivision of the State of Maryland or operated under a contract with the State of Maryland). A Commissioner from the Maryland Public Service Commission is designated to serve on the WMATC. In May 2016, Governor Larry Hogan appointed **Commissioner Richard** to WMATC, where he currently serves as Chairman.

In fiscal year (FY) 2021, which is from July 1, 2020 through June 30, 2021, the WMATC accepted 159 applications to obtain, transfer, amend or terminate a WMATC certificate of authority (down from 228 in FY2020). The WMATC also initiated 173 formal investigations of carrier compliance with WMATC rules and regulations (down from 218 in FY2020). The WMATC issued 522 orders in formal proceedings in FY2021, as compared to 661 orders in FY2020. There were 373 carriers holding a certificate of authority at the end of FY2021—down from 482 at the close of FY2020, but still almost four times the 97 that held authority at the end of FY1990, before the Compact lowered barriers to entry beginning in 1991. The number of vehicles operated under WMATC authority was approximately 4,533 as of June 30, 2021. There were no informal complaints against carriers in FY2021, compared to two such complaints in FY2020.

The Commission includes its share of the WMATC budget in its own budget. Budget allocations are based upon the population of the Compact signatories in the Compact region. In Maryland, this includes Montgomery and Prince George's counties, as noted above. The FY2021 WMATC budget was $1,001,000, of which Maryland's share was $461,761, or 46.1 percent.

Organization of PJM States, Inc.

The Organization of PJM States, Inc. (OPSI) was incorporated as a non-profit corporation in May 2005. It is an intergovernmental organization of 14 utility regulatory agencies, including the Commission. OPSI, among other activities, coordinates data/issues analyses and policy formulation related to PJM, its operations, its Independent Market Monitor, and related FERC matters. While the 14 OPSI members interact as a regional body, their collective actions, as OPSI, do not infringe on each of the 14 agencies' individual roles as the statutory regulators within their respective state boundaries. **Commissioner Richard** serves as the Commission's representative on the OPSI Board of Directors, and is currently its Treasurer, following the completion of a term as President in 2019.

National Association of Regulatory Utility Commissioners

The National Association of Regulatory Utility Commissioners (NARUC) is the national association representing the interests of the Commissioners from state utility regulatory agencies that regulate essential utility services, including energy, telecommunications, and water. NARUC members are responsible for assuring reliable utility service at fair, just, and reasonable rates. Founded in 1889, NARUC is an invaluable resource for its members and the regulatory community, providing a venue to set and influence public policy, share best practices, and foster innovative solutions to improve regulation. In 2021, **Chairman Stanek** was named co-chair of the Joint Federal-State Task Force on Electric Transmission–an initiative of NARUC and the Federal Energy Regulatory Commission (FERC)–and co-vice chair of NARUC's

Commission Chairs' Council. Chairman Stanek also is the vice chair of the Electric Vehicle Working Group and is a member of NARUC'S Committee on Electricity and the Committee on International Relations. **Commissioner Richard** serves as a member of the Committee on Energy Resources and the Environment and the Committee on Critical Infrastructure. **Commissioner O'Donnell** is Chair of the Subcommittee on Nuclear Issues-Waste Disposal and a member of the Committee on Electricity. **Commissioner Linton** is Chair of the Committee on Consumers and the Public Interest, and, in response to the COVID-19 pandemic, was appointed to the NARUC Task Force on Emergency Preparedness, Recovery and Resiliency. He also serves as a member of the Committee on Gas, and the Select Committee on Regulatory and Industry Diversity. **Commissioner Herman** is a member of the Committee on Critical Infrastructure and the Committee on Water.

NARUC partnered with the National Association of State Energy Officials (NASEO) to create a task force on comprehensive electricity planning. Maryland was one of 16 participating states. **Commissioner O'Donnell** served as the PSC representative, and the Maryland Energy Administration (MEA) served as the state energy office representative. This was a two-year process with the goal of developing ways to achieve more resiliency, efficiency and affordability in the distribution grid. The Task Force Blueprint for State Action and a series of state-specific roadmaps were issued on February 11, 2021. Maryland is included in the Jade Cohort roadmap and held a technical conference on distribution planning on March 25, 2021.

In March of 2021, NARUC launched a new five-year Nuclear Energy Partnership with support from the U.S. Department of Energy. Through this educational partnership, NARUC will provide opportunities for state public service commissioners and commission staff to better understand barriers and possibilities related to the U.S. nuclear fleet, the nation's largest source of zero-carbon emissions power. **Commissioner O'Donnell** will co-chair the partnership with Commissioner Tim Echols of the Georgia Public Service Commission. Through the partnership, members will engage in programming such as stakeholder dialogues, peer sharing calls, site visits, educational webinars, and briefing papers for NARUC's state members.

Mid-Atlantic Conference of Regulatory Utility Commissioners

The Commission also is a member of the Mid-Atlantic Conference of Regulatory Utility Commissioners (MACRUC), a regional division of NARUC comprised of the public utility commissions of Delaware, Kentucky, Maryland, New Jersey, New York, Ohio, Virginia, West Virginia, Pennsylvania, the District of Columbia, and the U.S. Virgin Islands. **Commissioner O'Donnell** serves as the Commission's representative on the MACRUC Executive Committee and Board of Directors, and is its President.

Regional Greenhouse Gas Initiative

Established in 2009, the Regional Greenhouse Gas Initiative (RGGI) is the first market-based regulatory program in the United States designed to stabilize and then reduce greenhouse gas emissions, specifically carbon dioxide (CO_2), from the power sector. RGGI, Inc. is a nonprofit corporation formed to provide technical advisory and administrative services to participating states in the development and implementation of these CO_2 budget trading programs. The RGGI, Inc. Board of Directors is composed of two representatives from each participating state, with equal representation from the states' environmental and energy regulatory agencies. Agency heads (two from each state), also serving as board members, constitute a steering committee that provides direction to the Staff Program Committee and allows in-process projects to be conditioned for Board review. Chairman Stanek and Secretary Ben Grumbles of the Maryland Department of the Environment serve on the RGGI Board on behalf of Maryland. The RGGI, Inc. offices are located in New York City, in space co-located with the New York Public Service Commission at 90 Church Street.

The RGGI Memorandum of Understanding (MOU) apportions CO_2 allowances among signatory states through a process that was based on historical emissions and negotiation among the participating signatory states. Together, the emissions budgets of each signatory state comprise the total regional emissions budget, or RGGI "cap."

The original RGGI program, jointly designed by 10 Northeastern and Mid-Atlantic states, envisioned a cap-and-trade program that stabilizes CO_2 emissions from power plants and then lowers that cap by 10 percent by 2018. The participating states agreed to use an auction as the primary means to distribute CO_2 allowances (i.e., a limited permission to emit one short ton of CO_2) to electric power plants regulated under coordinated state CO_2 cap-and-trade programs. All fossil fuel-fired electric power plants 25 megawatts (MWs) or greater and connected to the electricity grid must obtain allowances based on their CO_2 emissions. Nine of the original 10 member states continued their participation in the RGGI program through the third compliance, or “control”, period of January 1, 2015–December 31, 2017. In 2011, after participating in the first control period, New Jersey formally withdrew from the RGGI program, effective January 1, 2012. In 2019, New Jersey adopted regulations to reinstate its participation in RGGI and resumed its participation on January 1, 2020.

The RGGI participating states are committed to periodic review of their CO_2 budget trading programs to consider the successes, impacts, and any adjustments to program design elements (Program Review). Following a 2012 RGGI Program Review (as called for in the RGGI MOU), on February 7, 2013, the RGGI participating states announced an aggregate 45 percent reduction in the existing cap. In addition to announcing a revised regional cap, other programmatic changes included: interim adjustments to the regional cap to account for privately banked allowances; the establishment of a cost containment reserve (i.e., a fixed quantity of CO_2 allowances, in addition to the cap, held in reserve and only made available for sale if allowance prices exceed a predefined price level, or trigger price), to serve as a flexibility mechanism in the unanticipated event of short-term price spikes; the addition of a U.S. Forest Offset Protocol; simplification of the minimum reserve price to increase it by 2.5 percent each year; and the creation of interim control periods for compliance entities. Effective January 2014, the regional budget was revised to 91 million short tons—consistent with current regional emissions levels. To lock in the emissions reduction progress to date, and to further build upon this progress, the regional emissions cap and each participating state’s individual emissions budget would decline 2.5 percent each year from 2015 through 2020. By 2019, the regional emissions budget had decreased from

88.7 million short tons (2015) to 80.3 million short tons. With New Jersey's resumed participation, the total regional emissions budget increased to approximately 96.4 million short tons for 2020. On January 1, 2021, Virginia joined the RGGI program, thus increasing the regional emissions budget to approximately 119.8 million short tons for 2021. Between 2015 and 2021, Maryland's portion of the emissions budget decreased from 19.8 million short tons (2015) to 16.8 million short tons (2021).

Table 3: 2021 Regional Emissions Budget[1]

State	CO_2 Allowances (short tons)
Connecticut	4,860,813
Delaware	3,383,313
Maine	2,733,450
Maryland	16,790,271
Massachusetts	11,944,355
New Hampshire	3,960,999
New Jersey	17,460,000
New York	29,056,270
Rhode Island	1,877,683
Vermont	540,630
Virginia	27,160,000
Total	**119,767,784**

In 2021, RGGI held four auctions of CO_2 allowances with 11 participating states. For Maryland, these auctions raised approximately $115.28 million for the State's

[1] *Source: The Regional Greenhouse Gas Initiative, Allowance Distribution,* https://www.rggi.org/allowance-tracking/allowance-distribution

Strategic Energy Investment Fund. For CY 2021, auction proceeds represent an approximate 93 percent increase compared to Maryland's 2020 auction proceeds of $59.7 million. Pursuant to § 9-20B-05(g) of the State Government Article, *Annotated Code of Maryland*, the proceeds received by the fund from January 1, 2021 through December 31, 2021 were allocated as follows:

> (1) at least 50% shall be credited to an energy assistance account to be used for the Electric Universal Service Program and other electric assistance programs in the Department of Human Services;
>
> (2) at least 20% shall be credited to a low and moderate income efficiency and conservation programs account and to a general efficiency and conservation programs account for energy efficiency and conservation programs, projects, or activities and demand response programs, of which at least one-half shall be targeted to the low and moderate income efficiency and conservation programs account for: (i) the low-income residential sector at no cost to the participants of the programs, projects, or activities; and (ii) the moderate-income residential sector;
>
> (3) at least 20% shall be credited to a renewable and clean energy programs account for: (i) renewable and clean energy programs and initiatives; (ii) energy-related public education and outreach; and (iii) climate change and resiliency programs; and
>
> (4) up to 10%, but not more than $5,000,000, shall be credited to an administrative expense account for costs related to the administration of the Fund, including the review of electric company plans for achieving electricity savings and demand reductions that the electric companies are required under law to submit to the [Maryland Energy] Administration.

During the Second Program Review cycle, from 2016 through December 2017, the RGGI member states reviewed and considered stakeholder feedback on the program's successes and impacts to date, whether further reductions to the RGGI regional cap may be warranted, other program design elements (e.g. continued use of the cost containment reserve and the creation of an emissions containment reserve), and the extensive electric sector modeling conducted by the RGGI states for purposes of evaluating potential revisions to the program. The RGGI states reviewed more than 120 separate comments submitted by experts, policymakers, and organizations, as well as more than 29,000 personal comments and petition signatures pertaining to program review.

As a result of the collaborative review process, the RGGI states revised the program to include a regional cap of 75,147,784 tons of CO_2 in 2021, to decline by 2.275 million tons of CO_2 per year thereafter, resulting in a total 30 percent reduction in the regional cap from 2020 to 2030. Additionally, further adjustments to the RGGI cap to account for the full bank of excess allowances (i.e., allowances held by market participants in excess of the total quantity of 2018, 2019, and 2020 emissions) projected to exist at the end of 2020 will be effectuated through a formulaic adjustment and implemented over the period from 2021 to 2025. Under the current program, the size and trigger price of the cost containment reserve began to change in 2021 and will increase by 7 percent per year thereafter. A majority of RGGI states also introduced an emissions containment reserve in 2021 wherein the states will withhold allowances from circulation to secure additional emissions reductions if prices fall below established trigger prices. In 2019, the RGGI states, including Maryland, undertook state-specific statutory and regulatory processes to propose updates to their CO_2 Budget Trading Programs, consistent with the announced Model Rule, which was completed in 2020.

In February 2021, the RGGI states announced the initiation of a Third Program Review to consider further updates to their CO_2 budget trading programs. The states held a series of four public meetings from October–December 2021 to solicit public comments and feedback on the RGGI program. Given that public participation will be critical to the success of this Program Review, the RGGI states will conduct additional public engagement throughout the Program Review. To inform the states' decision-making with respect to core Program Review topics, the RGGI states will conduct technical analyses, including electricity sector modeling. Changes to the program will be based on consensus between all participating states.

Also of consequence to the RGGI Program, Virginia's recent participation in the RGGI program expanded the previous 10-state RGGI to 11 states. Virginia's participation signaled the importance of the regional program and its continued impact on achieving cost-effective carbon emissions reductions. This, along with New Jersey's return to RGGI the previous year, continues to serve as a model for climate policy to other states.[2]

In October 2019, Pennsylvania Governor Tom Wolf issued an executive order instructing the Pennsylvania Department of Environmental Protection (DEP) to join RGGI, pursuant to Pennsylvania's Air Pollution Control Act of 1960. In January 2020, the RGGI states began working collaboratively with DEP to develop regulations to facilitate the state's full participation in RGGI as early as 2022. Despite opposition from

[2] Despite Virginia's recent entry to RGGI, on January 15, 2022, Virginia Governor Glenn Youngkin signed Executive Order 9, directing the Virginia Department of Environmental Quality to examine the impact of RGGI and start the process of ending Virginia's participation in RGGI.

Republican legislators and industry groups, Governor Wolf moved the process forward, and on September 15, 2020, DEP's Environmental Quality Board (EQB) voted to initiate the required rulemaking for RGGI participation.

In September 2021, the Pennsylvania Department of Environmental Protection (DEP) announced the approval of the state's carbon trading program regulation that would facilitate Pennsylvania's participation in RGGI. Upon review by the Pennsylvania General Assembly, however, the legislature passed a resolution disapproving the rule, effectively preventing the state from joining RGGI. Prior to this disapproval resolution, Pennsylvania was on track to begin participation in RGGI in January 2022. Governor Wolf vetoed the Senate resolution, further adding that the legislature's objection was untimely under state law. However, the Pennsylvania Legislative Reference Bureau (LRB) refused to publish the rule. The PA DEP has filed a lawsuit against the LRB in state court.

On January 11, 2021, the Southern Environmental Law Center brought a petition to the North Carolina Environmental Management Commission (EMC), which proposed a RGGI-aligned rule that would allow North Carolina to join the RGGI Program. The EMC voted in July 2021 to proceed with a formal rulemaking process to implement North Carolina's participation in RGGI. Following the EMC approval, the North Carolina House of Representatives approved an energy bill that, if approved by the Senate, would prohibit executive branch action to join RGGI without the legislature's approval. In October 2021, the North Carolina Senate approved a bipartisan energy reform bill replacing the House legislation. Among the bipartisan bill's carbon emissions reduction goals, it deleted the House provision that would have prevented North Carolina environmental regulators from pursuing the RGGI rulemaking. Now that process can go forward. As the North Carolina rule is currently written, the state's participation in RGGI could begin as early as January 1, 2023.

National Council on Electricity Policy (NCEP)

The National Council on Electricity Policy (formerly the Eastern Interconnection States' Planning Council, or EISPC) is a platform for all state-level electricity decision makers to share and learn from diverse perspectives on the evolving electricity sector. The Council membership includes over 200 representatives from public utility commissions, air and environmental regulatory agencies, governors' staffs and state energy offices, legislatures, and consumer advocates. NCEP is an affiliate of the NARUC Center for Partnerships and Innovation. The EISPC was a historic endeavor initially funded by the U.S. Department of Energy pursuant to a provision of the American Recovery and Reinvestment Act. The goal of EISPC was to encourage and support collaboration among states in the Eastern Interconnection on critical energy issues, including electric transmission, gas-electric infrastructure, resource diversity, and energy resiliency and reliability.

III. SUPPLIER DIVERSITY ACTIVITIES:

Public Conference 52 (PC52): Supplier Diversity

As noted in prior Annual Reports, 19 regulated entities entered into Memoranda of Understanding (under the original Public Conference 16) with the Commission in which each organization agreed voluntarily to develop, implement, and consistently report on its activities and accomplishments in promoting a strategy to support viable and prosperous women-owned, minority-owned, and service-disabled-veteran-owned business enterprises (diverse suppliers). The MOU expressed each entity's commitment to use its best efforts to achieve a goal of 25 percent diverse supplier contracting (diverse spend); standardize the reporting methodology; and institute uniform annual plans and annual reports, in order to track the entity's compliance with the MOU goals. On July 20, 2021, the Commission held a virtual hearing to consider the results of the 2020 Annual Reports submitted by 15 of the companies. The signatories include: Association of Maryland Pilots; AT&T; Baltimore Gas and Electric; Chesapeake Utilities–Maryland Division, which now includes Elkton Gas after a 2020 acquisition; Choptank Electric Cooperative; Columbia Gas of Maryland; Comcast Phone of Northern Maryland and Comcast Business Communications; Delmarva Power & Light; Easton Utilities; First Transit's BWI Thurgood Marshall Airport Shuttle Bus Contract; Potomac Electric Power Company; Southern Maryland Electric Cooperative; Potomac Edison; Veolia Transportation Services; Verizon Maryland; and Washington Gas Light Company.

Collectively, the companies met the aspirational goal of awarding 25 percent of total procurement to diverse suppliers, achieving an overall diverse spend of just over 33.5 percent—the highest-recorded diverse spend in the history of the program. Diverse spend overall increased from nearly $1.07 billion in 2019 to almost $1.2 billion in 2020, an increase of $128.3 million. Diverse spend averaged more than $1.07 billion over the past three reporting years, while total utility procurement averaged $3.59 billion over the same period. Total utility procurement has doubled since 2009, while diverse procurement has more than quadrupled. The average annual growth in diverse spend over the period 2018-2020 is 10.58 percent.

The total diverse spend consists of six different categories: minority-owned enterprises (MOE), women-owned enterprises (WOE), service-disabled-veteran-owned enterprises (SDVOE), veteran-owned enterprises (VOE), LGBT-owned enterprises (LGBTOE) and not-for-profit workshops (NFPW). MOE received $631.95 million, WOE received $475.24 million, SDVOE received $37.09 million, VOE received $53.97 million, and LGBTOE received $31,404. The category MOE contains four major subgroups: African-American-owned businesses, American-Indian/Native-American-owned businesses, Asian-owned businesses, and Hispanic-owned businesses. All 15 signatories that provided reports for 2020 broke down their MOE spends by ethnicity; Hispanic-owned businesses accounted for the largest proportion of total MOE spend, at 35.68 percent.

On August 17, 2021, the Commission issued a public determination as required under Code of Maryland Regulations (COMAR) 20.08.01.05, noting that 2020 was the third year in a row that the companies had met or exceeded the program's aspirational goal. The Commission also acknowledged that while some participating companies continued to face challenges and experienced setbacks related to supplier diversity due to the significant and continuing impacts of COVID-19, others were able to rebuild and recover to varying degrees. The Commission recognized these companies for their performances, particularly in light of the ongoing pandemic. According to the Commission, "the flexibility, creativity, and innovation they have shown in developing alternative means to achieve their goals is appreciated, as is their willingness to share ideas and successes with others in the program."

Several stakeholders, including the Maryland Washington Minority Companies Association, proposed the addition of HUBZone-certified small businesses as a category of diverse supplier, stating that doing so would generate employment opportunities and economic growth within Maryland's most economically distressed communities. The HUBZones, or Historically Underutilized Business Zone Empowerment Contracting Program, is an initiative of the U.S. Small Business Administration, in which participating companies operate within distressed communities impacted by low income, high poverty, or high unemployment rates. It is intended to promote job growth, capital investment, and economic development by providing contracting assistance to participating companies.

The Commission noted that while the HUBZone Program proposal was worthy of further analysis, it was premature for approval, and so delayed the request until the Utility Forum could review the HUBZone proposal and report back to the Commission at the 2022 hearing. The Commission further noted that its immediate action did not appear to be necessary as 81 percent of the HUBZone small businesses that are currently certified represented at least one of the existing diverse supplier categories. The Commission pointed out that these firms were currently able to bid for projects, and the MOU signatories may already report those projects as qualifying MOU spend. Therefore, the Commission determined, incorporating that spend into the MOU diverse spend might not reflect an improvement in the program, but could possibly diminish the spend of an existing category (such as minority or disabled veteran) and increase the spend attributed to a potential new HUBZone category. At the 2021 conference, the Maryland Utility Forum testified that it would soon consider and evaluate the request to include HUBZone-certified small businesses in the Supplier Diversity Program. The Commission noted that, at the next annual supplier diversity conference, it looked forward to hearing the Forum's recommendation on the HUBZone Program.

Table 4 (below) shows the program expenditures as reported by the companies and the percentage of spend as compared to each utility's total spend. Certain types of expenses are excluded from the tabulation, being either single-sourced or are inapplicable to the diversity program. Sources of exempted spend are agreed to in advance and can be found in the respective entity's PC16 MOU.

In addition to the MOU signatories, both offshore wind companies, Skipjack Offshore Energy, LLC (in Case No. 9629) and US Wind (in Case No. 9628) are required by statute to file supplier diversity reports.

Table 4 – 2020 Diverse Procurement		
Companies	**Total diverse supplier procurement ($)**	**Percentage of diverse supplier procurement to total company procurement**
Association of MD Pilots	$330,668	**35.09%**
AT&T	$15,950,000	23.52%
BGE	$463,340,000	**43.57%**
CenturyLink	$23,090,000	**66.81%**
Chesapeake Utilities	$938,874	12.88%
Choptank	$347,023	2.84%
Columbia Gas	$3,680,000	13.43%
Comcast	$115,260,000	**30.98%**
Delmarva	$103,220,000	**27.67%**
Easton Utilities	$159,381	4.83%
Potomac Edison	$20,410,000	**26.3%**
Pepco	$247,780,000	**34.63%**
SMECO	$20,840,000	23.65%
Verizon Maryland	$50,930,000	22.8%
WGL	$132,120,000	**26.1%**
Total	**$1,200,000,000**[3]	**33.54%**

In **Table 5**, the amounts and percentages from Table 1 are further broken down into percentage of the expenditures by diversity classification.

[3] Due to rounding, some totals may not correspond with the sum of the separate figures.

Table 5 – 2020 Procurement by Diverse Group						
Companies	**Minority-Owned**	**Women-Owned**	**LBGT-Owned**	**Service-Disabled Veteran-Owned**	**Veteran-Owned**	**Not-for-Profit Workshops**
Association of MD Pilots	25.07%	74.93%	0.00%	0.00%	0.00%	0.00%
AT&T	65.61%	30.53%	0.01%	3.02%	0.83%	0.00%
BGE	44.82%	51.73%	0.004%	0.55%	2.89%	0.00%
CenturyLink	7.19%	2.4%	0.00%	90.44%	0.00%	0.00%
Chesapeake Utilities	0.15%	99.74%	0.00%	0.24%	0.22%	0.00%
Choptank	31.04%	64.11%	0.00%	0.69%	2.2%	1.96%
Columbia Gas	16.79%	81.78%	0.00%	0.02%	1.41%	0.00%
Comcast	57.1%	28.85%	0.00%	3.65%	10.40%	0.00%
Delmarva	47.21%	48.16%	0.00%	0.74%	3.89%	0.00%
Easton Utilities	0.49%	84.6%	0.00%	10.86%	4.05%	0.00%
Potomac Edison	37.06%	55.93%	0.00%	0.00%	6.95%	0.06%
Pepco	67.12%	25.04%	0.00%	0.42%	7.42%	0.00%
SMECO	57.57%	34.6%	0.04%	4.08%	3.71%	0.00%
Verizon	27.26%	60.69%	0.01%	11.74%	0.03%	0.00%
WGL	73.5%	23.4%	NR	0.26%	2.83%	0.00%

IV. COMMISSION ENERGY-RELATED CASES AND ACTIVITIES

Energy Efficiency- and Demand Response-Related Cases:

EmPOWER Maryland—Case No. 9494

Under Public Utilities Article § 7-211, as amended and mandated by the EmPOWER Maryland Energy Efficiency Act of 2008, the five largest electric utilities in the state[4] were responsible for achieving a 10 percent reduction in the State's energy consumption and a 15 percent reduction of peak demand by 2015. In 2017, the Article was amended to set electricity usage targets for the 2018-2020 and the 2021-2023 EmPOWER Maryland program cycles of two percent per year calculated as a percentage of each utility's 2016 weather-normalized gross retail sales and electricity losses.

The EmPOWER Maryland programs achieved, on a program-to-date basis, the following results through the end of 2021:

- The EmPOWER MD utilities' programs have saved a total of 12,743,773,080 MWh and 2,803 MW, and either encouraged the purchase of or installed approximately 140.8 million energy-efficient measures.
- 47,476 low-income customers have participated in the EmPOWER Limited Income Programs.
- The EmPOWER MD utilities have spent over $3.5 billion on the EmPOWER Maryland programs, including over $2.3 billion on energy efficiency and conservation (EE&C) programs and just over $1.0 billion on demand response (DR) programs.
- The expected savings associated with EmPOWER Maryland programs is approximately $12.7 billion over the life of the installed measures for the EE&C programs.

[4] The utilities are The Potomac Edison Company (PE), Baltimore Gas and Electric Company (BGE), Delmarva Power & Light Company (DPL), Potomac Electric Power Company (Pepco), and Southern Maryland Electric Cooperative, Inc. (SMECO).

Table 6: 2021 average monthly residential bill impact of EmPOWER Maryland surcharges[5]

	EE&C	DR	Dynamic Pricing[6]	Total
BGE	$4.52	$1.50	($0.08)	$5.94
DPL	$6.11	$1.20	($0.12)	$7.19
PE	$7.17	N/A	N/A	$7.17
Pepco	$4.73	$1.89	($0.25)	$6.31
SMECO	$8.19	$1.67	N/A	$9.86

- Washington Gas Light Company has saved a total of 7,247,897 Therms through its programs since beginning in 2015.

Deployment of Advanced Meter Infrastructure/Smart Grid—Case Nos. 9207, 9208 and 9294

The Commission approved Smart Grid Initiatives for BGE (Case No. 9208) in 2010, Pepco (Case No. 9207) in 2010, DPL (Case No. 9207) in 2012, and SMECO (Case No. 9294) in 2013. As of December 31, 2020, approximately 3.0 million electric and gas meters (aka "smart meters") have been installed across the state. BGE has

[5] Assumes an average monthly usage of 1,000 kilowatt hours (kWh), and the figures do not include customer savings.

[6] BGE, Pepco, and DPL offered a Peak Time Rebate program in the summer of 2017 for residential customers with activated smart meters. The difference between rebates paid to participants and revenues received from PJM markets are trued-up in the EmPOWER Maryland surcharge.

installed approximately 2.1 million electric meters and gas modules, and has completed its initial deployment of smart meters. BGE continues to work to install meters in hard-to-access locations in an effort to reduce the current level of opt-out customers. In 2021, the percentage of opt-out customers dropped from 2.7 percent to 2.5 percent; the goal is to lower the opt-out percentage to 1.0 percent. Pepco and DPL have finished deploying smart meters with the final totals for each company being 560,851 and 211,115 smart meters, respectively. Pepco and DPL have less than 1.0 percent of their customers categorized as opt-out (0.22 percent and 0.4 percent, respectively). SMECO completed its deployment of smart meters in 2018 and has an opt-out percentage of 0.2 percent.

Electric Reliability-Related Cases

Review of Annual Performance Reports on Electric Service Reliability Filed Pursuant to COMAR 20.50.12.11—Case No. 9353

In May 2014, the Commission initiated the docket, Case No. 9353, to conduct its required annual review of the service quality and reliability performance reports filed by the applicable electric companies by April 1 of each year. Reports were filed on or about April 1, 2021, by each of the applicable electric companies, and comments on the reports were due by June 4, 2021.

On June 15, 2021, the Commission held a virtual legislative-style hearing for the purpose of reviewing the April 2021 reports and to determine whether the electric companies each met the applicable COMAR service quality and reliability standards. On August 12, 2021, the Commission issued Order No. 89908 in which it accepted the service quality and reliability annual reports filed by BGE, Pepco, Delmarva, Potomac Edison, Choptank, and SMECO.

The Commission, in Order No. 89908, also noted the CAPs submitted by the utilities and directed SMECO to file a written CAP detailing the problems that led to its violation of the Periodic Inspections Standard. In addition, the Commission lifted BGE's and Choptank's Request for Stay of Enforcement, previously submitted during the COVID-19 pandemic and approved by the Engineering Division, after determining they are no longer necessary. The Commission also disbanded the Vegetation Management Cost Workgroup and the Customer Perception Survey Workgroup after determining that the work groups achieved their objectives. The Commission directed that the Customer Perception Survey Workgroup's proposed survey questionnaires and rating scales be included in the next cycle of customer perception surveys, in accordance with COMAR 20.50.12.14. Furthermore, the Commission directed that a workgroup be formed, under the leadership of Staff, to consider service quality and reliability standard changes proposed by Staff, the electric companies, OPC, or other Case No. 9353 stakeholders.

Renewable Energy Portfolio Standard

In compliance with the Maryland Offshore Wind Energy Act of 2013, in 2017, the Commission conditionally approved the financing of two offshore wind projects in Case No. 9431. According to COMAR 20.61.06, the projects will be funded with offshore wind renewable energy credits (ORECs). U.S. Wind Inc. plans to construct 248 MW off the coast of Ocean City, Maryland with an expected commercial operation date in 2024. Skipjack Offshore Energy, LLC plans to construct 120 MW off the coast of Delaware with an expected commercial operation date in 2026. Both companies are required to maintain offshore lease sites through the federal Bureau of Ocean Energy Management (BOEM). In 2019, Case No. 9431 was bifurcated into Case No. 9628 for U.S. Wind and Case No. 9629 for Skipjack to review potential turbine size changes for both projects. The Commission issued Order No. 89622 on August 20, 2020, approving Skipjack's proposal for 12 MW turbines. Further proceedings for U.S. Wind remain pending. The Clean Energy Jobs Act of 2019 expanded the requirements for offshore wind energy under Maryland's Renewable Energy Portfolio Standard (RPS) program. The law required the Commission to establish a second round of review for offshore wind applications or "Round 2"[7] and at least 1,200 MW. On December 22, 2020, the Commission issued a general notice that the Commission's evaluator, ICF Resources, LLC (ICF), had deemed an application to be administratively complete and set a closing date for other interested parties to apply by June 21, 2021. Following the close of the application period, the Commission opened Case No. 9666 and reviewed the five applications submitted by U.S. Wind and Skipjack. Virtual public comment hearings were held on September 28, 2021 and September 30, 2021. Virtual evidentiary hearings were held from October 27, 2021 through November 1, 2021.

On December 17, 2021, the Commission issued Order No. 90011 awarding ORECs to US Wind's bid of 808.5 MW (Bid 2) and Skipjack's bid of 846 MW (Phase

[7] The original review of offshore wind applications is now classified as "Round 1".

2.1).[8,9] US Wind's Bid 2 project will consist of approximately 55 turbines located no closer than 15 miles off the coast of Ocean City. Skipjack's Phase 2.1 project will consist of approximately 60 turbines located no closer than 20 miles off the coast of Ocean City. Both projects have an expected commercial operation start date of 2026, subject to review by BOEM. Due to the combined size and ratepayer impacts of the approved projects, the Commission closed the anticipated final two application periods in Round 2.

Table 7 summarizes the projects approved between Rounds 1 and 2. In total, 2,022.5 MW of capacity were approved for up to 7,162,286 ORECs annually between Round 1 and Round 2. **Table 8** illustrates the estimated economic impacts of Round 1 and Round 2 projects for the State. Over $1 billion in direct in-State expenditures are expected to be spent and over 10,000 new full-time jobs are expected to be created between the four projects.

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[8] US Wind was awarded 2,513,752 ORECs per year at a price schedule equivalent to a levelized price of $54.17 per OREC (2012$) using a 2.0% price escalator, beginning on December 1, 2026, for a duration of 20 years. Skipjack was awarded 3,279,207 ORECs per year at a price schedule equivalent to a levelized price of $71.61 per OREC (2012$) using a 3.0% price escalator, beginning on December 1, 2026, for a duration of 20 years.

[9] Both projects were awarded ORECs with numerous conditions related to siting and project feasibility, minority investment and workforce opportunities, decommissioning, positive net economic benefits to Maryland, positive net environmental benefits to Maryland, projected net ratepayer impacts and OREC price schedules. Both companies accepted the conditions of the Commission's approval.

Table 7: Summary of Round 1 and Round 2 OSW Award Capacity, ORECs and Ratepayer Impacts

	Skipjack Round 1	Skipjack Round 2	US Wind Round 1	US Wind Round 2
Project Capacity	120 MW	846 MW	248 MW	808.5 MW
ORECs (2012$)	$131.93	$71.61	$131.93	$54.17
ORECs (#)	455,482	3,279,207	913,845	2,513,752
Residential Impacts (total per Round)	$1.40 monthly (combined with US Wind)	$0.88 monthly (combined with US Wind)	$1.40 monthly (combined with Skipjack)	$0.88 monthly (combined with Skipjack)
Non-Residential Impacts (total per Round)	1.4% annual (combined with US Wind)	0.9% annual (combined with US Wind)	1.4% annual (combined with Skipjack)	0.9% annual (combined with Skipjack)

Table 8: Summary of Round 1 and Round 2 OSW Award Economic Impacts to Maryland

	Skipjack Round 1	Skipjack Round 2	US Wind Round 1	US Wind Round 2
Maryland Offshore Wind Business Development Fund	$6,000,000	$6,000,000	$6,000,000	$6,000,000
Direct in-State Expenditures	34% of total capital expenditures	$410 million	19% of total capital expenditures	$570 million
Expenditures Include	·$25 million in MD steel fabrication plant ·$13.2 million in Tradepoint Atlantic shipyard	·Sub-sea cable manufacturing facility ·Upgrade Crystal Steel for the pre-fabrication of advanced foundation components ·American platform supply vessel operator ·Grant fund for MD and DE environmental organizations ·OSW turbine tower manufacturing facility	·$51 million in MD steel fabrication plant ·$26.3 million in Tradepoint Atlantic shipyard	·Monopile factory ·Research partnership with UMBC
Direct in-State jobs (FTEs)	·913 development/ construction ·484 operations/ management	·1,300 development/ construction · 69 operations/ management	·1,298 development/ construction ·2,282 operations/ management	·3,944 development/ construction ·68 operations/ management
Ports	·Baltimore region: marshaling · Ocean City: operations/ management	·Tradepoint Atlantic: marshaling ·Ocean City: operations/ management ·Zero-emissions O&M facility	·Baltimore region: marshaling ·Ocean City: operations/ management	·Tradepoint Atlantic: marshaling ·Ocean City: operations/ management ·Zero-emissions O&M facility

Utility Rate Cases

The Potomac Edison Company's Application for Adjustments to Its Retail Rates for the Distribution of Electric Energy – Case No. 9490, Phase II

On September 22, 2020, The Potomac Edison Company filed a depreciation study and supporting testimony setting forth the calculated annual depreciation accrual rates by account as of December 31, 2019. Potomac Edison's depreciation study was filed in accordance with Commission Order No. 89072, issued on March 22, 2019, which approved new distribution base rates for Potomac Edison, but also noted that the company's last depreciation study was 25 years old. In order to address that issue, the Commission required Potomac Edison to file a new depreciation study within 18 months of the date of Order No. 89072 and initiated a Phase II proceeding in which Potomac Edison's rates would be further adjusted to reflect its new depreciation study. Pursuant to Order No. 89649, the Commission set the Phase II matter for hearing and delegated it to the Public Utility Law Judge (PULJ) Division. A pre-hearing conference was held on November 6, 2020, and a procedural schedule was issued. Testimony was pre-filed, and an evidentiary hearing was held virtually on April 12, 2021. After briefing, a proposed order was issued on May 26, 2021. Potomac Edison filed an appeal of the proposed order; the appeal was denied, and the proposed order was affirmed by Order No. 89971.

Baltimore Gas and Electric Company's Application for an Electric and Gas Multi-Year Plan—Case No. 9645

On February 4, 2020, the Commission issued Order No. 89482 in Case No. 9618, establishing a framework for a multi-year rate plan (MRP) pilot. On May 15, 2020, Baltimore Gas and Electric (BGE) was the first Maryland utility to file an application with the Commission seeking approval for an MRP, requesting gas and electric rates to be effective January 1, 2021, January 1, 2022, and January 1, 2023.

The company sought cumulative increases in electricity rates of $109 million, $156.1 million, and $203.8 million in 2021, 2022 and 2023, respectively, and cumulative increases in gas rates of $65.9 million, $76.2 million, and $109.7 million in 2021, 2022 and 2023, respectively. BGE proposed to totally offset the rate increases in 2021 and 2022 (by accelerating the provision of certain tax benefits to customers), and instead requested increases of $140.4 million for electric and $94.9 million for gas in 2023.

On May 18, 2020, by Order No. 89556, the Commission initiated a new docket to consider the application, and suspended the proposed tariff revisions. A pre-hearing conference was held on June 12, 2020, and a procedural schedule was issued.

Virtual public comment hearings were held on July 30, 2020, August 17, 2020 and September 17, 2020. Virtual evidentiary hearings were held October 13-16, 2020 and October 19, 2020.

On December 16, 2020, in Order No. 89678, the Commission approved, in part, BGE's MRP; among other changes, the Commission's decision reduced the rate increases for each year and reduced the large single-year rate increase BGE sought for the third year of the plan.

While BGE's rate increase would take effect beginning on January 1, 2021, the company's tax credits negated any increase in customer bills in 2021. The order noted that beginning in 2022, customers may see an increase in their bills, subject to potential offsetting adjustments that would be reviewed by the Commission in the future. BGE's authorized revenue increase for 2021 was $59.3 million for electric and $53.2 million for gas (but with no increase in customer bills due to the offsets); for 2022, the Commission authorized an additional revenue increase of $39.2 million for electric and $8.9 million for gas; for 2023, $41.4 million for electric and $11.8 million for gas. The Commission set BGE's return on equity at 9.5 percent for electric and 9.65 percent for gas.

On January 15, 2021, the Office of People's Counsel (OPC) filed a request for clarification, and BGE and the National Railroad Passenger Corporation (Amtrak) each filed a request for rehearing. On March 31, 2021, the Commission issued Order No. 89794, denying BGE's request for rehearing, granting in part Amtrak's request for rehearing, and granting OPC's request for clarification.

Washington Gas Light Company's Application for Authority to Increase its Rates and Charges and to Revise its Terms and Conditions for Gas Services – Case No. 9651

On August 28, 2020, Washington Gas filed an application for authority to increase its rates and charges and to revise its terms and conditions for gas services to be effective September 27, 2020. The request sought to increase the company's Maryland base distribution rates by $28.4 million. On August 31, 2020, the Commission initiated a new docket to consider the application, suspended the proposed tariff revisions, and delegated the matter to the PULJ Division. A virtual pre-hearing conference was held on September 28, 2020, and a procedural schedule was issued. Evidentiary hearings were held virtually on January 7, 2021, January 8, 2021, and

January 11, 2021. Evening public comment hearings were held virtually on January 27, 2021. A proposed order was issued on February 12, 2021.

On February 26, 2021, Washington Gas, OPC, and the Apartment and Office Building Association of Metropolitan Washington filed notices of appeal of the proposed order. On April 9, 2021, the Commission issued Order No. 89799, affirming the Proposed Order in part and denying the Proposed Order in part. OPC filed a Petition for Judicial Review in the Circuit Court for Baltimore City. On February 25, 2022, the Circuit Court for Baltimore City reversed and remanded the decision to the Commission. This matter remains pending.

Potomac Electric Power Company's Application for an Electric Multi-Year Plan—Case No. 9655

On October 26, 2020, the Potomac Electric Power Company (Pepco) became the second Maryland utility to file an application with the Commission for a multi-year rate plan. Pepco proposed a three-year MRP covering the period from April 1, 2021 through March 31, 2024. The company sought an increase in electric distribution rates of $44 million, $78 million, and $110 million beginning in 2021, 2022, and 2023, respectively. Pepco proposed to totally offset the rate increases in 2021 and 2022 (by accelerating the provision of certain tax benefits to customers), and instead requested an increase of $56 million for electric distribution service in 2023.

On October 27, 2020, by Order No. 89660, the Commission initiated a new docket to consider the application and suspended the tariff revisions. A virtual pre-hearing conference was held on November 23, 2020, and a procedural schedule was issued. At the request of Pepco and the Commission's Technical Staff, on January 12, 2021, the Commission, in Order No. 89687, extended the procedural schedule to allow more time for the parties to review testimony.

Public comment hearings took place on March 15 and April 15, 2021; evidentiary hearings were held April 26-30, 2021. On June 28, 2021, in Order No. 89868, a majority of the Commission modified Pepco's request, approving incremental revenue requirement increases of $20.6 million (offset entirely by federal tax credits) in year one; $16.3 million in year two; and $15.3 million in year three. Commissioners Linton and Herman dissented.

The Commission denied, without prejudice, Pepco's proposed LED street lighting initiative and encouraged the company to pursue the initiative in the Commission's EmPOWER Maryland docket, in a manner that would meet the cost-benefit metrics for the EmPOWER program and incentivize voluntary participation by the counties and municipalities.

Columbia Gas of Maryland, Inc.'s Application for Authority to Increase Rates and Charges – Case No. 9664

On May 14, 2021, Columbia filed an application for authority to increase its existing rates and charges for natural gas service. The company requested an annual base rate revenue increase of $6,300,797, or an overall increase of approximately 11.04 percent. As part of the application, the company proposed an overall rate of return of 7.7 percent (based on a return on equity of 10.85 percent). On May 17, 2021, the Commission docketed the matter as Case No. 9664, delegated it to the PULJ Division, and suspended the proposed rates for 150 days from June 15, 2021.

On August 26 and September 7, 2021, evening public comment hearings were held virtually. Contested evidentiary hearings were held on September 13-15 and 21, 2021. The parties filed briefs, and on October 29, 2021, a proposed order was issued authorizing a rate increase of $2,561,970. On November 12, 2021, the Office of People's Counsel filed a limited appeal. On December 3, 2021, the Commission issued Order No. 90001, granting the appeal and adopting the proposed order with modifications.

Delmarva Power and Light Company's Application for Adjustments to its Retail Rates—Case No. 9670

On September 1, 2021, Delmarva Power and Light Company filed an application for adjustments to its retail rates. The request sought to increase Delmarva's base distribution rates by $28.8 million. On September 2, 2021, the Commission initiated a new docket to consider the application, suspended the proposed rates for 150 days from June 15, 2021, and delegated the matter to the PULJ Division. On October 4, 2021, a virtual pre-hearing conference was held, and a procedural schedule was issued. On October 6, 2021, by Commission Order No. 89959, the effective date of proposed rates was amended.

On January 11, 2022, a virtual public comment hearing was held. The procedural schedule was suspended. On January 18, 2022, the Parties filed a Notice of Settlement and a request to cancel the scheduled evidentiary hearings.

After the filing of the settlement and supporting testimony, a virtual evidentiary hearing was held on January 28, 2022. The main provisions of the Settlement included authorizing Delmarva a retail base rate increase of $12.5 million, setting a return on equity of 9.6 percent, and establishing an $85.6 million regulatory asset for historical net salvage costs with a 14-year amortization period. On February 15, 2022, a proposed order was issued that adopted the settlement. The proposed order was not appealed and became Order No. 90099 on March 2, 2022.

Certificates of Public Convenience and Necessity (CPCN) Cases–Applications, Modifications, and Waivers

Perennial Solar, LLC's CPCN Application for an 8.0 MW Solar Photovoltaic Generating Facility in Washington County, Maryland–Case No. 9408

The Commission initiated this docket to consider the application for a CPCN to construct an 8.0 MW solar photovoltaic (PV) generating station in Washington County. On January 28, 2016, Perennial filed its direct testimony and exhibits in support of its application. After a procedural schedule was established, on March 16, 2016, the schedule was subsequently suspended as the parties wished to wait until the Commission issued orders on two CPCN cases that involved the application of Maryland's Forest Conservation Act. The procedural schedule remained suspended as Washington County appealed to the Court of Special Appeals a June 20, 2016 Order of the Circuit Court for Washington County, which found that the Commission's authority over CPCNs preempted local zoning laws. On November 15, 2018, the Court of Special Appeals published an order finding the Commission's siting authority preempts local zoning regulations and affirmed the Circuit Court's decision. On November 29, 2018, Washington County filed a Petition for *Writ of Certiorari* with the Maryland Court of Appeals. On July 15, 2019, the Maryland Court of Appeals issued an order affirming the Maryland Court of Special Appeals' decision.

On February 18, 2020 and February 24, 2020, petitions to intervene were filed by the Washington County Board of County Commissioners and several *pro se* individuals, respectively. On March 5, 2020, the interventions were granted without opposition. After further delays, another procedural schedule was issued on June 26, 2020, and public comment hearings were held virtually on September 16, 2020 and October 22, 2020. On October 26, 2020, an evidentiary hearing was held virtually. A second evidentiary hearing was held on January 4, 2021. Parties filed initial briefs, with reply briefs due on February 26, 2021. On April 21, 2021, a proposed order was issued granting the CPCN, subject to the license conditions proposed by PPRP and Commission Staff. On May 21, 2021, appeals were noted by Washington County and a group of adjoining property owners. On September 17, 2021, the Commission issued Order No. 89938 denying the appeal.

Biggs Ford Solar, LLC's CPCN Application for a 15.0 MW Solar Photovoltaic Generating Facility in Frederick County, Maryland – Case No. 9439

As reported in the 2019 Annual Report, the Commission initiated this docket to consider the application for a CPCN to construct a 15.0 MW solar PV generating facility and delegated the matter to the Public Utility Law Judge (PULJ) Division. Frederick County intervened and opposed the application based upon a newly enacted zoning ordinance. The Power Plant Research Program (PPRP) of the Maryland Department of Natural Resources did not file an environmental review or proposed license conditions because Biggs Ford had not applied for a floating zone reclassification, and the county had not issued a recommendation on the project. Additionally, Frederick County noted the project lacked necessary county approvals and was inconsistent with the county's Comprehensive Plan. After an evidentiary hearing, on December 5, 2017, a proposed order denying the CPCN application was issued. On January 4, 2018, the applicant filed a notice of appeal, followed by a memorandum on appeal on January 16, 2018. On

April 16, 2018, the Commission issued Order No. 88644, remanding this matter to the PULJ Division to provide the applicant an opportunity to seek a floating zone reclassification based upon Frederick County's recent zoning ordinance. The applicant filed a floating zone reclassification application, and, on December 19, 2018, the Frederick County Planning Commission recommended the Frederick County Council deny the application.

On February 19, 2019, the Frederick County Council denied the applicant's floating zone application. On May 6, 2019, a new procedural schedule was adopted. Both PPRP and the county recommended denying the CPCN. Specifically, PPRP cited the site's value as an agricultural resource and its location within a Priority Preservation Area, the lack of consistency with the county's Comprehensive Plan, and local opposition. PPRP did not file a project assessment report or proposed license conditions. On September 19, 2019, a second public comment hearing was held in Frederick, and on October 29, 2019, an evidentiary hearing was held. At the conclusion of the evidentiary hearing, the applicant and PPRP were both directed to provide additional information due to substantial changes to the project and the lack of a project assessment report or proposed license conditions.

On February 10, 2020, the applicant filed supplemental testimony and information related to its amended proposal, and PPRP filed supplemental testimony, a project assessment report, and proposed license conditions, but still recommended the CPCN application be denied.

On August 27, 2020, a proposed order was issued granting the CPCN, subject to the license conditions proposed by PPRP and Commission Staff. The county appealed the proposed order, and on November 24, 2020, the Commission issued Order No. 89668 denying the appeal. On December 15, 2020, Frederick County filed a Petition for Judicial Review in the Circuit Court for Baltimore City, where the Commission's order was upheld. On July 13, 2021, Frederick County appealed the Circuit Court's decision to the Court of Special Appeals; oral argument was scheduled for April 1, 2022. A written decision is pending.

Morgnec Road Solar Center, LLC's CPCN Application for a 45.0 MW Solar Photovoltaic Generating Facility in Kent County, Maryland – Case No. 9499

On November 30, 2018, Morgnec Road Solar, LLC filed an application for a CPCN to construct a 45.0 MW solar PV generating facility in Kent County. On December 3, 2018, the Commission initiated a new docket and delegated the matter to the PULJ Division.

Petitions to intervene were filed by Keep Kent Scenic, Inc. d/b/a Kent Conservation and Preservation Alliance; the County Commissioners of Kent County; and the Mayor and Council of the Town of Chestertown, which were granted. An initial hearing for public comment was held on April 24, 2019. Direct testimony of parties/intervenors other than the applicant was filed in December 2019. After a suspension of the procedural schedule due to the COVID-19 pandemic, the proceeding recommenced in September 2021. A second public comment hearing was held virtually on November 4, 2021, and evidentiary hearings were held virtually on November 8-10,

2021. On January 7, 2022, a proposed order was issued which granted the CPCN application subject to license conditions proposed by PPRP and Commission Staff.

On February 7, 2022, the Kent Conservation and Preservation Alliance and the County Commissioners of Kent County filed Notices of Appeal, followed by supporting memorandums on February 17, 2022. On March 9, 2022, the Applicant, PPRP, and Commission Staff all filed reply memorandums. The matter remains pending.

Lightsource Renewable Energy Development, LLC's CPCN Application for a 20 MW Solar Photovoltaic Generating Facility in St. Mary's County, Maryland - Case No. 9620

On August 27, 2019, the Commission initiated Case No. 9620 to consider the application for a CPCN to construct a 20 MW solar PV generating facility and delegated the proceedings to the PULJ Division. On December 2, 2019, the first public comment hearing was held in Lexington Park.

On January 21, 2020, the parties filed a joint motion to suspend the procedural schedule, and on January 23, 2020, the Public Utility Law Judge issued a ruling granting the joint motion and suspending the procedural schedule.

On July 8, 2021, Lightsource Renewable Energy Development, LLC filed a status update and request to withdraw its application. A ruling on July 8, 2021 granted the request and closed the docket in the case.

New Market Solar, LLC's CPCN Application for a 50 MW Solar Photovoltaic Generating Facility in Dorchester County, Maryland - Case No. 9635

On February 14, 2020, New Market Solar, LLC filed an application for a CPCN to construct a 50 MW alternating current generating capacity solar PV facility in Dorchester

County. On February 20, 2020, the Commission docketed the application and delegated the matter to the PULJ Division. A pre-hearing conference was held on April 21, 2020, and a procedural schedule was issued.

On June 25, 2020, New Market Solar and PPRP requested that further proceedings be suspended until the applicant received a final zoning decision from the Dorchester County Board of Appeals. On June 26, 2020, the joint motion was granted, and the procedural schedule suspended and hearing dates canceled. On July 8, 2021, New Market Solar filed a motion to adopt a proposed procedural schedule, and a ruling was issued on July 23, 2021. A public comment hearing was held virtually on November 30 2021. Testimony was pre-filed, and an evidentiary hearing was held virtually on December 9, 2021. A proposed order was issued on December 22, 2021.

On January 21, 2022, the Dorchester County Council filed a Notice of Appeal, and on January 24, 2022, the Town of East New Market filed a Notice of Appeal and Request to Modify. Also on that date, the Commission issued a Notice of Further Proceedings and directed parties that were not currently parties to the proceeding to file Petitions for Leave to Intervene Out of Time by January 31, 2022. On January 31, 2022, Dorchester County Council filed a memorandum in support of its appeal and the Town of East New Market filed a petition to intervene. On February 10, 2022, the Commission issued Order No. 90078 granting both the County's and Town's petition to intervene and set a procedural schedule. On February 17, 2022, the Town of East new Market filed a memorandum in support of its appeal, and on March 3, 2022, the Applicant, PPRP, OPC, and the Commission Staff all filed reply memorandums. This matter remains pending.

Baltimore Gas and Electric Company's CPCN Application for the Five Forks to Maryland/Pennsylvania Border Transmission Line Reliability Project – Case No. 9636

BGE filed an application for a CPCN to rebuild a 1.89-mile existing dual-circuit 115 kV transmission line segment between BGE's Five Forks substation in northern Harford County and the Maryland/Pennsylvania border. On February 24, 2020, the Commission initiated a new docket to consider the application and delegated the matter to the PULJ Division. A virtual evidentiary hearing was held on September 15, 2020, and a virtual public comment hearing was held on September 22, 2020.

On December 7, 2020, a proposed order was issued approving the project, subject to the license conditions proposed by PPRP and Staff. The proposed order was not appealed and became Order No. 89686 on January 11, 2021.

Baltimore Gas and Electric Company's CPCN Application for the Bush River Crossing Project – Case No. 9642

On April 17, 2020, BGE filed an application for a CPCN to replace a 1.3-mile portion of an existing 115 kV transmission line that runs from Edgewood and Perryman across the Bush River in Harford County. On April 20, 2020, the Commission initiated Case No. 9642 to consider the application and delegated the proceedings to the PULJ Division. A procedural schedule was issued and BGE, PPRP, and Staff filed testimony. A virtual public comment hearing was held on February 9, 2021, and a virtual evidentiary hearing was held on March 26, 2021. On May 7, 2021, a proposed order was issued approving the project, subject to the license conditions proposed by PPRP and Staff. The proposed order was not appealed and became Order No. 89833 on June 8, 2021.

Point Reyes Energy Partners, LLC's CPCN Application for a 19.84 MW Solar Photovoltaic Generating Facility in Allegany County, Maryland - Case No. 9643

On May 13, 2020, Point Reyes Energy Partners, LLC filed an application for a CPCN to construct a 19.84 MW solar PV generating facility with an optional energy storage component in Allegany County, Maryland. On May 14, 2020, the Commission initiated a new docket to consider the application and delegated the matter to the PULJ Division. A procedural schedule was issued on June 15, 2020. On August 11, 2020, an initial public comment hearing was held virtually. By agreement of the parties, the procedural schedule was suspended on October 9, 2020, for the applicant to provide a revised site plan. On November 13, 2020, the applicant filed the finalized design plan, and a new procedural schedule was issued on November 18, 2020. A second public comment hearing was held on March 10, 2021; an evidentiary hearing was held on March 18, 2021.

A proposed order was issued on April 7, 2021, granting the CPCN subject to the license conditions proposed by PPRP and Staff. No appeal of the proposed order was taken, and it became Order No. 89811.

PTR HoldCo, LLC's CPCN Application for a 30.0 MW Solar Photovoltaic Generating Facility in Harford County, Maryland - Case No. 9652

On September 2, 2020, PTR HoldCo, LLC filed an application for a CPCN to construct a 30.0 MW solar PV generating facility, to be known as the Fairview Farm Solar Project, in Harford County. On September 8, 2020, the Commission initiated a new docket to consider the application and delegated the matter to the PULJ Division. A procedural schedule was issued on October 16, 2020. An initial hearing for public comment was held virtually on December 15, 2020. A second evening public comment hearing was held on April 20, 2021, and an evidentiary hearing on April 29, 2021.

A proposed order was issued on June 28, 2021, granting the CPCN subject to the license conditions proposed by PPRP and Staff. No appeal of the proposed order was taken, and it became Order No. 89890.

Kumquat & Citron Cleantech, LLC's CPCN Application for a 7.20 MW Solar Photovoltaic Generating Facility in Wicomico County, Maryland – Case No. 9656

On December 1, 2020, Kumquat & Citron Cleantech, LLC filed an application for a CPCN to construct a 7.20 MW solar PV generating facility in Wicomico County. On December 2, 2020, the Commission initiated a new docket to consider the application and delegated the matter to the PULJ Division. The proceeding was suspended in July 2021 pending completion of a system impact study by PJM. On March 31, 2022, the applicant submitted a request to withdraw its application due to PJM's inability to provide a study as early as the applicant had anticipated. The request to withdraw was granted on April 19, 2022.

Costen Solar, Inc.'s CPCN Application for a 10.625 MW Solar Photovoltaic Generating Facility in Somerset County, Maryland – Case No. 9662

On April 12, 2021, Costen Solar, Inc. filed an application for a CPCN to construct a 10.625 MW alternating current generating capacity solar PV facility in Somerset County. On April 13, 2021, the Commission docketed the matter and delegated it to the PULJ Division to conduct the proceedings. A procedural schedule was issued on May 21, 2021.

On June 29, 2021 and October 19, 2021, virtual evening public comment hearings were held. On October 20, 2021, the parties filed a settlement status update indicating they were in agreement with granting the CPCN subject to PPRP's and Staff's proposed licensing conditions. On October 26, 2021, an evidentiary hearing was held and on November 19, 2021, a proposed order was issued denying in part and granting in part the CPCN subject to the license conditions proposed by PPRP and Staff. Notably, the proposed order covered the construction of a smaller, 8.75 MW solar PV generating facility. None of the parties appealed the proposed order, and it became final Order No. 90013 on December 21, 2021.

Standard Offer Service and Energy Competition Cases

Electric Competition Activity (Energy Choice) – Case No. 8738

Since September of 2000, Maryland's major investor-owned utilities have been required to file Monthly Electric Customer Choice Reports. The reports are to convey the number of residential and non-residential customers served by suppliers, the total number of utility distribution customers, the total megawatts of peak demand served by suppliers, the peak load obligation for all distribution accounts, and the number of electric suppliers serving customers in Maryland. The passage of Senate Bill 517 in the 2019 Session of the Maryland General Assembly directed the Commission to create two new residential customer choice shopping websites (for electricity and gas) by October 1, 2020. The Commission launched www.MDElectricChoice.com on March 9, 2020, and www.MDGasChoice.com on September 29, 2020. Each website is accompanied by a secure portal for licensed retail energy suppliers to upload their offers.

The new websites feature attractive user-friendly designs and layouts, making it easy for energy shoppers to navigate and find products beneficial to them. In addition to many shop-and-compare features, the websites also contain resources and educational information to help customers make more informed decisions when choosing their energy supplier as well as to help answer many questions that consumers may have regarding their home energy needs. The new websites also contain links to the Commission's complaint portal that provides access for customers to contact the Commission's Consumer Affairs Division if they need help resolving an issue with a supplier. The Commission is exploring options to further enhance customer education on retail choice.

In 2021, the MDElectricChoice.com site had 43,431 visits and 148,773 page views; in the same period, the MDGasChoice.com site had 8,063 visits and 26,343 page views.

In September 2021, the Commission unveiled a new landing page for both choice sites–MDEnergyChoice.com. The new landing page puts links to both the electric and gas choice sites in one place in order to streamline the shopping process.

In 2021, Potomac Edison (PE), Baltimore Gas and Electric (BGE), Delmarva Power & Light (DPL), Potomac Electric Power Company (Pepco) and Southern Maryland Electric Cooperative (SMECO) filed electric choice enrollment reports on a monthly basis. At the end of December 2021, electric suppliers in the state served 483,372 commercial, industrial, and residential customers–down approximately 6.3 percent from 2019, when suppliers served 515,691 customers.

Table 9: Customer accounts enrolled with electric suppliers as of December 31, 2021

	Residential	Non-Residential	Total
Total eligible accounts	2,323,719	269,809	2,593,528
Number of customers enrolled with suppliers	390,661	92,711	483,372
Percentage of customers enrolled with suppliers	16.8%	34.4%	18.6%

At the end of December 2021, the overall demand in megawatts of peak load obligation in the State served by all electric suppliers was 5,152 MW, down approximately 7.5 percent from 5,568 MW in 2020.

Table 10: Peak load obligation in Maryland served by electric suppliers as of December 31, 2021

	Residential	Non-Residential	Total
Total MW peak	7,146 MW	5,437 MW	12,583 MW
MW demand served by suppliers	1,207 MW	3,945 MW	5,152 MW
Percentage of peak load served by suppliers	16.9%	72.6%	40.9%

BGE had the highest number of residential accounts (251,196), commercial accounts (48,771) and total peak-load (2,954 MW) served by suppliers. At the end of 2021, 401 electric suppliers were licensed in Maryland, down from 412 at the end of 2020. Most electric suppliers in Maryland are authorized to serve multiple classes. The number serving each class in each utility territory is reflected in the table below.

Table 11: Number of electric suppliers serving enrolled customers by class as of December 31, 2021

	Residential	Small C&I	Mid-Sized	Large C&I
BGE	69	73	59	21
DPL	54	52	46	15
PE	44	41	36	17
Pepco	66	61	58	23
SMECO	7	5	4	1

Results of the Standard Offer Services Solicitations for Residential and Small Commercial (Type I) Customers–Case Nos. 9056 and 9064

The Commission reviews standard offer service (SOS) rates on an ongoing basis in Case Nos. 9056 and 9064. For the 12-month period beginning June 2021, SOS rates increased for residential customers of BGE, Delmarva Power & Light and Pepco compared to the previous year. Potomac Edison's rates decreased for its residential customers.[10] SOS rates increased for small commercial customers of Delmarva, BGE, and Pepco compared with the previous year. With the exception of Potomac Edison, 2021 bids were completed in April 2021. Rate changes expressed as a percentage change in the total annual cost for an average customer are shown below.[11]

Residential Customers

BGE	+4.8%
DPL	+0.5%
Pepco	+4.9%
Potomac Edison	4.1% (for 2022/23)

Small Commercial (Type 1) SOS Customers

BGE	+7.3%
DPL	+0.5%
Pepco	+4.9%
Potomac Edison	(no Type 1 bids)

[10] Due to PE's bid cycle, bill impacts are shown for one year in advance of the other utilities.

[11] The statistics are taken from the Commission's Staff reports submitted in Case Nos. 9056 and 9064. The annual bill change is determined not only by the newly bid load, but also by the proportion of previous year's contracts that expired.

Petition of NRG Energy, Inc., Interstate Gas Supply, Inc., Just Energy Group, Inc., Direct Energy Services, LLC, and ENGIE Resources, LLC for Implementation of Supplier Consolidated Billing for Electricity and Natural Gas in Maryland–Case No. 9461, RM70

On September 7, 2017, numerous competitive suppliers filed a joint petition requesting the Commission mandate supplier consolidated billing (SCB) as a billing option by June 30, 2019, adopt specific policy recommendations and elements proposed in the petition, and establish a rulemaking proceeding and workgroup to facilitate the drafting of any new and revised COMAR provisions needed to implement supplier consolidated billing. By letter order issued on September 15, 2017, the Commission initiated a new docket, Case No. 9461, to consider the petition. It requested comments on the petition with a filing date by November 15, 2017. After review of the filed comments, the Commission held a legislative-style hearing on February 20, 2018, to further consider the petition.

In a May 24, 2018 letter order, the Commission requested additional comments on specific issues raised during the hearing. On May 7, 2019, the Commission issued Order No. 89116 authorizing supplier consolidated billing and establishing a workgroup to develop and propose regulations to implement SCB. On March 10, 2021, the Commission voted to approve the proposed regulations, with certain modifications, for publication in the *Maryland Register* for notice and comment. The proposed regulations were approved as final at a rulemaking session on February 3, 2022 and were considered effective as of March 7, 2022. The SCB work group has started meeting to determine technical implementation of the rules so that the market can begin providing SCB.

Mergers, Transfers, and Franchise Cases

In the Matter of the Merger of Exelon Corporation and Constellation Energy Group, Inc.–Case No. 9271

On February 17, 2012, the Commission issued Order No. 84698, which approved a 10-year settlement agreement in the merger between Exelon Corporation and the Constellation Energy Group. The order included several market power mitigation conditions, which were designed to prevent Exelon from exercising market power within the PJM wholesale markets, and included an option for the Commission to reevaluate and extend the settlement beyond the initial 10-year period if the Commission determined allowing the behavioral remedies in the settlement to expire would pose a significant risk of harm to Maryland ratepayers.

On March 11, 2021, the Market Monitor filed a confidential report with the Commission describing Exelon's compliance with the 2011 Settlement Agreement and providing data related to the structural market power held by Exelon in the BGE Zone and in PJM as a whole. On April 7, 2021, the Market Monitor filed a public version of this report, finding that Exelon "continues to have structural market power in the PJM markets" and recommending that the 2011 Settlement Agreement be extended for an additional 10 years. The Market Monitor also recommended that the Commission require Exelon to remain in PJM during that period.

On March 30, 2021, Exelon notified the Commission that it intended to transfer 100 percent ownership of its generation subsidiary, ExGen, to a newly-created subsidiary that would be spun off to become ExGen's new parent company. As a result of that transaction, ExGen and its generation plants, wholesale energy marketing operations, and competitive retail sales business would no longer be owned by Exelon. Exelon would remain a transmission and distribution utility company and the parent company of Baltimore Gas and Electric Company (BGE), Potomac Electric Power Company (Pepco), and Delmarva Power & Light Company.

Exelon filed a reply in opposition to the Market Monitor's recommendations on May 21, 2021. Exelon argued that it controlled significantly less generation capacity in PJM currently than it did immediately following the 2012 merger, that enhanced PJM market rules adequately protected wholesale and retail customers from market power, and that FERC, rather than the Maryland Commission, was the appropriate venue for the Market Monitor to propose new wholesale market power mitigation rules. On June 15, 2021, the Market Monitor filed a response to Exelon, reiterating its conclusion that extension of the 2011 Settlement Agreement was necessary in order to prevent Exelon from exercising market power. On July 26, 2021, Exelon filed a second memorandum in opposition.

The Commission canceled the evidentiary hearing scheduled for October 7, 2021, after Exelon and the Market Monitor notified the Commission that they had made substantial progress in reaching a settlement.

On December 30, 2021, Exelon filed the proposed 2021 Settlement Agreement, which would extend the 2011 Settlement Agreement by 10 years for ExGen, but did not address the Market Monitor's request that Exelon be required to remain in PJM. The Market Monitor filed comments on January 3, 2022, in support of the 2021 Settlement

Agreement. In those comments, the Market Monitor repeated its recommendation that the Commission require Exelon to remain in PJM, arguing that it would be impossible for the Commission to enforce the terms of the 2021 Settlement Agreement if Exelon were to leave PJM, since PJM rules governing generator behavior would no longer control. While OPC supported this recommendation, Commission Staff opposed it, arguing that the Commission lacks the jurisdiction to enforce such a condition.

The Commission held a legislative-style hearing on February 1, 2022, to address the proposed 2021 settlement agreement. During that hearing, with no party objecting, the Commission approved the settlement agreement.

On February 22, 2022, the Commission issued Order No. 90084 in which it reaffirmed the 2021 settlement agreement as in the public interest but denied the Market Monitor’s and OPC’s requests that Exelon be required to remain in PJM. The Commission noted that if Exelon made a decision to withdraw from PJM, it would be required under federal law to seek approval from FERC, and Exelon would bear the burden of demonstrating that withdrawal was just and reasonable. Additionally, it would be required to obtain FERC approval for a replacement open-access transmission tariff. The Commission noted its expectation that Exelon and/or ExGen, as applicable, would agree to market mitigation provisions that are at least as stringent as the ones agreed to in the 2021 Settlement Agreement, and opined that FERC would not allow an entity to evade its previous commitments by using RTO withdrawal as a loophole.

In the Matter of the Merger of AltaGas Ltd., and WGL Holdings, Inc.–Case No. 9449

On September 30, 2021, OPC filed a Motion to Establish a Corrective Action and Impose Civil Penalties or, Alternatively, to Order Washington Gas Light Company to Show Cause Why the Commission Should Not Impose Civil Penalties. OPC contended that Washington Gas's quarterly customer service reports demonstrated that the customer service metrics the company committed to in the 2018 merger with AltaGas had worsened.

OPC described eight separate customer service metrics that showed a level of customer service inferior to both Washington Gas's pre-merger levels and industry standards. OPC also alleged that Washington Gas's failure to file four timely quarterly reports violated merger condition 11F and requested the Commission impose sanctions for a violation of that merger condition. OPC also contended that Washington Gas's poor customer service violated several provisions of the PUA and COMAR, which require, among other things, that Washington Gas "investigate promptly and thoroughly any complaint concerning its charges, practices, facilities, or service." COMAR 20.55.04.11 requires Washington Gas to "keep such records of customer complaints as will enable it to review and analyze its procedures and actions as an aid in rendering improved service." Finally, COMAR 20.32.01.03 requires Washington Gas to "investigate a customer dispute or inquiry and propose a resolution of the dispute to the customer or report its findings to the customer." OPC claimed that Washington Gas violated all of these provisions and asked the Commission to "implement a corrective action plan for Washington Gas that includes measurable customer service metric levels consistent with industry standards." Additionally, OPC asked the Commission to impose a civil penalty in the amount of $1,500,000.

In an order issued December 23, 2021, the Commission found that the record reflected an extensive failure by Washington Gas to provide adequate customer service within its service territory in Maryland. For example, the percentage of calls that Washington Gas answered within 30 seconds declined from 77 percent pre-merger to 43 percent (the industry average is 82 percent). The percentage of calls abandoned by customers increased from 11 percent to 28 percent (the industry average is eight percent). The average speed to answer a customer's call increased from 42 seconds to 566 seconds (the industry average is 30 seconds). The longest time Washington Gas customers had to wait for their call to be answered increased from 41 minutes to 67 minutes (the industry average is eight minutes). The Commission concluded that the Company violated merger order conditions 11 and 11F, as well as provisions of COMAR–20.32.01.03, 20.55.04.10 and 20.55.04.11, and set a hearing for February 9, 2022, to determine the amount of a potential civil monetary penalty.

On January 24, 2022, Washington Gas filed a Petition for Rehearing and/or Clarification. In its Petition, Washington Gas contended that the Commission should address Washington Gas's obligation to achieve industry standards for eight Maryland reliability metrics through a statewide rulemaking. Washington Gas also argued that granting OPC's request to require Washington Gas to track and potentially disallow costs associated with its contract with Faneuil, Inc., which the Commission approved in prior rate cases, would violate the prohibition against retroactive ratemaking.

In Order No. 90110, issued on March 17, 2022, the Commission denied the utility's request for a rulemaking and imposed a civil penalty of $1,147,600 for all violations. While the Commission did not require the establishment of a regulatory liability, Washington Gas was directed to track all costs and damages incurred as a result of its contract with Faneuil that were not previously approved by the Commission, as well as all costs incurred going forward related to its contract with its new vendor, Sutherland Global Services Inc.

Other Matters

Application of Washington Gas Light Company for Approval of a New Gas System Strategic Infrastructure Development and Enhancement Plan and Accompanying Cost Recovery Mechanism–Case No. 9486

On November 2, 2021, Washington Gas filed its CY 2022 STRIDE-2 project list and STRIDE-2 rider. Washington Gas proposed a total of 160 projects in its CY 2022 Project List–111 new projects and 49 carried over from the 2021 STRIDE-2 project list. On December 30, 2021, Washington Gas filed a revised STRIDE-2 Current Factor Surcharge for consideration at the Commission's January 12, 2022 Administrative Meeting.

On January 10, 2022, the Office of People's Counsel (OPC) requested that the Commission schedule a hearing to consider rescission of the Washington Gas STRIDE-2 plan since Washington Gas had completed only 73.5 percent of the main mileage replacement that its plan required under STRIDE-1, while simultaneously exceeding the plan's approved budget. OPC argued that Washington Gas's execution of STRIDE-2 has continued to fall short of its targets.

During the January 12th Administrative Meeting, the Commission deferred decision on the Washington Gas STRIDE-2 project list and surcharge calculations; a hearing on those issues was held February 2, 2022.

In Order No. 90099, issued on March 2, 2022, the Commission granted OPC's request to reduce Washington Gas' STRIDE-2 surcharge by 14.7 percent, noting that the reduction fairly represented the company's underperformance in distribution main replacement relative to its authorized budget. The Commission stated that the record demonstrated that Washington Gas was significantly behind the replacement pace for distribution gas mains that the Commission specified in its December 11, 2018 order approving the utility's STRIDE-2 plan, and that Washington Gas would fail to execute its five-year plan by the end of 2023. The Commission did approve the Washington Gas 2022 STRIDE-2 project list and left its STRIDE-2 budget unchanged.

William Steverson v. Potomac Electric Power Company–Case No. 9498

As reported in 2018, on April 17, 2018, William Steverson filed an appeal of the Commission's Consumer Affairs Division's[12] decision on further review involving a formal complaint against Potomac Electric Power Company (Pepco) challenging the termination of his service and alleging unfairness and bias by the Commission's Consumer Affairs Division in handling the dispute. On November 21, 2018, the Commission issued a letter order that denied the allegations of bias but delegated the remaining issue to the Public Utility Law Judge (PULJ) Division to determine whether Pepco violated COMAR 20.31.03.01. An evidentiary hearing was held on February 7, 2019. A Motion to Stay Proceeding was filed on February 11, 2019, and subsequently granted, based upon Mr. Steverson filing a petition for bankruptcy. As of December 31, 2021, this matter remains pending.

Complaint of the Staff of the Public Service Commission of Maryland v. SmartEnergy Holdings, LLC d/b/a SmartEnergy–Case No. 9613

On May 10, 2019, Staff filed a complaint against SmartEnergy alleging SmartEnergy had committed fraud and engaged in deceptive practices for failing to

[12] At the time the Office of External Relations.

comply with the Commission's consumer protection regulations, as contained in COMAR 20.51.07 and 20.53.07. On May 16, 2019, the Commission directed SmartEnergy to file an answer to Staff's complaint and submit evidence to show just cause as to why SmartEnergy's license to provide electricity or electricity supply services should not be suspended or revoked, or, in the alternative, why SmartEnergy should not be precluded from soliciting additional customers and/or be subject to a civil penalty under the Public Utilities Article (PUA) for (a) committing fraud, (b) engaging in deceptive practices, (c) slamming, and (d) failing to comply with the Commission's consumer protection regulations. SmartEnergy filed a response, and on July 8, 2019, Staff submitted proprietary and non-proprietary versions of supplemental exhibits to its complaint.

On July 12, 2019, the Commission, by Order No. 89190, delegated the complaint to the PULJ Division for a finding of whether SmartEnergy engaged in a pattern or practice of systemic violations of the consumer protections contained in the PUA. OPC filed a third-party complaint.

On August 21, 2020, Staff filed a motion for summary judgment to which SmartEnergy responded on September 8, 2020. OPC filed a reply to SmartEnergy's response on September 11, 2020, and the motion for summary judgment was granted in part on September 11, 2020. On October 12, 2020, SmartEnergy filed a motion to strike testimony to which OPC and Staff responded in opposition. OPC filed a motion for leave to amend its third-party complaint on October 26, 2020. At the evidentiary hearing that began October 28, 2020, the motion to strike testimony was granted in part and denied in part for the reasons stated on the record. OPC's motion for leave to amend was granted for the reasons stated on the record. Thereafter, the evidentiary hearing was conducted.

A proposed order was issued on December 16, 2020, in which the Public Utility Law Judge made various recommendations including that a moratorium be imposed on SmartEnergy's enrolling or soliciting additional customers in Maryland at least until SmartEnergy completes a communication and refund process, as well as an accounting to the Commission, after which the Commission can address the appropriate civil monetary penalty.

On December 22, 2020, the Commission issued Order No. 89683 imposing a moratorium and directing further proceedings.

On March 31, 2021, the Commission issued Order No. 89795, affirming the PULJ's findings that SmartEnergy violated PUA § 7-507(b)(7) by engaging in unfair, false, misleading and deceptive marketing, advertising and trade practices, and associated COMAR Title 20, Subsection 53 provisions. The Commission reversed the PULJ's finding that Commercial Law Article (Com. Law) § 14-2203(b) (the Maryland Telephone Solicitation Act—MTSA)–requiring that a contract made pursuant to a telephone solicitation be reduced to writing and signed by the consumer–does not apply to SmartEnergy's contracting with its Maryland customers under the facts in this case.

SmartEnergy objected to the Commission's finding that the MTSA applies to its enrollments, and filed a petition for judicial review of the Commission's Order in the Circuit Court for Montgomery County. Along with the Commission, OPC and the

Maryland Attorney General's Consumer Protection Division also filed memoranda supporting the Commission's findings in Order No. 89795.

On November 29, 2021, the Court entered an order affirming the Commission's Order in all respects, except the Commission's finding that SmartEnergy's access to and ability to edit call recordings violated the Commission's regulations. SmartEnergy has filed a Notice of Appeal to the Court of Special Appeals. This matter remains pending.

Complaint of the Staff of the Public Service Commission of Maryland v. Direct Energy Services, LLC–Case No. 9614

On May 15, 2019, Staff filed a complaint against Direct Energy Services, LLC, alleging that the company had violated Maryland law governing retail supplier activities. On May 17, 2019, the Commission ordered Direct Energy to answer Staff's complaint and to show just cause as to why the company's license to provide electricity or electricity supply services and its license to provide natural gas and natural gas supply services should not be suspended or revoked. On July 12, 2019, the Commission found that the submissions provided by the parties were insufficient to resolve the issues set forth in Staff's complaint and the company's response. The Commission initiated a new docket and delegated the matter to the PULJ Division for a finding of whether the company engaged in a pattern or practice of systemic violations of the consumer protections in the Public Utilities Article and the Commission's regulations. A pre-hearing conference was held on September 11, 2019. The procedural schedule was suspended, and new procedural schedules were issued several times. On April 29, 2021, the parties entered into a settlement agreement. On July 8, 2021, a proposed order was issued, approving the settlement and reserving for further litigation in a Phase II issues relating to application of the Maryland Telephone Solicitations Act. The parties filed initial briefs on October 25, 2021 and reply briefs on November 15, 2021. On January 14, 2022, a Phase II proposed order was issued. On February 14, 2022, Direct Energy and OPC both noticed appeals of the proposed order. This matter remains pending.

Complaint of the Staff of the Public Service Commission of Maryland v. U.S. Gas & Electric d/b/a Maryland Gas & Electric and Energy Services Providers, Inc. d/b/a Maryland Gas & Electric–Case No. 9615

On May 15, 2019, Staff filed a complaint against U.S. Gas & Electric, d/b/a Maryland Gas & Electric, alleging that the company had violated Maryland law governing retail suppliers' activities. On May 17, 2019, the Commission ordered the company to answer Staff's complaint and to show just cause as to why the company's license to provide electricity or electricity supply services and its license to provide natural gas and natural gas supply services should not be suspended or revoked. On July 12, 2019, the Commission found that the submissions provided by the parties were insufficient to resolve the issues in Staff's complaint and the company's response. The Commission initiated a new docket and delegated the matter to the PULJ Division for a finding of whether the company engaged in a pattern or practice of systemic violations of the consumer protections in the Public Utilities Article and the Commission's regulations. A pre-hearing conference was held on September 11, 2019. A scheduling order was issued on September 16, 2019. The procedural schedule was suspended, and new procedural schedules were issued several times.

On May 14, 2021, the parties entered into a settlement agreement. On August 30, 2021, a proposed order was issued, approving the settlement and reserving for further litigation in a Phase II issues relating to application of the Maryland Telephone Solicitations Act. The parties filed initial briefs on December 10, 2021 and reply briefs on January 14, 2022. On March 18, 2022, a Phase II proposed order was issued. This matter remains pending.

Formal Complaint of Hill Management Services, Inc. v. Agera Energy, LLC–Case No. 9623

On April 29, 2019, Hill Management Services, Inc. filed an appeal of the Commission's Consumer Affairs Division's decision on further review involving a formal complaint against Agera Energy, LLC alleging breach of contract to deliver gas and failure to notify pursuant to a 2017 contract and sought $464,112.75. On September 11, 2019, the Commission determined an evidentiary hearing was necessary and delegated the case to the PULJ Division. After a procedural schedule was adopted, on October 7, 2019, Agera filed a suggestion of bankruptcy, and on October 15, 2019, this proceeding was stayed. As of December 31, 2021, this matter remains pending.

Complaint of the Staff of the Public Service Commission of Maryland v. Atlantic Energy MD, LLC–Case No. 9624

On May 15, 2019, Commission Staff filed a complaint against Atlantic Energy, MD, LLC alleging numerous violations of Maryland law governing retail supplier activities. After considering Atlantic's response, on July 12, 2019, the Commission dismissed Staff's complaint. However, on August 12, 2019, OPC filed a motion for rehearing, and on October 2, 2019, the Commission granted OPC's motion and delegated the proceeding to the PULJ Division. On November 13, 2019, a procedural schedule was issued but was subsequently suspended due to the COVID-19 pandemic. On August 12, 2020, a new procedural schedule was issued and subsequently modified. On March 5, 2021, the procedural schedule was suspended and, on March 17, 2021, a settlement agreement and supporting testimony was filed. The terms of the settlement agreement included Atlantic Energy paying a $250,000 civil penalty, providing refunds to designated customers, modifying its sales training and oversight of sales agents, and filing semi-annual reports on complaints/disputes and quality assurance. On April 7, 2021, a virtual evidentiary hearing was held. On May 13, 2021, a proposed order was issued that adopted the settlement. The proposed order was not appealed and became Order No. 89857 on June 15, 2021.

Formal Complaint of Gordon Brenne against Washington Suburban Sanitary Commission–Case No. 9625

On July 16, 2019, Mr. Brenne filed a formal complaint against Washington Suburban Sanitary Commission (WSSC) asserting that the company's volumetric rates for water and sewer service are not just and reasonable and are unduly discriminatory. A replacement complaint was filed on July 18, 2019. On July 19, 2019, the Commission granted Mr. Brenne's request to withdraw the original complaint and ordered WSSC to answer the replacement complaint. On October 18, 2019, the Commission delegated the matter to the PULJ Division to conduct proceedings to evaluate the WSSC cost of service study and determine whether the new rate structure adopted by WSSC implements rates that are just and reasonable, and directed the Commission Staff to participate in the matter. A pre-hearing conference was held on February 4, 2020. A procedural schedule was issued on February 10, 2020. An evidentiary hearing was conducted virtually on November 9, 2020. A proposed order was issued on February 16, 2021. The proposed order was not appealed and became Order No. 89789 on March 19, 2021.

Formal Complaint of Michelle Danielle Breau v. Delmarva Power & Light Company–Case No. 9633

On July 24, 2019, Ms. Breau filed an appeal of the Commission's Consumer Affairs Division's decision on further review involving a formal complaint against Delmarva Power & Light Company regarding her request for Delmarva to repair or replace certain electrical equipment attached to a multi-family dwelling in Ocean City, Maryland. Delmarva maintained that the equipment in question was not company-owned, but was owned by the condominium/customer. The Commission found issues of fact related to the ownership of the equipment and delegated this matter to the PULJ Division. The parties submitted testimony, and a proposed order was issued on November 19, 2020. The proposed order determined that Delmarva had no responsibility for the repair or replacement of the equipment, and that the equipment did not pose a hazardous condition or safety violation. On December 21, 2020, Ms. Breau filed an appeal of the proposed order, and Delmarva filed a reply brief on January 11,

2021. On June 21, 2021, the Commission issued Order No. 89860 affirming the proposed order.

Formal Complaint of Regency Furniture of Brandywine, Inc. v. Washington Gas Light Company–Case No. 9641

On January 17, 2020, Regency Furniture of Brandywine, Inc. filed a formal complaint against Washington Gas Light Company (WGL) disputing a $340,113.60 bill transferred by WGL to the complainant's account related to theft of gas at a Regency Furniture retail location. On April 16, 2020, the Commission docketed the matter and delegated it to the PULJ Division. An evidentiary hearing was held virtually on August 12, 2020, and a proposed order was issued on September 30, 2020, denying the complainant's request that the transfer of charges be disallowed. The complainant filed a notice of appeal on October 28, 2020, followed on November 6, 2020, by a memorandum on appeal. WGL filed a reply memorandum on November 24, 2020. On February 1, 2021, the Commission issued Order No. 89697, which affirmed the PULJ's decision, denied the complainant's appeal, and found Regency Furniture responsible for more than $292,000 in unauthorized gas service.

Complaint of the Maryland Office of People's Counsel v. SunSea Energy, LLC–Case No. 9647

On June 4, 2020, OPC filed a complaint and request for show cause order against SunSea Energy, alleging that the company had engaged in unfair and deceptive marketing and enrollment practices in violation of Maryland law and the Commission's consumer protection regulations. SunSea responded to the complaint on July 6, 2020, generally denying the allegations but stated it had nonetheless ceased enrollment of

Maryland customers pending the resolution of the matter. The Commission issued Order No. 89582 on July 28, 2020, establishing a virtual evidentiary hearing for SunSea to show cause as to why its license to provide retail electricity supply services should not be suspended or revoked, why it should not be precluded from soliciting additional customers, and why it should not be subject to a civil penalty pursuant to PUA §§ 7-507 and 13-201.

At the evidentiary hearing on October 7, 2020, the Commission found that SunSea had violated the PUA and COMAR with regard to its enrollment of customers by phone. The Commission imposed a moratorium prohibiting SunSea from marketing to and soliciting new customers. The Commission directed the company to (1) return those customers who were solicited by telephone to default service; (2) rerate and refund all customers who were solicited by telephone—former and current—the difference between the company's supply charges and the applicable SOS rate for the entire period they were served by SunSea; and (3) provide the Commission with an accounting of its refund efforts. SunSea was required to satisfy these directives by November 6, 2020. The Commission deferred consideration of any civil monetary penalty to a later date.

On January 27, 2021, the Commission held a virtual status conference to ascertain whether SunSea complied with the Commission's directives. The Commission directed SunSea to engage an independent auditor to conduct a review of the company's refunded customer accounts, supply contracts, and related matters. On May 17, 2021, SunSea filed audit reports on its refunds and supply contracts. A status conference was held on August 11, 2021. Staff acknowledged that SunSea generally complied with the Commission's orders, including the requirement to return customers to SOS and reimburse overcharges. However, due to the magnitude and gravity of violations, Staff maintained that a $500,000 civil penalty was appropriate, but suggested the Commission consider reducing the penalty by the amount of refunds issued by SunSea. Finally, Staff argued that SunSea's license should be revoked because of the company's history of acquiring customers through deception, including false promises of savings and subsequent charging of excessive rates.

On August 18, 2021, the Commission assessed a $400,000 civil penalty against SunSea but declined to revoke its license. After making full payment, SunSea was allowed to solicit and enroll new customers (not by phone). SunSea must file quarterly reports with the Commission and include a list of all complaints by its Maryland customers, a list of all marketing vendors used by the company, and copies of its contracts and marketing materials.

Elkton Gas Company's Strategic Infrastructure Development and Enhancement (STRIDE) Application–Case No. 9660

On March 2, 2021, Elkton Gas Company filed an application for authority to implement a STRIDE plan and cost recovery mechanism to collect approximately $3.8 million over a 5-year period. On March 5, 2021, the Commission initiated a new docket, suspended the proposed tariff provisions, and delegated the case to the PULJ Division. On March 26, 2021, a virtual pre-hearing conference was held and a procedural schedule was established. On May 4 and May 6, 2021, virtual public comment hearings were held. On July 29, 2021, the parties filed a Settlement Agreement and, on August 10, 2021, the parties filed supporting testimony. On August 13, 2021, a virtual evidentiary hearing was held to consider the settlement. On August 20, 2021, a proposed order was issued approving the settlement. No appeal of the proposed order was taken, and it became Order No. 89931 on September 7, 2021.

Petition of the Maryland Office of People's Counsel to Investigate the Future of FirstEnergy's Relationship With Potomac Edison in Light of Recent Events–Case No. 9667

On July 26, 2021, the Commission granted a petition by OPC to initiate an investigation into the relationship between FirstEnergy Corp. and The Potomac Edison Company following allegations and subsequent findings of misconduct related to lobbying activities that occurred in Ohio. In granting OPC's petition, the Commission authorized discovery into three subject areas: (1) the effect this misconduct may have had on Potomac Edison's cost to access FirstEnergy's 'money pool'; (2) whether and to what extent FirstEnergy may have used any funds from Potomac Edison to pay for any costs associated with FirstEnergy's misconduct; and (3) the extent to which the "Icahn Agreement" may cause Icahn-appointed directors to exercise "substantial influence" over Potomac Edison pursuant to Annotated Code of Maryland, Public Utilities Article (PUA) § 6-105.

On October 15, 2021, OPC filed a motion to compel discovery regarding Potomac Edison's responses to six questions contained within its data request, in particular, requesting that Potomac Edison produce all documentation regarding the internal investigation conducted by FirstEnergy shortly after its misconduct became public. Potomac Edison responded that some of the documents OPC sought were protected by attorney-client privilege.

On October 22, 2021, the Commission delegated the hearing on OPC's discovery motion to Commissioner Odogwu Obi Linton. Commissioner Linton conducted a hearing on November 4, 2021, at which he addressed each of OPC's six questions. Commissioner Linton issued a ruling from the bench and subsequently issued a proposed order granting OPC's motion to compel. Commissioner Linton also concluded that Potomac Edison had waived any attorney-client privilege by describing the contents of the investigation, and FirstEnergy had also done so by speaking to Potomac Edison regarding whether FirstEnergy's internal investigation involved information related to Potomac Edison.

On November 29, 2021, Potomac Edison appealed the provision of the proposed order that granted the motion to compel the investigation report. On January 6, 2022, the Commission granted Potomac Edison's appeal and denied OPC's motion to compel the internal investigation documents, finding that the internal investigation conducted by FirstEnergy's outside counsel constituted attorney-client privilege. The Commission affirmed Commissioner Linton's decision on the five other discovery disputes.

On January 13, 2022, OPC filed a motion for reconsideration, asserting that the Commission's order on appeal entitled OPC to Potomac Edison's audit documents. On March 2, 2022, the Commission denied OPC's motion, ruling that the motion contained a procedural deficiency because it was not germane to the Commission's order. On

March 28, 2022, OPC filed an additional post-discovery reply brief. This matter remains pending.

Formal Complaint of Belinda Kiser v. Historical Infrastructure Management, LLC (The Old Town Bridge)–Case No. 9672

On August 16, 2021, Belinda Kiser filed a formal complaint against Historical Infrastructure Management, LLC related to the adequacy of maintenance and operation of the Old Town Bridge, a privately-owned toll bridge located in Allegany County. On November 18, 2021, the Commission docketed the matter and delegated it to the PULJ Division. This matter remains pending. On January 26, 2022, a procedural schedule was adopted and the Maryland Department of the Environment's petition to intervene was granted. Evidentiary hearings are scheduled for July 2022.

Potomac Edison Report on Billing Error (Maillog Nos.: 236467, 236826)

On August 5, 2021, the Potomac Edison Company notified the Commission that from April 2012 through part of July 2021, it had inadvertently charged some of its residential customers an incorrect sales tax. This error resulted from a computer transition issue arising from the integration of Allegheny Energy (Potomac Edison's former parent company) data into FirstEnergy's system following their 2011 merger.

According to Potomac Edison, the amount of sales tax improperly billed to customers totaled $6.13 million–all of which, it said, was transmitted to the Maryland Comptroller on a monthly basis such that Potomac Edison received no financial benefit from the error. Additionally, Potomac Edison noted that it intended to make all affected customers whole through a full refund, with interest at the Commission's interest rate for security deposits.

Potomac Edison stated that the customer refunds began in September 2021 and that the company would attempt to recoup the excess taxes paid to the State of Maryland. It noted, however, that any recovery would be limited to the prior four years, resulting in a gap of approximately $2.5 million between what was refunded to customers and what it could recover from the State. Potomac Edison stated that it would not seek recovery of this amount in rates and described several specific remediation efforts it would implement to prevent a similar issue. On January 3, 2022, OPC filed comments in which it disagreed with the interest rate Potomac Edison used to calculate the customer refunds. Rather than using the Commission's interest rate for security deposits, OPC argued that Potomac Edison should have calculated the interest using the prime rate, which OPC claimed is a more appropriate rate to ensure customers are made whole–arguing that security deposits are voluntary payments by customers to use a utility's service. In other words, OPC contended that the Commission-approved (lower) interest rate on security deposits reflects an additional benefit received by customers for the temporary loss of use of their money. OPC argued that in this instance, Potomac Edison's residential customers received no benefit from the loss of use of their money, thus justifying a higher interest rate on the refunds.

Even though Potomac Edison received no unjust enrichment and would lose at least $2.5 million, OPC argued that Potomac Edison's failure to detect this error for 10 years justifies the higher rate associated with a creditor-debtor scenario.

On January 26, 2022, Potomac Edison responded, noting that it has substantially completed the refunds described in its August 2021 filing. After distinguishing the circumstances cited by OPC, Potomac Edison cited an earlier Baltimore Gas and Electric Company case, the only one in which it believes the Commission described its reasoning in adopting an interest rate for similar customer refunds. In that case, the Commission determined the rate applicable to security deposits to be the most appropriate.

On February 11, 2022, OPC filed an unauthorized reply to Potomac Edison's response in which it again recommended use of the prime interest rate and argued that Potomac Edison should not have issued refunds until it received authorization from the Commission.

On February 22, 2022, the Commission denied OPC's request and declined to require a second calculation of refunds using an alternative interest rate. As in the BGE case cited, the Commission found that the use of the Commission's prescribed interest rate for security deposits was an appropriate rate for calculating customer refunds in this case. Moreover, the Commission found that OPC's comments were well out of time, noting that OPC offered no reason why it waited five months, long after the refunds were completed, to initially raise concerns with the interest rate. The Commission pointed out that such an unexplained delay can frustrate the timely adjudication of matters before the Commission and contribute to an unacceptable level of regulatory uncertainty for both parties and ratepayers.

Rulemakings and Regulations – New and Amended

RM56–Revisions to COMAR 20.62–Community Solar Energy Generation Systems

On November 18, 2020, a petition for rulemaking was filed by the Coalition for Community Solar Access, Maryland-DC-Delaware-Virginia Solar Energy Industries Association, and Low and Moderate Income Advocates. The petitioners requested that the Commission adopt certain proposed changes to COMAR 20.62, including: (1) a 40 percent increase in the Maryland CSEGS Pilot Program capacity; (2) introduction of a new entity with functions similar to a subscription broker, and (3) various changes to the operations of the Pilot. On November 20, 2020, the Commission published a notice of request for comments on the petition. The Commission subsequently approved Staff's request for an extension of the comment period to January 29, 2021. On February 4, 2021, the Commission issued notice of a rulemaking session scheduled for March 11, 2021, to consider the petition. At Staff's request, on March 4, 2021, the Commission postponed the rulemaking to March 22, 2021.

During the March 22, 2021 rulemaking session, the Commission provided guidance to stakeholders and requested the Net Metering Work Group reconvene to further discuss the proposed regulations. On July 9, 2021, the Commission published a notice for a subsequent rulemaking session and a request for comments. On August 24, 2021 and August 26, 2021, the Commission held two rulemaking sessions to hear party comments. The Commission voted to publish the proposed regulations as modified during the hearing in the *Maryland Register* for notice and comment. Those issues included increasing the program generation capacity caps, adding a subscriber coordinator, defining clean fill site and adjacent parcels, and adding a waiver process for co-locating low and moderate income projects. On February 22, 2022, the Commission held a final rulemaking session where it gave final adoption to the community solar regulations contained in Title 20, Subtitle 62, Chapters 01, 02, 03, and 05 as published in the *Maryland Register* on January 3, 2022.

RM71–New COMAR Chapter 20.55.10–Licensed Professional Engineer Approval and Stamping of Natural Gas Infrastructure Projects in Maryland

On September 13, 2018, a series of deadly explosions and fires occurred after high-pressure natural gas was released into a low-pressure gas distribution system in the northeast region of the Merrimack Valley in Massachusetts. Following its investigation of this accident, the National Transportation Safety Board (NTSB) determined that improvements were needed in the engineering management of natural gas infrastructure work. The NTSB developed a recommendation to require licensed professional engineer (P.E.) approval and stamping of natural gas infrastructure work. Maryland had exempted this requirement through a provision in the Maryland Annotated Code, Business Occupations and Professions Article (BPA) § 14-301(b)(2).

In October 2020, the Commission's Technical Staff petitioned the Commission for a rulemaking to establish new regulations removing the exemption so that all future natural gas infrastructure projects would require licensed P.E. approval and stamping. The Commission docketed RM71 in October 2020. An initial rulemaking session was held on December 4, 2020, at which the Commission moved to publish the proposed regulations filed by the Commission Staff (and amended by the Commission to reflect a January 1, 2022 effective date) in the *Maryland Register* for notice and comment. At a rulemaking session on May 18, 2021, the Commission gave final adoption to the proposed regulations as published in the *Maryland Register* on March 26, 2021. The regulations became effective on June 14, 2021.

RM72–Revisions to COMAR 20.79–Regulations Governing CPCNs for Generating Stations

On September 23, 2020, the Commission issued a notice of intent to initiate a rulemaking to consider further revisions to COMAR 20.79 to enhance transparency in the CPCN application requirements for generating stations, specifically in the determination of when an application is considered complete in order to proceed with the CPCN application review. The Commission invited interested parties to file comments or proposals for Staff's consideration regarding possible revisions, and on December 18, 2020, Staff filed a petition requesting that the Commission initiate the rulemaking.

Staff proposed regulations to enhance the CPCN application process for generating stations. Key improvements include establishing a new pre-application consultation requirement, creating a clear set of CPCN application completeness criteria (including any project-related feedback from the host jurisdiction), and ensuring that State agencies and local jurisdictions are provided with sufficient project information in advance to evaluate the proposed project. The Commission held a two-day legislative-style virtual hearing from March 29-30, 2021, and approved Staff's proposed regulations, with modification, for publication in the *Maryland Register*. On August 10, 2021, the Commission held a second virtual rulemaking session and moved to finally adopt the proposed revised regulations as published in the *Maryland Register* on June 18, 2021. The regulations went into effect on September 6, 2021.

RM73–Maryland Energy Assistance Program/Universal Service Protection Program: Revisions to COMAR 20.31.05.08

On December 31, 2020, on behalf of the MEAP/USPP Work Group, the Commission's Technical Staff submitted a petition for a rulemaking and a brief report regarding the MEAP/USPP Work Group's proposed changes to the USPP regulations.

The proposed revisions would eliminate the requirement of a waiver of COMAR 20.31.05.08C(3), which limits the application of Maryland Energy Assistance Program (MEAP) funds for customers participating in the Commission's USPP (Utility Service Protection Program) to first-time participants in the USPP.

Currently, COMAR does not allow MEAP grant funds to be used to pay down a customer's arrearages after the first year. In addition, customers with arrearages of over $400 are not allowed to enroll in USPP. Due to these limitations, Maryland utilities request a waiver of COMAR to enable them to use the MEAP Grant funds to pay down customers' arrearages in order to participate in USPP.

The proposed revisions to COMAR would enable USPP participants to apply the MEAP grant to reduce arrearages for purposes of USPP participation and eliminate the first time applicant limitation. The revisions also eliminated the inefficient administrative process of utilities requesting waivers of COMAR to enable them to use MEAP grant funds to pay down customers' arrearage in order to enable customer participation in USPP.

On January 5, 2021, the Commission issued a notice scheduling a rulemaking session for March 1, 2021, at which it moved to publish the proposed regulations for notice and comment in the *Maryland Register.* The Commission also directed respective utilities to respond to certain data requests made by Staff.

A final rulemaking session was held on July 22, 2021, at which the Commission gave final adoption to proposed revisions to COMAR 20.31.05 that were published for notice and comment in the May 7, 2021 edition of the *Maryland Register.* The revised regulations were effective as of August 23, 2021.

RM74–Revisions to COMAR 20.90 and COMAR 20.95–Vehicle Inspection Standards

On January 5, 2021, the Commission initiated RM74 and directed Staff to consult industry stakeholders and interested persons prior to drafting and filing revised regulations to COMAR 20.90 and COMAR 20.95 associated with the Commission's vehicle inspection standards. Staff formed a work group with participants including the Maryland Motor Vehicle Administration, Maryland Limousine Association, Washington Metropolitan Area Transit Commission, National Highway Traffic Safety Administration, Uber Technologies Inc., zTrip, Center for Auto Safety, National Safety Council, Lyft Inc., and Freedom Services LLC.

On August 2, 2021, Commission Staff submitted a filing that proposed revised regulations to COMAR 20.90 and COMAR 20.95. The regulations would require self-certification that a Commission-permitted vehicle had complied with any vehicle safety recalls issued by the vehicle manufacturer and posted online by the National Highway Traffic Safety Administration (NHTSA) under section 49 U.S.C. § 30118. The proposed revisions included input from the work group and transportation industry stakeholders regulated by the Commission.

On September 7, 2021, the Commission held a rulemaking session at which it moved to publish the proposed revised regulations in the *Maryland Register* for public notice and comment; the proposed regulations were published on November 19, 2021. On January 18, 2022, the Commission held a rulemaking session at which it gave final adoption to the revised regulations, which became effective on February 7, 2022.

RM75–Renewable Energy Portfolio Standard: Revisions to COMAR 20.61

On November 15, 2021, the Commission's Technical Staff submitted a petition for rulemaking for the purpose of revising COMAR provisions associated with offshore wind solicitation regulations and other provisions of the Renewable Energy Portfolio Standard Program. On November 16, 2021, the Commission issued a notice scheduling a rulemaking session for December 21, 2021, at which the Commission and the parties agreed to postpone action on the proposed regulations.

The Commission noted possible new legislative requirements and changes made in Case. No. 9666 (*Skipjack Offshore Energy, LLC and US Wind, Inc.'s Offshore Wind Applications Under the Clean Energy Jobs Act of 2019*) that may impact the regulations, and that the utilities–who did not participate in the rulemaking–needed to be engaged in the discussion. Staff was directed to make a new filing on May 2, 2022, reflecting the results of this discussion and the Commission's directives in Case No. 9666. The Commission's December 17, 2021 order in that case awarded ORECs to both companies and effectively exhausted the capacity for subsequent offshore wind solicitations under CEJA.

Public Conferences

PC44–Transforming Maryland's Electric Distribution Systems (Grid Modernization)

On September 26, 2016, the Commission convened PC44, a proceeding which built on two Commission technical conferences that examined rate-related issues affecting the deployment of distributed energy resources (PC40) and electric vehicles (PC43). It also follows up on a condition of the Commission's May 2015 approval of the merger of Exelon Corporation and Pepco Holdings, Inc. (PHI), which required PHI to file a plan for transforming its distribution system and fund up to $500,000 to retain a consultant to the Commission on the matter. Key topics of exploration would include enhancing rate design options, particularly for electric vehicles; calculating benefits and costs of distributed energy resources, including solar energy; maximizing advanced metering infrastructure (smart meters) benefits; valuing energy storage properly; streamlining the interconnection process for distributed energy resources; evaluating distribution system planning; and assessing impacts on limited-income Marylanders.

On January 31, 2017, the Commission issued a notice outlining the proceeding's next steps. The notice directed PHI to seek bids for a consultant to study the benefits and costs of distributed solar and also contained a statement of guiding principles, revised the scope/topics of the proceeding, and detailed a proposed timeline. The revised topics of exploration include rate design, electric vehicles, competitive markets and customer choice, interconnection process, energy storage, and distribution system planning (if sufficient funding is available). 2021 activities included:

Competitive Markets and Customer Choice (CMCC) Work Group

During a rulemaking session in RM62 on August 23, 2018, the Commission considered a number of proposed enhancements to the competitive market and customer choice framework applicable in the State, including the adoption of the "seamless moves" concept. Seamless moves refers to the ability of a residential or small commercial customer to relocate to another premise within the same utility service territory and remain in an existing contract with their active supplier. Absent the seamless move capability, a customer would revert to standard offer service or sales service as a result of a move, thereby requiring the customer to subsequently re-enroll with the supplier after establishing an account at the new premise. The Commission denied the seamless moves proposal, as filed.

On March 31, 2021, the General Assembly passed legislation requiring electric utilities to accommodate seamless moves for retail electric supply service, beginning July 1, 2022. Between April 2021 and December 2021, the CMCC Work Group held five meetings to discuss the utility-side operational steps and system requirements for implementing the new seamless moves function for retail electric choice customers. On December 10, 2021, the work group finalized a consensus, model business process plan with details on how the electric utilities would propose to implement the seamless moves requirement through utility tariffs. The utilities will make tariff filings in early 2022 for Commission consideration and approval.

Case No 9478—In the Matter of the Petition of the Electric Vehicle Workgroup for Implementation of a Statewide Electric Vehicle Portfolio

On January 14, 2019, the Commission issued Order No. 88997 approving a modified EV charging portfolio across four investor-owned utility service territories—BGE, Delmarva Power and Light, Pepco and Potomac Edison. Summarized briefly, the Commission approved a total of 5,046 smart and DC fast chargers (combined):

- Rebate incentives for 3,137 residential smart chargers via rebate incentives;
- Rebate incentives for 1,000 non-residential smart chargers at multi-unit dwelling locations; and
- 909 utility-owned and operated public chargers.

Order No. 88997 also approved time-of-use residential rate offerings (both whole house and EV-specific), demand charge credit programs for non-residential applications, and BGE's managed charging program to control the level of EV charging during peak demand periods. The Commission further directed the utilities to file detailed, semi-annual reports addressing specific metrics designed to inform the Commission and the public regarding program implementation and impacts on the distribution grid.

SMECO filed an application on May 14, 2019, to install up to 60 utility-owned and operated public chargers in a program similar to those approved for the four investor-owned utilities. On July 31, 2019, the Commission approved a modified version of SMECO's request, adding an additional 60 public-facing chargers to the state portfolio and raising the total number of approved chargers to 5,106. BGE and PHI officially launched their programs in July 2019. PE and SMECO began their programs in 2020.

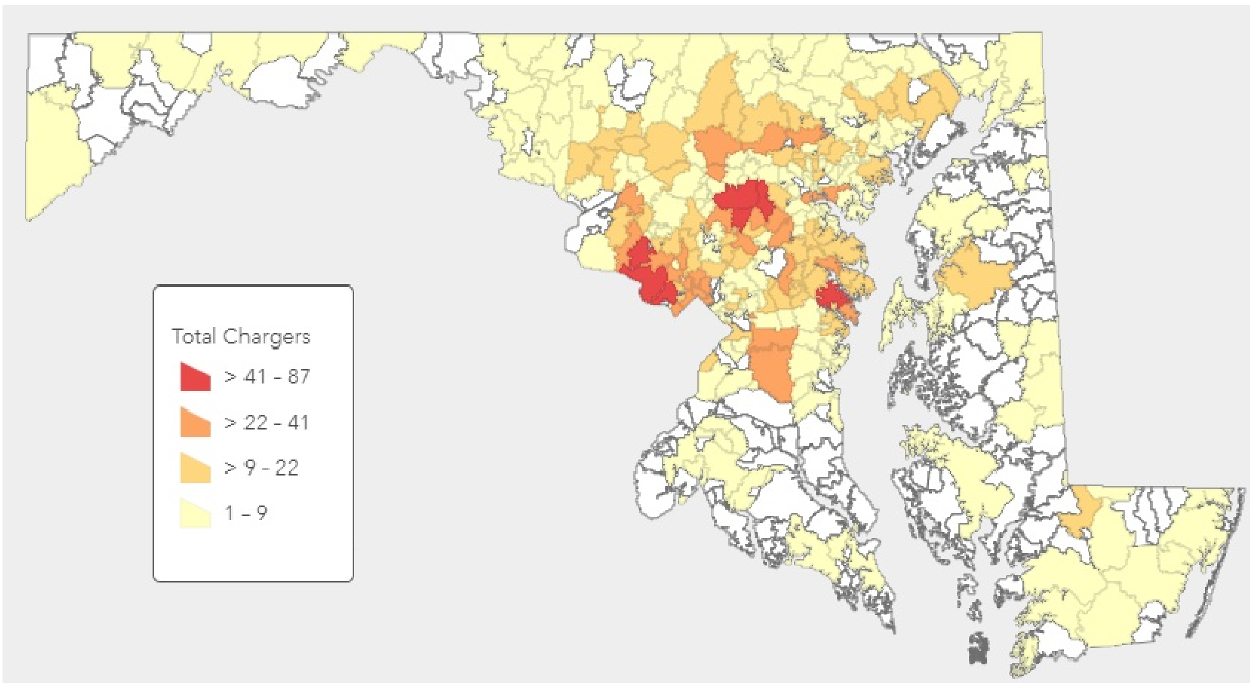
On August 17, 2021, the Commission published a notice for a virtual mid-course EV pilot evaluation hearing and request for comments. The Commission reviewed proposals to modify the pilot from the utilities and comments from other parties at the October 13, 2021 hearing. On January 11, 2022, the Commission issued Order No. 90036 approving, in part, and denying, in part, the residential, multifamily, utility-owned, fleet and workplace, and other modifications proposed by the utilities. The Commission also included several directives for the PC44 EV Work Group with various deadlines and deliverables. Work group reports on reliability metrics for the pilot and fleet proposals are due later in 2022. Proposed regulations for a future rulemaking on EV supply equipment (EVSE) metering is due by the end of 2023.

On December, 1, 2021, the leader of the PC44 EV Work Group filed a consensus benefit-cost analysis (BCA) framework for the EV pilot in compliance with Order No. 89678. The Maryland EV-BCA Framework was approved by the Commission via a January 12, 2022 letter order.

The leader of the PC44 EV Work Group filed a separate letter requesting the Commission open a new proceeding for a unified benefit-cost analysis framework for distributed energy resources. The Commission opened Case No. 9674 on December 16, 2021, and requested comments from interested parties. On February 23, 2022, the Commission held a legislative-style hearing to review comments and recommendations on: (1) the practical use of a unified BCA for stakeholders, (2) the role of a unified BCA in Commission proceedings, and (3) suggested methodologies, procedures, or vehicles for developing the unified BCA. A Commission decision is pending in this matter.

As of the February 1, 2022 utility filings, 2,267 residential EV chargers were rebated, 135 multifamily EV charging ports were installed, and 343 utility-owned public chargers were installed and operational across the state. The next semi-annual reports are due to be filed by the utilities on August 1, 2022. **Figure 1** illustrates the total chargers installed and/or rebated through the pilot by zip code through the end of 2021.

Figure 1 Cumulative Chargers Installed and/or Rebated through December 31, 2021



Rate Design Work Group

After consideration at the December 12, 2018 Administrative Meeting, the Commission directed the Joint Utilities to proceed with implementation of residential time of use (TOU) pilots. Recruitment for the pilot program began in early 2019. The TOU rates went into effect in the utilities' service territories on April 1, 2019, and will remain open to customers for the duration of the pilot (May 31, 2021) and through the evaluation period (end of 2021). Following the Administrative Meeting on November 18, 2020, the Commission received an update from the Brattle Group, which is providing evaluation, measurement and verification to the utilities for the pilot results. The update provided preliminary results for the first year of the pilot showing statistically valid findings for the majority of the pilot metrics.

The TOU pilots concluded in April of 2021, and the participating utilities provided their Final Pilot Evaluation Report in October of 2021. The PC44 TOU Pilot ran from June 2019 through May 31, 2021, and included approximately 3,800 customers across three service territories (BGE, Pepco and DPL). The Pilot also established a separate sampling group to determine the specific response of low- and moderate-income (LMI) customers, defined as those making 80 percent or less of the area median income. The results of the pilot are generally encouraging:

- Customers reduced summer peaks between 9.3 to 13.7 percent and non-summer peaks between 4.9 and 5.4 percent;
- LMI customers responded to the rate with statistical significance in the majority of the analyses in a manner similar to the non-LMI customers;
- Customers experienced bill savings averaging 5.3 to 9.7 percent in year one and 2.3 percent to 7.5 percent in year two;
- Customer satisfaction rates were very high (90 percent for both BGE and Pepco, 95 percent for Delmarva).

The pilot rates remain available for participating customers, and the Rate Design Work Group is developing recommendations for transitioning the pilot rate to a permanent rate offering.

The Commission also directed BGE and Pepco to issue a request for proposals from the supplier community to undertake innovative load-shaping pilots. After receiving the results of the solicitation and party comments, the Commission directed Pepco and BGE to partner with the selected suppliers in offering two innovative rate offerings designed to shift and shape residential customer load. In light of the COVID-19 pandemic, the supplier pilots were delayed until door-to-door sales could resume and the pilot could take place during a period with retail conditions more likely to be repeated in the future. During 2020, one of the selected suppliers launched its Pilot while the second supplier notified the Commission that it no longer intended to pursue the pilot offering.

PC53–Impacts of COVID-19 Pandemic on Maryland's Gas and Electric Utility Operations and Customer Experiences

In early 2020, in response to the COVID-19 pandemic, Governor Hogan issued a moratorium on utility disconnections, set to expire on September 1, 2020. On August 31, 2020, the Commission took action to protect residential customers by extending the Governor's moratorium through October 1, 2020. In addition, the Commission enacted additional customer protections, including extending the disconnection notice period to 45 days, creating more favorable terms, and prohibiting deposit requirements for payment plans.

The Commission also established monthly reporting requirements to track the number of customers in arrears, total dollars in arrears, customer payment plan behaviors, disconnections, and reconnections. Finally, the Commission established quarterly reporting requirements related to the COVID-19 regulatory assets.

The Commission continues to monitor the arrearage and regulatory asset reporting. Across the state for residential customers, as of December 31, 2021, there were just under 5 million past-due residential customer accounts, with over $2 billion total in arrears. For context, at the end of 2019, there were approximately 5 million past due accounts, with approximately $1 billion total in arrears.

On February 12, 2021, the General Assembly passed and the Governor signed into law the RELIEF (Recovery for the Economy, Livelihoods, Industries, Entrepreneurs and Families) Act. Between February and May of 2021, the Commission sought the additional information necessary to disburse the grants to three categories of customers: (1) OHEP recipients from the prior four years; (2) customers with special medical needs certificates on file; and (3) all other customers in arrears. On May 12, 2021, the Commission held a virtual hearing on recommendations for how to disburse the funds. On June 15, 2021, the Commission issued Order No. 89856 distributing $83 million in proportion to existing arrearages across 20 utilities ranging from $49 million (BGE) to $900 (A&N Electric Cooperative). Order No. 89856 also directed the Maryland utilities to administer RELIEF grants in the following manner:

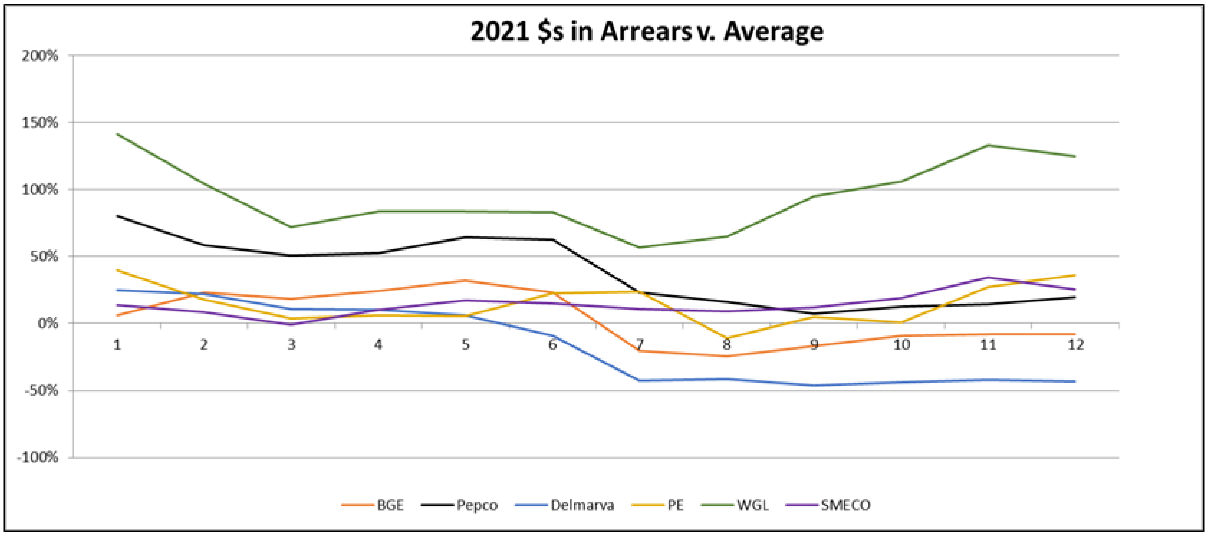
- Category 1 - All arrearages for customers who received OHEP assistance in the prior four years;
- Category 2 - All arrearages for customers who had special medical needs certificates on file with their utility; and
- Category 3 – in order of the oldest arrearages, where possible, and proportional to arrearages where funds are insufficient to forgive all arrearages of a certain age.

The Commission immediately disbursed the RELIEF Act funds to the utilities to be applied to customers' bills as direct, immediate arrearage forgiveness. All 20 utilities applied the funds to bills between July and October 2021 and reported the results of their distribution to the Commission by November 1, 2021. Below is a chart showing numbers of customers and average grants in each category for the six largest utilities.

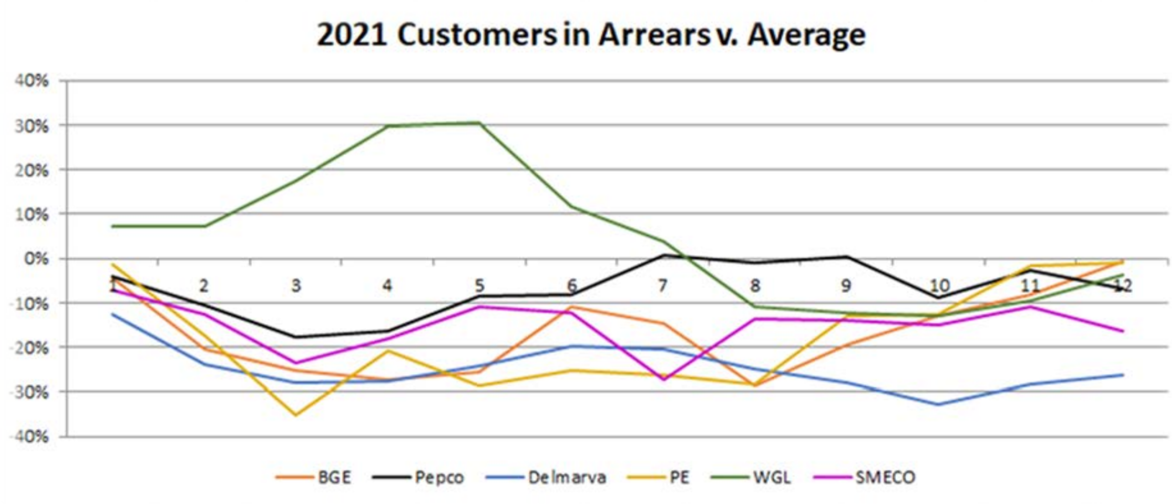
Table 12: RELIEF Act Funds Distribution

	Category 1		**Category 2**		**Category 3**		**Totals by Utility**	
	Customers	**$/Cust.**	**Customers**	**$/Cust.**	**Customers**	**$/Cust.**	**Customers**	**$/Cust.**
BGE	38,297	$973	824	$1,462	39,710	$261	78,831	$619
Pepco	7,850	$1,015	184	$916	20,954	$208	28,988	$431
Delmarva	6,724	$1,157	146	$873	3,895	$16	10,765	$740
Potomac Edison	5,299	$505	1,580	$633	25,648	$13	32,527	$124
WGL	4,748	$566	1,486	$540	3,474	$643	9,708	$590
SMECO	1,714	$835	27	$643	6,843	$3.00	8,584	$171
Total by Category	64,632	$842	4,247	$845	100,524	$191	169,402	$475

As a result of the increased arrearages assistance provided in response to the COVID-19 pandemic (e.g., supplemental OHEP grants and RELIEF Act), statewide arrearages have dropped back to approximate pre-pandemic levels for most utilities. However, these numbers do not include amounts currently in repayment via payment plans. The following chart shows monthly arrearage amounts compared to 10-year averages (x- axis represents the average for a given month).



In addition, the number of customers experiencing payment difficulties is well below historical averages. The chart below shows the total number of customers in arrears compared to the 10-year average (x-axis represents the averages for a given month).



V. COMMISSION TELECOMMUNICATIONS CASES AND ACTIVITIES

In the Matter of the Petition for Arbitration of Interconnection Rates, Terms and Conditions with Core Communications, Inc. Pursuant to 47 U.S.C. Section 252(B)–Case No. 9013

On July 14, 2004, Verizon Maryland filed a Petition for Arbitration with Core Communications. After the parties filed testimony, on January 12, 2005, the Commission delegated this case to the Hearing Examiner Division (now the Public Utility Law Judge, or PULJ, Division). On March 30, 2005, an evidentiary hearing was held and briefs were subsequently filed. On February 24, 2006, a proposed order was issued. On March 27, 2006, Verizon and Core appealed. On December 12, 2014, the Commission issued Order No. 86758, which directed the parties to restate their positions. On February 9, 2015, the parties filed a joint stipulation on pending appellate issues and, on February 10, 2015, the parties filed their restated positions.

On July 21, 2019, Commission entered Order No. 89168, which affirmed, in part, and reversed, modified and clarified, in part, the Arbitrator's findings and conclusions in a proposed order filed on February 24, 2006. The Commission further directed Verizon and Core to file an updated interconnection agreement reflecting provisions consistent with Order No. 89168 or, alternatively, negotiate superseding terms and conditions consistent with the Order. On September 19, 2019, Core filed a Request for Clarification of Commission Order No. 89168 and a Request for Approval of a Proposed Interconnection Agreement, which Verizon opposed.

On April 20, 2020, the Commission approved a procedural schedule for the filing of a joint draft interconnection agreement and briefs. The Commission determined that the parties raised new issues and issues not previously addressed in either the proposed order or Order No. 89168. On September 15, 2020, the Commission delegated this matter to the PULJ Division to arbitrate issues that had not previously been adjudicated in a previous proceeding. The testimony was filed, and a virtual evidentiary hearing was held on March 16, 2021. After the submission of briefs, on July 2, 2021, a proposed order was issued. On July 29, 2021, Core noted an appeal. On January 3, 3022, the Commission issued Order No. 90023, which affirmed, in part, reversed and modified, in part, the proposed order. On February 2, 2022, Core Communications filed a Petition for Rehearing and Clarification. On February 18, 2022, the Parties filed a Joint Request for an Extension of Time to File an updated interconnection agreement. On February 22, 2022, Verizon filed its Opposition to the Petition for Rehearing and Clarification. On March 1, 2022, the Commission issued a letter order, which denied the parties' request for a 60-day extension but granted a 30-day extension to file an updated interconnection agreement, and directed that a joint status report be filed within 10 days.

On March 14, 2022, a joint status report was filed which indicated that negotiations have continued and the parties requested a 60-day extension to May 3, 2022. This matter remains pending.

VI. COMMISSION WATER/SEWER CASES

Maryland Water Service, Inc.'s Application for Authority to Increase its Rates and Charges and to Revise its Terms and Conditions for Gas Services – Case No. 9671

On September 30, 2021, Maryland Water Service filed an application for authority to revise and consolidate rates, charges, and tariff revisions for water and sewage disposal services for its five systems in three Maryland counties. The company's request of a revenue increase of $1,990,022 represented a 108.70% increase in water revenue, and an 87.87% increase in sewer revenue. On October 1, 2021, the Commission initiated a new docket, Case No. 9671, to consider the application; suspended the proposed tariff revisions; and delegated the matter to the Public Utility Law Judge Division. A virtual pre-hearing conference was held on October 27, 2021, and a procedural schedule was issued. The procedural schedule was modified on November 22, 2021. On December 16, 2021, by Commission Order No. 90010, the effective date of proposed rates was amended and the procedural schedule was modified again. On January 27, 2022 and February 8, 2022, virtual public comment hearings were held.

After filing a Notice of Settlement on March 1, 2022, the parties filed a Joint Stipulation and Settlement Agreement on March 2, 2022, and on March 8, 2022, testimony supporting the settlement was filed. A virtual evidentiary hearing to consider the settlement was held on March 9, 2022. A proposed order was issued on March 30, 2022, accepting the settlement agreement, which provided an increase in annual base rate revenues of $1,544,000 and consolidated the rates of two of the systems. The proposed order was not appealed and became Order No. 90158 on April 14, 2022.

VII. COMMISSION PARTICIPATION OR INTERVENTIONS IN OTHER REGULATORY COMMISSION MATTERS

Below is a summary of selected matters in which the Commission's Office of General Counsel (OGC) represented the Commission before the Federal Energy Regulatory Commission (FERC) during 2021.

Delaware and Maryland State Commissions v. PJM (Artificial Island Complaint)—EL15-95

On August 28, 2015, the Delaware Public Service Commission and the Maryland Commission jointly filed a complaint pursuant to Section 206 of the Federal Power Act against PJM and certain PJM transmission owners, requesting that FERC find that PJM's use of a "solution-based DFAX" calculation to allocate the costs of the Artificial Island Regional Transmission Expansion Plan Project is unjust, unreasonable, and unduly discriminatory and preferential. The two commissions asserted that PJM's sole reliance on the solution-based DFAX methodology for allocating Artificial Island Project costs results in a grossly disproportionate financial impact to customers within the Delmarva transmission zone (Delaware and the Maryland Eastern Shore) when compared with the limited benefits to consumers in that zone.

On November 24, 2015, FERC issued an order finding that PJM's proposed tariff amendments have not been shown to be just and reasonable, and may be unjust, unreasonable, or unduly discriminatory or preferential. FERC directed its staff to establish a technical conference to explore: (1) whether there is a definable category of reliability projects within PJM for which the solution-based DFAX cost allocation method may not be just and reasonable, such as projects addressing reliability violations that are not related to flow on the planned transmission facility; and (2) whether an alternative just and reasonable ex-ante cost allocation method could be established for any such category of projects.

On April 22, 2016, FERC issued an order denying the Delaware and Maryland Commissions' complaint. Petitions for rehearing were filed, along with a motion to defer ruling on the matter pending review of alternatives being considered by PJM.

On September 6, 2017, the Delaware and Maryland Commissions filed at FERC to reopen the record and lodge a PJM analysis more accurately depicting the beneficiaries of the Artificial Island Project. On July 19, 2018, FERC granted rehearing, finding that it is unjust and unreasonable to apply PJM's solution-based DFAX cost allocation methodology to the Artificial Island Project, and establishing hearing procedures to determine an appropriate methodology. On July 17, 2018, the Delaware and Maryland Commissions filed expert testimony supporting a PJM-modeled Stability Deviation Method as the cost allocation methodology that would more appropriately assign Artificial Island Project costs in proportion to the areas of the electric system where the reliability concerns are meant to be mitigated. In response to requests for rehearing filed by PJM transmission owners (TOs) and New Jersey State Agencies (NJ), FERC issued an order on February 28, 2019, denying the rehearing requests and adopting the Stability Deviation Method (the method advocated by Maryland and Delaware) as the just and reasonable replacement rate for Artificial Island cost allocation.

Following a PJM request for clarification regarding the FERC order, PJM refiled, and FERC approved on December 19, 2019, a revised replacement rate for project cost allocation. The impact of the revision on Delmarva customers as a result of the clarification is minimal when compared to the February 28, 2019 replacement rate. An appeal of FERC's decision was taken in the D.C. Circuit Court of Appeals by the Public Service Gas and Electric Company (PSEG), and oral argument was held on January 15, 2021. On March 2, 2021, the Court denied PSEG's petition for review.

Intra-PJM Extra High Voltage [500 kV and Above] Cost Allocation—FERC Docket EL05-121

On May 31, 2018, FERC issued a settlement order approving the parties' contested settlement agreement resolving pre-Order 1000 intra-PJM 500 kV and above (EHV) transmission cost allocation. The Commission negotiated extensively over a period of years with western-PJM state commissions to reach a settlement pertaining to the re-allocation of approximately $731 million in 500 kV and above transmission facilities costs following two appeals by the Illinois Commerce Commission regarding FERC's initial decision (and FERC's decision on remand) in this case. Subject to PJM filings implementing the settlement, Maryland transmission owners (BGE, Pepco, DPL, and FirstEnergy) will file updates to their transmission tariffs with FERC for review and approval. The Maryland Commission was a non-opposing settlement party. Merchant transmission owners who opposed the settlement filed requests for rehearing, which FERC denied on December 19, 2019.

On February 13, 2020, Long Island Power Authority (LIPA) and Linden VFT, LLC filed a Petition for Review in the D.C. Circuit Court of Appeals. The Maryland Commission intervened in support of FERC. Oral argument was heard on May 13, 2021.

On March 4, 2022, the D.C. Circuit Court vacated and remanded FERC's decision requiring Linden to pay Transmission Enhancement Charge (TEC) adjustments. However, the Court otherwise denied LIPA and Linden's Petition for Review of the FERC's decision approving the EL05-121 EHV cost allocation settlement. The parties agreed that Linden need not pay TEC adjustments for 2018 to 2025, but disagreed over whether Linden must pay TEC adjustments for 2016 and 2017.

State Policies and Wholesale Capacity Markets—FERC Docket Nos. ER18-1314, EL16-49 and EL18-178

On March 21, 2016, in Docket No. EL16-49, Calpine and certain other generators filed a complaint at FERC, claiming that PJM's Minimum Offer Price Rule (MOPR) is unjust and unreasonable because it allegedly allows certain resources receiving state-supported out-of-market payments to suppress prices in PJM's capacity market. Subsequently, on April 9, 2018, in Docket No. ER18-1314, PJM filed at FERC proposed changes to its capacity market rules to address the concerns in Calpine's complaint that would apply to most resources receiving revenues outside of its capacity market attributed to state policies. Such revenues generally reflect payments to generators for their clean energy attributes, such as renewable energy credits (RECs). PJM requested FERC to select one of two alternatives to its existing market rules as just and reasonable. One option would ensure that resources meeting state policies clear the capacity market, but it would raise capacity prices paid to all resources that clear the market. The second option would apply a MOPR to subsidized resources, effectively preventing them from clearing the market. On May 7, 2018, the Maryland Commission filed in protest of both alternatives.

On June 29, 2018, FERC issued an order in the Calpine case (Docket No. EL16-49), and on its own motion initiated a proceeding (Docket No. EL18-178), consolidating Docket Nos. EL16-49 and ER18-1314. FERC held in the order (the Expanded MOPR Order) that neither of PJM's proposals was just and reasonable and that PJM's existing wholesale capacity market, the reliability pricing model (RPM), also was unjust and unreasonable. FERC further stated that the MOPR—with few exceptions—should apply to all resources that receive out-of-market subsidies, including new resources that receive revenue from state renewable portfolio standards. FERC set the matter for paper hearing procedures and solicited comments, including comments on a resource-specific Fixed Resource Requirement (FRR) Alternative. FERC suggested the resource-specific FRR (RS-FRR) Alternative, a proposed variation on the FRR Alternative mechanism currently in place under PJM's FERC-approved operating rules, as a way to accommodate state policies. FERC suggested that the RS-FRR would allow resources receiving revenues attributed to state policies to contract directly with electricity suppliers.

On October 2, 2018, the Maryland Commission requested rehearing of the June 2018 order, asserting that the order was arbitrary and capricious in its finding that the existing RPM tariff was unjust and unreasonable, and filed comments advocating for exemptions in the event FERC chose to proceed with a rate structure that would apply the MOPR. The Maryland Commission also submitted a novel proposal referred to as the Competitive Carve-Out Auction (CCOA). The CCOA is a solution that can accommodate the inclusion of state-preferred resources in the capacity clearing process in a timely, competitive, and efficient fashion. On December 19, 2019, FERC issued an order requiring PJM to amend its rules to apply the MOPR to resources that receive what FERC characterizes as “state subsidies.” While the order provided exemptions for existing demand response, storage and intermittent renewables, it discarded its previous suggestion that state policies could be accommodated on a resources-specific basis and withdrew the RS-FRR Alternative. FERC also rejected the Commission’s CCOA proposed solution without analysis or comment.

On January 21, 2020, the Maryland Commission filed a request at FERC for rehearing and clarification of the December 2019 order. The Commission requested that FERC: (1) reverse its decision to reject the Commission’s accommodative CCOA alternative approach for clearing state-preferred resources in the PJM capacity market; (2) exempt all existing and future renewable resources that receive or are eligible to receive subsidies pursuant to state policies adopted subsequent to the issuance of FERC’s June 2018 order and prior to the issuance of the December 2019 order; (3) reconsider exempting limited amounts of emerging technologies; (4) expand the criteria for exempting renewable resources to include resources that received state regulatory commission authorization for RECs prior to the date of FERC’s December 2019 order;

(5) clarify that new resources participating in retail utility demand response (DR) programs—of which retail customers move in and out—are not subject to the new resource MOPR requirement; (6) clarify that resources benefiting from the Regional Greenhouse Gas Initiative (RGGI) or any state carbon-pricing mechanism do not receive a state subsidy, as the term is defined in the December 2019 order; (7) clarify that transmission resources planned by PJM pursuant to Order No. 1000 public policy provisions and sponsored by states attempting to meet public policy goals by delivering power from state-preferred generation resources, do not cause the underlying generation resources to receive a state subsidy, as that term is defined in the December 2019 order; and clarify that state default (or standard offer service) programs are not considered subsidies subject to the MOPR.

The Commission also requested that FERC direct PJM to delay conducting any future capacity auction to no earlier than May 2021 to allow state legislatures, including the Maryland General Assembly, enough time to consider options to protect state-preferred resources that will be effectively excluded from clearing the PJM capacity market.

On April 16, 2020, FERC issued an Order on Rehearing, denying most of the parties' rehearing requests and requests for clarification. In its Order on Rehearing, FERC did not reconsider the Maryland Commission's accommodative CCOA alternative approach for clearing state-preferred resources in the PJM capacity market or exempt all existing and future renewable resources that receive or are eligible to receive subsidies pursuant to state policies adopted subsequent to the issuance of FERC's

June 2018 order and prior to the issuance of the December 2019 order. However, FERC clarified that resources benefiting from RGGI or any state carbon-pricing mechanism do not receive a state subsidy. While FERC did not revise its order with regard to state default (or standard offer service) programs, in its Compliance Filing, PJM's proposed tariff language defined criteria by which state default service programs that are subject to monitoring procedures would not be viewed as subsidizing market outcomes and therefore would not be subject to the MOPR. FERC accepted PJM's Compliance Filing with regard to default service and standard offer service programs. Therefore, at least for Maryland's SOS program, the issue is viewed as moot.

Numerous appeals of FERC's June 2018 Order and December 2019 Replacement Order were taken by state commissions, consumer advocates, environmental organizations, generators, and self-supply entities. Appeals were taken in the D.C Circuit and in the 7th Circuit courts of appeals. The Maryland Commission filed a Petition for Review in the D.C. Circuit, jointly with the New Jersey Board of Public Utilities (NJBPU). Ultimately, the Committee on Multidistrict Litigation assigned the matter to the 7th Circuit Court of Appeals, listing the Illinois Commerce Commission petition as the lead docket in the proceeding. The petitions filed in the D.C. Circuit, including the Joint NJBPU/ Maryland Commission Petition, were transferred to the 7th Circuit where they await further orders from the Court with regard to the record to be filed by FERC and the briefing schedule for petitioners, intervenors, and respondents.

FERC requested that the filing of the record be postponed and the matter be held in abeyance pending efforts by PJM to develop capacity rules that would render aspects of the 7th Circuit litigation moot. The 7th Circuit appeal regarding the Expanded MOPR is currently in abeyance pending litigation of the Focused MOPR described below.

On February 18, 2021, FERC issued an Order on Rehearing modifying its October 15, 2020 order, in part, by vacating footnote 134—relating to state default service auctions—in light of inconsistency between the language in the footnote and language in the Commission-accepted rate. The Order on Rehearing holds that state default service auctions are not subsidies, and capacity resource procurements responsive to such state auctions are not subject to the MOPR.

AD21-10 – Modernizing Electricity Market Design

In March 2021, FERC convened a technical conference to discuss the role of capacity market constructs in several RTOs, including PJM. On April 23, 2021, the Commission filed post-conference comments addressing the impact of the Expanded MOPR on Maryland's renewable energy policies and the need for MOPR reform.

FERC Docket No. ER21-2582 - Focused MOPR

In July 2021, after an extensive stakeholder process, PJM filed with FERC capacity market mitigation rules, replacing the Expanded MOPR with what is referred to as the Focused MOPR. On August 20, 2021, the Maryland Commission filed in support of the Focused MOPR, noting that the replacement rule would accommodate longstanding state policies. On December 21, 2021, PJM's Focused MOPR tariff provisions went into effect by operation of law, when FERC gave notice of a two-two split among the FERC commissioners–two favoring adoption of PJM's proposed tariff revisions and two opposing.

Subsequently, PJM Power Providers Group (P3) filed a petition for judicial review in the 3rd Circuit Court of Appeals, seeking reversal of FERC's December 21 notice of decision. The Maryland Commission and New Jersey BPU intervened in support of FERC, and numerous other parties have either filed additional petitions for review or motions to intervene. Both the 7th Circuit petitions for review of the Expanded MOPR and the 3rd Circuit petitions for review of the Focused MOPR are currently held in abeyance.

Transource Market Efficiency Transmission Project—FERC Docket No. ER17-419

On November 28, 2016, Transource, a merchant transmission company, filed for rate approval at FERC associated with a transmission project designed to relieve transmission congestion in the PJM Interconnection. The project, as designed, would serve to reduce the cost of delivering power to BGE and Pepco customers. Transource requested the project receive a 10.4 percent return on equity (ROE) and an additional 100 basis points in incentives. Construction costs, including provisions for inflation, were estimated to exceed $230 million. The Maryland Commission participated in settlement discussions at FERC, resulting in cost savings to customers by negotiating to reduce the ROE to 9.9 percent and incentives to 50 basis points. Additionally, Transource will forego incentives if costs exceed $210 million. Transource filed an uncontested settlement agreement with FERC on October 2, 2017, which the Maryland Commission did not oppose. FERC approved the uncontested settlement on January 18, 2018.

The Maryland Commission granted Transource's Maryland CPCN application on June 30, 2020, in Case No. 9471 (Order No. 89571). The Pennsylvania Public Utility Commission denied Transource's CPCN application in Pennsylvania, and Transource filed a complaint for declaratory relief before the U.S. District Court for the Middle District of Pennsylvania, as well as an appeal to the Pennsylvania Commonwealth Court. On August 26, 2021, the U.S. District Court dismissed the complaint, finding pursuant to the doctrine of abstention that the Pennsylvania Commonwealth Court should first resolve the matter in state court. PJM has suspended Transource Project 9A in its transmission planning process, but the project has not been canceled. For planning purposes, PJM has indicated it will remove Project 9A from its 2022 Regional Transmission Expansion Plan (RTEP) model to determine the need for any reliability reinforcements.

Bulk Power System Resilience—FERC Docket AD18-7

On January 8, 2018, FERC initiated a proceeding to holistically examine the resilience of the bulk power system. On May 9, 2018, the Maryland Commission joined with the Organization of PJM States, Inc. (OPSI) calling attention to the need for FERC to consider prudency and affordability along with state and local needs and priorities in defining and addressing resilience. The comments also cautioned FERC on concerns of expanding RTO authority to drive resilience programs and investments without a comprehensive examination of their scope, governance and oversight. In February 2021, FERC terminated the proceeding, opting to address resilience on a case-by-case or regional basis.

ER19-1486 and EL19-58—PJM's Market Rules

On June 19, 2020, the Maryland Commission filed a request for rehearing of FERC's May 2020 order approving changes to PJM's reserve market rules, asserting that the changes would be incongruent with PJM's capacity market rules in a manner that would allow suppliers to over-collect revenues. The Maryland Commission also argued against the need for reserve market changes since the existing market rules provide for securing sufficient reserves without the prospect of raising electricity prices. FERC has since affirmed its order, but required changes in PJM's capacity market rules. While FERC's order was appealed to the U.S. Court of Appeals for the D.C. Circuit, in August 2021, FERC submitted a motion for voluntary remand. In December 2021, FERC reversed its determination in the May 2020 order finding that PJM failed to meet its burden to show that key elements of the reserve market are not just and reasonable. The May 2020 order, if upheld, would have required electricity customers to pay for operating reserves at times when reserve shortages did not occur and could have quadrupled electricity prices in the event of actual shortages.

ER20-841—Critical Facilities

On February 7, 2020, the Maryland Commission joined OPSI's comments on PJM transmission owners' plans to make certain parts of the bulk electric system less vulnerable to physical attacks on critical substations. The risk mitigation plans include provisions for PJM to conduct independent reviews of proposed projects and for state regulatory agencies to receive confidential briefings prior to implementing any changes. Further comments were filed on March 11, 2020. On March 17, 2020, FERC approved the proposed plans. On January 11, 2021, several parties filed petitions for judicial review with the U.S. Court of Appeals for the D.C. Circuit.

RM20-10—Transmission Incentives

On July 1, 2020, the Maryland Commission filed comments on FERC's proposed rulemaking that would provide incentives to transmission owners for constructing certain transmission projects. The Maryland Commission's comments recommended that any incentives consider project risks, challenges, cost, and benefits. The Maryland Commission also recommended a technical conference to examine incentives for transmission that would facilitate the integration of clean energy resources and promote innovative technologies. In April 2021, FERC issued a supplemental proposed rulemaking addressing the application of a return on equity (ROE) adder for entities joining RTOs. On June 23, 2021, the Commission joined with OPSI in filing comments at FERC recommending that the current practice of applying the ROE adder in perpetuity is not just and reasonable and noting that transmission entities should never have earned bonus returns on assets that would have likely been built regardless of RTO membership. FERC has yet to issue a final rule.

AD20-19—Cybersecurity Incentive Measures

On August 19, 2020, the Maryland Commission filed comments on a FERC staff white paper that recommended providing incentives to utilities for implementing certain cybersecurity measures. The Commission's comments recommended a more thorough review of FERC's existing requirements against generally accepted cybersecurity frameworks. Comments also cautioned against any incentive payments that would extend federal reach beyond portions of the grid within interstate commerce to systems beyond FERC's jurisdiction, including state jurisdictional matters which, in some cases, may already be reflected in retail rates.

EC21-57—Exelon Corporation Generation Spin-Off

On February 25, 2021, Exelon Corporation filed an application at FERC for approval to separate its transmission and generation *(i.e.*, to spin off its generation assets from its FERC-jurisdictional transmission assets). The Maryland Commission filed a Notice of Intervention on May 13, 2021.

The Independent Market Monitor for PJM (IMM) filed a market power report in PSC Case No. 9271 requesting that the Commission require the continuation of the applicability of "behavioral rules" to the transferees of Exelon's generation assets. A detailed discussion of the IMM's request, Exelon's response, and the Commission's resolution of this matter is addressed in the Mergers, Transfers and Franchise Cases section.

ER21-253—South FirstEnergy Operating Companies Formula Rate

On October 29, 2020, the South FirstEnergy Operating Companies (SFCs), including Monongahela Power Company, The Potomac Edison Company, and West Penn Power Company, filed pursuant to section 205 of the Federal Power Act a proposed new formula rate and associated formula rate protocols, proposed to become effective on January 1, 2021. The filing also included transmission revenue requirements for Network Integration Transmission Service and a Transmission Enhancement Charge. The Maryland Commission intervened in this proceeding on

November 5, 2020. On December 31, 2020, FERC issued an order consolidating this docket with FERC Docket No. ER21-265 (involving the similar proposed formula rate and protocols of Keystone Appalachian Transmission Company), and set the matter before a settlement judge. The Maryland Commission actively participated in the settlement hearings during 2021, addressing issues such as the utilities' proposed return on equity and the regulatory and asset treatment of matters, including vegetation management; amortization of regulatory assets; depreciation rates; rate base adjustments; and operations, maintenance, and administrative expenses.

Network Upgrades Funding – ER21-2282

In June 2021, PJM filed a proposed plan at FERC that would provide transmission owners the right to fund the capital costs of network upgrades that are necessary to accommodate generator interconnections to the transmission system and to earn a rate of return on those costs. On July 28, 2021, the Maryland Commission joined OPSI in protesting the PJM filing at FERC, demonstrating that the plan would be anticompetitive and calling attention to features of the plan that could place the risk of default or under-recovery of revenue requirements on transmission ratepayers. On November 19, 2021, FERC found that the proposed plan may be unjust and unreasonable and established a paper hearing to further inform its decision process.

RM18-9—Removing Barriers to Distributed Energy Resources

On April 5, 2018, the Maryland Commission filed comments on FERC's proposed rulemaking to remove barriers to the participation of distributed energy resource (DER) aggregation in RTOs. The Commission identified the benefits of aggregation, including the advancement of the State's renewable energy policies and the prospect for lower electricity costs for ratepayers. The Commission cautioned that aggregation rules should respect state jurisdiction over the electric distribution system and the utilities that operate that system. On September 17, 2020, FERC issued Order No. 2222 requiring RTOs to revise their market rules to facilitate the participation of DER aggregation. The Order defines DERs as electric storage resources, distributed generation, demand response, energy efficiency, thermal storage, and electric vehicles and their supply equipment. The RTOs must file their revised market rules, including provisions for coordination between RTOs, aggregators, state regulatory commissions, and electric distribution companies market rules, at FERC by early 2022.

After FERC granted extensions to the RTO/ISOs to submit compliance filings, PJM submitted its compliance filing in Docket No. ER22-962 on February 1, 2022, requesting an effective date of February 2, 2026, for its proposed Tariff, Operating Agreement and Reliability Assurance Agreement revisions. On March 16, 2022, the Maryland Commission filed a Notice of Intervention to ensure that wholesale-related demand response resources interfacing with retail grid operations connect to and/or deliver electric power in PJM in a manner consistent with the public interest and promote adequate, economical and efficient delivery of utility services in the State.

FERC Docket No. EL19-47—Market Seller Offer Cap

In March 2018, FERC issued an order finding that PJM's method of calculating the Market Seller Offer Cap (MSOC)–a feature of the capacity market that prevents bidders from exercising market power–was no longer just and reasonable. On May 3, 2021, the Commission joined OPSI in a filing at FERC recommending the MSOC be set at the net avoidable cost rate (net ACR). The filing called attention to the PJM Independent Market Monitor's assessment indicating that had this replacement rate been employed in the previous capacity auction, market payments would have been reduced by 13.2 percent. On September 2, 2021, FERC issued an order approving net ACR as the replacement rate.

RM21-17—Transmission Planning, Cost Allocation and Generator Interconnection

In July 2021, FERC issued an advanced notice of proposed rulemaking presenting potential reforms to improve transmission planning, cost allocation and generator interconnection. On October 12, 2021, the Maryland Commission joined with the National Association of Regulatory Utility Commissioners (NARUC) in filing comments at FERC recommending the exploration of reforms to better align regional planning with state policy needs. The filing also recommended increased transparency in transmission planning, integrating generation interconnection with transmission planning, and the consideration of transmission alternatives and methods of cost containment. On November 24, 2021, the Commission filed reply comments in support of the Maryland Energy Administration's (MEA) comments recommending a hybrid Beneficiary Pays-Participant Funding approach to developing transmission upgrades for the purpose of delivering electricity from renewable energy zones, such as offshore wind areas.

AD21-15—Joint Federal-State Task Force on Electric Transmission

In June 2021, FERC appointed a group of 10 state public service commissioners from across the country to a joint federal-state task force on electric transmission for the purpose of exploring transmission-related issues to identify and realize the benefits that transmission can provide, while ensuring that the costs are allocated efficiently and fairly. Maryland Commission Chairman Jason Stanek was selected to co-chair the task force along with FERC Chairman Richard Glick. On November 10, 2021, the task force held its first meeting to discuss transmission planning principles. The task force is expected to meet periodically to guide FERC's transmission planning, cost allocation, and generator interconnection improvement efforts in RM21-17.

VIII. PJM INTERCONNECTION, INC. — THE RELIABILITY PRICING MODEL 2022/2023 DELIVERY YEAR BASE RESIDUAL AUCTION RESULTS

The Reliability Pricing Model (RPM) 2022/2023 delivery year base residual auction (BRA), initially scheduled for May 2019 but delayed pending a FERC decision in State Policies and Wholesale Capacity Markets–FERC Docket Nos. ER18-1314, EL16-49 and EL18-178 (described above)–was held in June 2021. This was the first auction held under the Expanded MOPR provisions that now apply to resources receiving revenues outside of PJM markets attributed to state policies. Although the new rule was in effect, resources that had proceeded through key interconnection steps prior to when FERC issued its December 2019 order were exempt from the MOPR. Resource clearing prices (RCPs) in Pepco, BGE, and DPL-South were $95.79/MW-day, $126.50/MW-day, and $97.86/MW-day, respectively. The clearing price for the unconstrained portion of the RTO, including the Allegheny zone (APS), was $50/MW-day. Clearing prices decreased 32 percent in Pepco, 37 percent in BGE, and 41 percent in DPL-South compared to resources that cleared in the previous auction. The capacity price decrease in Allegheny was approximately 64 percent. Regarding renewables in PJM, 1,728 MW cleared from wind resources, or 22 percent more than in the previous auction. This amount includes 670 MW of winter wind that was aggregated with summer resources. Additionally, 1,512 MW of solar resources cleared, representing more than two times the amount that cleared in the 2021/2022 BRA. The auction also cleared 8,175 MW less from coal units and 4,460 MW more from nuclear units than in the

2021/2022 BRA. The 2023/2024 BRA is expected to be conducted under the Focused MOPR provisions approved in FERC Docket No. ER21-2582.

IX. BROADENED OWNERSHIP ACT

In compliance with § 14-102 of the Economic Development Article, *Annotated Code of Maryland*, entitled the "Broadened Ownership Act," the Commission communicated with the largest gas, electric, and telephone companies in Maryland to ensure that they were aware of this law. The law establishes the need for affected companies to institute programs and campaigns encouraging the public and employees to purchase stocks and bonds in these companies, thus benefiting the community, the economy, the companies, and the general welfare of the State.

The following companies submitted reports outlining various efforts to encourage public and employee participation in the stock purchase program:

NiSource, Inc. owns all of the common stock of the NiSource Gas Distribution Group, Inc., which in turn owns all of the common stock of **Columbia Gas of Maryland, Inc**. NiSource, Inc. has two plans to encourage broadened employee stock ownership: the Employee Stock Purchase (ESP) Plan and the NiSource Retirement Savings Plan. In addition, NiSource, Inc. maintains a Dividend Reinvestment and Stock Purchase Plan that broadens stock capital ownership by all stockholders, including employees, by enabling them to reinvest their dividends to acquire additional shares of common stock.

On August 31, 2021, NiSource, Inc. had 392,598,396 shares of its common stock outstanding, of which 222,778 were acquired by employees during the previous 12 months through the ESP Plan and 434,945 through the NiSource Inc. Retirement Savings Plan. As of August 31, 2020, NiSource, Inc. had approximately 340 registered stockholders with Maryland addresses, holding approximately 115,808 shares of NiSource, Inc. common stock.

As of September 30, 2021, **Exelon Corporation**, the parent of **Baltimore Gas and Electric Company, Potomac Electric Power Company**, and **Delmarva Power & Light Company** reported that 10,529 Maryland residents, representing approximately 12 percent of Exelon's total registered shareholders, owned 4,475,184 (approximately 0.5 percent) of the outstanding shares of common stock. Of these Maryland shareholders, 5,127 (approximately 5 percent of Exelon's total registered shareholders owning 1,914,587 or 0.2 percent of the legal outstanding shares of common stock) were participants in the Direct Stock Purchase Plan.

As of September 30, 2021, 2,197 current or former employees, who are Maryland residents, held an aggregate of 1,462,654 equivalent shares of Exelon common stock in their 401(k) accounts in the Employee Savings Plan. In addition, 349,096 shares were held by 1,785 current or former employees who are Maryland residents and participate in the Exelon Employee Stock Purchase Plan.

The **Potomac Edison Company** was a wholly-owned subsidiary of Allegheny Energy, Inc. (AE) through February 25, 2011, at which point it became a subsidiary of **FirstEnergy Corporation** (FE). In April 2012, the Allegheny Employee Stock Purchase Plan was merged into the FE Employee Savings Plan (FE Plan). Approximately 94 percent of FE's employees were contributing to the FE Plan as of December 31, 2020, and 15,057 participants had FE stock as part of their account balance within the FE Plan. As of December 31, 2020, 1,491 Maryland residents held approximately 497,786 shares of FE stock as stockholders of record, which represents approximately 2.21 percent of all FE registered stockholders and approximately 0.09 percent of all shares. In addition, as of December 31, 2020, three AE stockholders living in Maryland, owning the equivalent of 17 FE shares, had not yet exchanged their AE shares for FE shares.

Verizon Maryland, LLC is a wholly owned subsidiary of Verizon Communications Inc. Public stockholder ownership in the Maryland company is obtained through the purchase of Verizon Capital Stock. The Verizon Savings Plan enables employees to purchase stock in Verizon Communications, Inc. As of September 30, 2021, 14,270 Maryland residents held Verizon stock.

X. REPORTS OF THE AGENCY'S DEPARTMENTS/DIVISIONS

Office of Executive Secretary (*Andrew S. Johnston, Executive Secretary*)

The Executive Secretary is responsible for the daily operations of the Commission and for keeping the records of the Commission, including a record of all proceedings, filed documents, orders, regulation decisions, dockets, and files. The Executive Secretary is an author of, and the official signatory to, minutes, decisions and orders of the Commission that are not signed by the Commission directly. The Executive Secretary is also a member of a team of policy advisors to the Commission.

The Office of Executive Secretary (OES) is responsible for the Commission's case management, expert services procurement, order preparation, purchasing and procurement, regulation development and coordination, tariff maintenance, the Equal Employment Opportunity Program, operations, fiscal and budget management, the Commission's information technology system including databases, and the official website and intranet website. The OES contains the following divisions:

- **Administrative Division**
  - **Case Management Unit**

The Case Management Unit creates and maintains formal dockets associated with proceedings before the Commission. In maintaining the Commission's formal docket, this unit must ensure the security and integrity of the materials on file, while permitting access to the general public. Included within this security function is the maintenance of confidential/proprietary information relating to the conduct of utility regulation and required compliance with detailed access procedures. During 2021, this unit established 17 new non-transportation-related dockets and processed 2,094 non-transportation-related case items. This unit is also responsible for archiving the formal dockets based on the record retention policies of the Commission.

- **Document Management Unit**

The Document Management Unit is responsible for developing the Commission's Administrative Meeting Agenda, the official open meeting action agenda mandated by law. During 2021, this unit scheduled 43 Commission administrative meetings at which 438 administrative items were considered and decided upon pursuant to the Commission's authority. Additionally, this unit is responsible for docketing public conferences held by the Commission. One administrative docket public conference was initiated in 2021. This unit also processed 4,745 filings, including 1,222 memoranda.

- **Regulation Management Unit**

This unit is responsible for providing expert drafting consultation, establishing and managing the Commission's rulemaking docket, and coordinating the adoption process with the Secretary of State's Division of State Documents. During 2021, this unit managed three rulemaking dockets that resulted in final adoption of regulation changes to COMAR Title 20 – Public Service Commission in 2021, and four additional rulemaking dockets that remained active at the end of calendar 2021.

- **Operations Unit**

This unit is responsible for managing the Commission's telecommunications needs and its motor vehicle fleet, as well as being the liaison for building maintenance, repairs and construction needs of the Commission. In addition, this unit is responsible for the Equal Employment Opportunity Program.

- **Fiscal Division**
  - **Fiscal and Budget Management Unit**

This division manages the financial aspects of the daily operations of the Commission. The operating budget totaled $104,967,088 for the fiscal year ending June 30, 2021. This budget consisted of $21,252,564 in special funds, and $83,714,254 in federal funds. Included within the normal State functions are several unique governmental accounting responsibilities. The first function allocates the Commission's cost of operation to the various public service companies subject to the Commission's jurisdiction. The second function allocates the budget associated with the Department of Natural Resources' Power Plant Research Program to electric companies distributing electricity to retail customers within Maryland. This section also administers the financial accountability of the Pipeline Safety Program and the Hazardous Liquid Pipeline Safety Program, which are partially reimbursed by the federal Department of Transportation, by maintaining all associated financial records consistent with federal program rules, regulations, and guidelines requiring additional record keeping.

- **Purchasing and Procurement Management**

This section is responsible for expert services procurement and all other procurements required by the Commission as well as the overall control of supplies and equipment. This section is also responsible for agency forms management and record retention management. This section's staff maintained and distributed the fixed and disposable assets, maintained all related records, purchased all necessary supplies and equipment, and coordinated all equipment maintenance. As of June 30, 2021, this section maintained approximately 89 items of disposable supplies and materials totaling $11,469 and fixed assets totaling $2,176,193.

- **Information Technology Division**

The Information Technology Division (IT) functions as the technical staff for the Commission's network and computer systems. IT is responsible for computer hardware and software selection, installation, administration, training, and maintenance. IT manages and maintains the content and technical components of the Commission's internal and external websites. In 2021, IT (a) implemented a new automated PRTG Probe to dynamically verify correct operation of the webapp/Coldfusion server that serves all PSC Maillog filing/case queries on our website (b) coordinated with the CAD Division to provide ongoing data transfers pending the launch of Salesforce CRM; (c) launched a migration project for MAILLOG Database to SQL Server; (d) launched a migration project for Bucksheet Database to SQL Server; (e) began development of a new ONLINE Document Management Portal for the PSC Website (to supplant PSC website filings/case/agendas/orders queries) and (f) deployed laptops and desktop cameras for PSC staff in order to facilitate hybrid/telecommuting work schedules.

Consumer Affairs Division (*Stephanie A. Bolton, Director*)

The Consumer Affairs Division (CAD) investigates and responds to consumer inquiries and complaints relating to gas, electric, water, and landline telephone services. CAD investigators apply relevant Maryland law, regulation, and utility tariffs to independently resolve disputes between consumers and utility companies. Operating within CAD, the Dispute Resolution team mediates disputes within the jurisdiction of the

PSC; the Compliance and Enforcement Unit (CEU) tracks complaint patterns to monitor utilities and third-party energy suppliers for regulatory compliance.

2021 presented a year of growth and demand for CAD on many fronts. With 2020 in the rearview and the State of Maryland's hiring freeze lifted, CAD succeeded in filling its non-temporary positions and finished the year by preparing to extend an offer on its last opening.

CAD saw an increase in complaints received compared to 2020's numbers, which were affected by the moratorium on residential service disconnections for nonpayment and other consumer protections implemented by the Commission. CAD received 1,869 total complaints, reflecting an increase of approximately 27%.

Of the complaints received, 1,258 involved utility gas and electric issues, 92 were telecommunication complaints, 39 complaints related to water companies, and 53 complaints involved other issues. The majority of complaints against gas and electric local distribution companies and telephone utilities concerned billing issues, meters, customer service issues, repairs, and service quality issues.

The remaining 427 complaints were made by consumers against third-party retail energy suppliers. Most supplier disputes involved unauthorized enrollment, misrepresentation by supplier agents, door-to-door solicitations, enrollment or service drop issues, and service quality issues.

In addition to its investigatory activities, CAD staff provides the public with timely and useful utility-related information and has regular meetings with utility and supplier representatives to share information, learn more about company operations, answer questions, and discuss concerns.

When necessary, CAD and the CEU make recommendations to the Commission’s Office of Staff Counsel (Staff) in the event of documented violations of the Commission’s regulations and Maryland law. In 2021, following a CEU recommendation, Staff initiated proceedings against StateWise Energy, a third-party retail energy supplier. The CEU provided testimony concerning its investigation into this supplier’s marketing practices and the parties reached a settlement in the case.

In electing to make a recommendation against a supplier’s licensure or for Staff to commence legal proceedings against a supplier, CAD balances the likelihood of a company’s compliance with Maryland law and regulation, against the need for a robust and competitive third-party energy supplier market for Maryland customers. CAD supports the Commission’s endeavors to foster competition in the energy market in order to offer Maryland customers competitive rates and green energy options. CAD worked with companies at all stages of the regulatory process, from companies endeavoring to expand their business in Maryland, to long-time operators seeking to better understand the growing body of law in this field.

As a public-facing division, CAD embraced new and continuing opportunities to engage with the community and answer questions from the public concerning utility regulation and related topics. 2021 brought the opportunity for the PSC and CAD to participate in Power in the Park events throughout Maryland as well as virtual Town Hall and neighborhood meetings concerning utility issues and available resources. CAD benefited from both in-person and virtual conferences to connect with both government and industry peers, expanding our reach and knowledge base. Within CAD's office, the team had an opportunity to engage with callers who had questions about Maryland's RELIEF Act which, in 2021, provided $83 million dollars for citizens in arrears with their utility bill payments.

Throughout 2021, CAD devoted considerable time and effort working with a contractor to develop and beta-test both a new online consumer complaint portal as well as a cloud-based complaint data management system (CDMS) through Salesforce Service Cloud. Accurate, comprehensive, and readily available complaint data is essential to CAD's mission to ensure that companies comply with established regulations. Upon the 2022 launch of the CDMS and the completion of CAD's legacy data migration, the PSC website can expand the complaint reporting and information it currently makes available to the public, including the addition of data regarding complaints filed against utility companies. CAD's 2021 efforts to thoroughly build out and customize the CDMS to reflect the division's workflows and the PSC's regulatory framework, while recognizing the need for a clean and navigable user experience design, leaves the division well-positioned for a successful 2022 launch.

Office of General Counsel (*H. Robert Erwin, General Counsel*)

The Office of General Counsel (OGC) provides legal advice and assistance to the Commission on questions concerning the jurisdiction, rights, duties or powers of the Commission, defends Commission orders in court, represents the Commission in federal and state administrative proceedings, and initiates and defends other legal actions on the Commission's behalf as needed. OGC also supervises enforcement of the Commission's rules, regulations, and filing requirements as applied to utilities, common carriers, retail suppliers, and other entities subject to the Commission's jurisdiction, and leads or participates in special projects as directed by the Commission.

During 2021, OGC assisted the Commission in numerous matters, including the second multi-year rate plan (MRP) filed after the Commission's approval of a Pilot MRP filing pursuant to PC51, the second round awarding ORECs under the Clean Energy Jobs Act of 2019, as well as orders relating to utility service reliability, applications for development of new electricity generation, and cyber security reporting. OGC also routinely provides legal support to the Commission by responding to requests for information pursuant to the Maryland Public Information Act and by addressing customer complaints related to public service companies.

Below—and in Part VII—is a summary of selected federal and state cases litigated by OGC in 2021:

***In the Matter of Petition of the Maryland Office of People's Counsel*, Circuit Court for Baltimore City—Case No. 24-C-18-005476 (PSC Case No. 9455)**

On October 4, 2018, the Maryland Office of People's Counsel sought judicial review of the Commission's September 5, 2018 letter order permitting Delmarva Power & Light Company (DPL) to adjust its rates to recover the revenue requirement approved by the Commission in Order No. 88567 as opposed to a lesser amount submitted by DPL pursuant to incorrect tariff sheets accompanying the company's compliance filing. On February 26, 2020, the Circuit Court for Baltimore City entered an order affirming the

Commission. OPC appealed the Circuit Court's decision to the Maryland Court of Special Appeals. OPC withdrew its appeal on March 2, 2021.

***In the Matter of Petition of Frederick County, Maryland*, Circuit Court for Baltimore City—Case No. 24-C-21-003999 (PSC Case No. 9429)**

On April 12, 2018, Frederick County, Maryland sought judicial review of the Commission's March 23, 2018 order affirming the proposed order of the Public Utility Law Judge, which granted a Certificate of Public Convenience and Necessity to LeGore Bridge Solar Center, LLC for the construction of a 20 MW solar PV generating facility in Frederick County, Maryland. On July 17, 2019, the Circuit Court for Baltimore City–in Case No. 24-C-18-002180–entered an order affirming the Commission. Frederick County appealed the Circuit Court's decision to the Maryland Court of Special Appeals.

The Court of Special Appeals reversed and remanded the Commission's Order on March 2, 2021, concluding that the Commission erroneously relied upon the real estate doctrine of "vested rights" in concluding that Frederick County had denied LeGore Bridge due process.

On June 21, 2021, in Order No. 89859, the Commission allowed the parties to supplement their previously filed memoranda in the case before issuing Order No. 89918 on August 19, 2021, granting LeGore Bridge Solar's CPCN application based on the CPCN criteria under PUA § 7-207, including giving "due consideration" to the county government's recommendations as required by PUA § 7-207(e)(3)(i).

Frederick County has again appealed the Commission's decision in Baltimore City Circuit Court, Case No. 24-C-21-003999. On February 8 2022, the Circuit Court affirmed Commission Order No. 89918. Frederick County has appealed this decision to the Court of Special Appeals. The Court has not yet issued any briefing deadlines.

***In the Matter of Petition of Jennifer Shaw v. Dan's Mountain Wind Force, LLC*, Circuit Court for Baltimore City—Case No. 24-C-20-002947 (PSC Mail Log No. 228173)**

At its June 10, 2020 Administrative Meeting, the Commission granted Dan's Mountain Wind Force, LLC (DMWF) a CPCN exemption pursuant to PUA § 7-207.1 to construct a land-based wind electric generating facility–not exceeding 70 MW–in Allegany County, Maryland. While DMWF had relinquished a previous CPCN exemption for the project and had been denied a full CPCN under PUA § 7-207 for a similar project in Case No. 9413, the Commission concluded that the project satisfied the requirements for a CPCN Exemption under PUA § 7-207.1 and that res judicata and collateral estoppel did not bar DMWF's second Exemption Request for the project.

Jennifer Shaw, Darlene Park and William Park filed petitions for judicial review in the Circuit Court for Baltimore City, seeking reversal of the Commission's decision. On December 7, 2020, the Court remanded the matter to the Commission directing that the Applicant, DMWF, provide further documentation supporting the total power generation of the project; providing that the parties be allowed to submit briefs on the issue of collateral estoppel and res judicata; and directing that the Commission render a written decision pursuant to PUA § 3-113 addressing the collateral estoppel/res judicata issue.

DMWF filed a notice of appeal in the Court of Special Appeals on December 30, 2020. On April 14, 2022, in an unreported opinion and order, the Court of Special Appeals found that, given the substantial evidence finding that DMWF met the CPCN exemption requirements, there was no need for an explanation sufficient to demonstrate that DMWF was obligated to overcome the prior denial of a CPCN and also establish that the project was "necessary" and "in the public interest." The Commission's Order granting DMWF's CPCN exemption request is deemed affirmed.

***In the Matter of Petition of NRG Energy, Inc. et. al., for Judicial Review,* Circuit Court for Baltimore City—Case No. 24-C-20-000232 (PSC Case No. 9610)**

On January 15, 2020, NRG Energy, Inc. et. al sought judicial review of Commission Order No. 89400 in Case No. 9610, issued on December 17, 2019, granting the Joint Motion for Approval of the Agreement of Stipulation and Settlement of BGE's 2019 gas and electric rate case. The Order also approved BGE's SOS Administrative Adjustment, which NRG contested. On November 24, 2020, the Court issued an order denying the petition for judicial review and affirming the Commission's decision. NRG appealed the Circuit Court's decision to the Maryland Court of Special Appeals, where the matter is pending.

On December 13, 2021, the Court of Special Appeals remanded Order No. 89400 to the Commission to correct two discrepancies—one relating to the inclusion or exclusion of an account in the Administrative Adjustment analysis and the other an arithmetic error.

***In the Matter of Petition of Retail Energy Supply Association for Judicial Review,* Circuit Court for Baltimore City—Case No. 24-C-20-003986 (PSC Mail Log No. 230778)**

On September 18, 2020, the Retail Electric Supply Association (RESA) filed a petition for judicial review in the Circuit Court for Baltimore City, seeking reversal of the

Commission's August 19, 2020 letter order granting Southern Maryland Electric Cooperative's (SMECO) proposed green rider to its residential standard offer service (SOS). A hearing in this matter was scheduled for March 9, 2021. The Court remanded the Commission's Letter Order on March 9, 2021, stating that the Order failed to comply with the sufficiency requirement of PUA § 3-113(a). The Commission issued a replacement order on June 30, 2021 explaining its rationale for granting SMECO's SOS green rider, which was not appealed.

***In the Matter of Petition of Safe for Somerset for Judicial Review,* Circuit Court for Somerset County—Case No. C-19-CV-20-000118 (PSC Case No. 9380)**

On September 4, 2020, Safe for Somerset filed a petition for judicial review in the Circuit Court for Somerset County, seeking reversal of the Commission's August 5, 2020 approval of the Decommissioning Plan filed by Great Bay Solar I, LLC and Great Bay Solar II, LLC. In approving the Great Bay Solar Decommissioning Plan, the Commission directed the companies to establish funding for an estimated net decommissioning liability of the facilities in the amount of $1,267,000 by either a surety bond or a letter of credit and to provide evidence of the funded liability. On March 12, 2021, the Court granted Great Bay Solar's Motion to Dismiss the petition for judicial review, noting that the petitioner (a non-attorney) cannot represent Safe for Somerset.

***In the Matter of Petition of Frederick County Maryland for Judicial Review,* Circuit Court for Baltimore City—Case No. 24-C-20-005110AA (PSC Case No. 9439)**

On December 15, 2020, Frederick County filed a petition for judicial review in the Circuit Court for Baltimore City, seeking reversal of the Commission's November 24, 2020 decision granting Biggs Ford Solar Center, LLC a CPCN to construct a 15.0 MW solar PV generating facility in Frederick County. The Commission's decision was affirmed in the Circuit Court on June 6, 2021. Frederick County has appealed the matter to the Court of Special Appeals, and oral argument is scheduled for April 1, 2022.

***In the Matter of Petition for Judicial Review by Maryland Office of People's Counsel,* Circuit Court for Baltimore City—Case No. 24C21003749 (PSC Case No. 9651)**

On April 9, 2021, the Commission issued Order No. 89799, affirming the Proposed Order of the Public Utility Law Judge authorizing an increase in rates by Washington Gas Light Company. Maryland Office of People's Counsel requested rehearing, arguing that Washington Gas failed to meet its burden in this case as to (i) the prudency of the projects that OPC challenged and (ii) the synergy savings that Commitment 44 of the Commission's AltaGas Order in Case No. 9449 requires. After denying rehearing, OPC filed a petition for judicial review of the Commission's decision.

Circuit Court Judge Kendra Ausby reversed the Commission, concluding that the Commission wrongly interpreted Commitment 44 in its order approving AltaGas's acquisition of WGL Holdings Company. The Court also held that the Commission must do a full prudency review before accepting WGL's costs related to 14 capital projects.

On March 10, 2022, the Commission filed a Motion to Alter or Amend the Judgment. The Court has scheduled a hearing on the Motion on May 18, 2022.

***In the Matter of SmartEnergy Holdings, LLC d/b/a SmartEnergy,* Circuit Court for Montgomery County—Case No. 485338V (PSC Case No. 9613)**

On March 31, 2021, the Commission issued Order No. 89795, affirming the PULJ's findings that SmartEnergy violated PUA § 7-507(b)(7) by engaging in unfair, false, misleading and deceptive marketing, advertising and trade practices, and associated COMAR Title 20, Subsection 53 provisions. The Commission reversed the PULJ's finding that Com. Law § 14-2203(b) (the Maryland Telephone Solicitation Act—MTSA) (requiring that a contract made pursuant to a telephone solicitation be reduced to writing and signed by the consumer) does not apply to SmartEnergy's contracting with its Maryland customers under the facts in this case.

SmartEnergy objected to the Commission's finding that the MTSA applies to its enrollments, and filed a petition for judicial review of the Commission's Order in the Circuit Court for Montgomery County. Along with the Commission, the Maryland Office of People's Counsel and the Attorney General's Consumer Protection Division also filed memoranda supporting the Commission's findings in Order No. 89795.

On November 29, 2021, the Court entered an order affirming the Commission's Order in all respects, except the Commission's finding that SmartEnergy's access to and ability to edit call recordings violated the Commission's regulations. SmartEnergy has filed a Notice of Appeal to the Court of Special Appeals, and the matter is pending.

***In the Matter of the Merger of Exelon Corporation and Constellation Energy Group, Inc*. (PSC Case No. 9271)**

On March 11, 2021, the Independent Market Monitor for PJM (the Market Monitor or IMM) filed a confidential report with the Commission describing Exelon Corporation's (Exelon) compliance with the 2011 Settlement Agreement adopted by the Commission in Order No. 84698 (issued on Feb. 17, 2012) applicable to approval of the merger between Exelon and the Constellation Energy Group. The order included several market power mitigation conditions, which were designed to prevent Exelon from exercising market power within the PJM wholesale markets, and included an option for the Commission to reevaluate and extend the IMM-Exelon settlement agreement beyond the initial 10-year period if the Commission determined allowing the behavioral remedies in the settlement to expire would pose a significant risk of harm to Maryland ratepayers. The Market Monitor filed a public version of this report on April 7, 2021, wherein the IMM stated it found that Exelon "continues to have structural market power in the PJM markets" and that it recommended the 2011 Settlement Agreement be extended for an additional 10 years, and that the Commission require Exelon to remain in PJM during that period.

On March 30, 2021, Exelon notified the Commission that pursuant to approval from the Federal Energy Regulatory Commission (FERC) in Docket No. EC21-57, Exelon intended to transfer 100 percent ownership of its generation subsidiary, ExGen, to a newly-created subsidiary that would be spun off to become ExGen's new parent company. As a result of that transaction, ExGen and its generation plants, wholesale energy marketing operations, and competitive retail sales business would no longer be owned by Exelon. Exelon would remain a transmission and distribution utility company and the parent company of Baltimore Gas and Electric Company (BGE), Potomac Electric Power Company (Pepco), and Delmarva Power & Light Company.

On December 30, 2021, in response to the IMM's request to extend the Settlement Agreement approved by the Commission in Order No. 84698, Exelon filed a *proposed* 2021 Settlement Agreement, which would extend the 2011 Settlement Agreement by 10 years for ExGen. The proposed extension, however, did not address the Market Monitor's request that Exelon be required to remain in PJM. On January 3, 2022, the Market Monitor filed comments in support of the *proposed* 2021 Settlement Agreement, but repeated its recommendation that the Commission require Exelon to remain in PJM, arguing that it would be impossible for the Commission to enforce the terms of the 2021 Settlement Agreement if Exelon were to leave PJM, since PJM rules governing generator behavior would no longer control. The Office of People's Counsel supported the IMM's recommendation. The Commission's Technical Staff opposed the Market Monitor's recommendation that the Commission should require Exelon to remain in PJM, arguing that the Commission lacks the jurisdiction to enforce such a condition.

The Commission held a legislative-style hearing on February 1, 2022, to address the proposed 2021 settlement agreement. After considering the matter, the Commission approved the 2021 Settlement Agreement, but denied the Market Monitor's request to require Exelon to remain in PJM. The Commission's written order on the matter (Order No. 90084) was issued on February 22, 2022.

In Order No. 90084, the Commission noted further that–notwithstanding its denial of the Market Monitor's request that Exelon be required to remain in PJM–if Exelon made a decision to withdraw from PJM, it would be required under federal law to seek approval from FERC, and Exelon would bear the burden of demonstrating that its withdrawal was just and reasonable. Additionally, it would be required to obtain FERC approval for a replacement open-access transmission tariff. The Commission noted that its expectation at such a proceeding would be that Exelon and/or ExGen, as applicable, would agree to market mitigation provisions as stringent, if not more, as the ones agreed to in the 2021 Settlement Agreement, and the Commission opined that FERC would not allow an entity to evade its previous commitments by using Regional Transmission Operator (RTO) withdrawal as a loophole.

Office of the Executive Director (*Anthony Myers, Executive Director*)

The Executive Director and an Assistant Executive Director supervise the Commission's Technical Staff. The Executive Director's major supervisory responsibility consists of directing and coordinating the work of the Technical Staff relating to the analysis of utility filings and operations, the presentation of testimony in Commission proceedings, and support of the Commission's regulatory oversight activities. The Executive Director supervises the formulation of Staff policy positions and serves as the liaison between Staff and the Commission. The Executive Director is also the principal contact between the Staff and other state agencies, commissions and utilities.

Accounting Investigations Division *(Jamie Smith, Director)*

The Accounting Investigations Division is responsible for auditing utility books and records and providing expertise on a variety of accounting, taxation, and financial issues. The Division's primary function includes developing utility revenue requirements, auditing fuel costs, auditing the application of rates and charges assessed by utilities, monitoring utility earnings, examining the effectiveness of cost allocations, analyzing the financial integrity of alternative suppliers seeking licenses to provide services, and assisting other divisions and State agencies. Historically, Accounting Investigations has also been responsible for project management of Commission-ordered utility management audits. Accounting Investigations personnel provide expertise and guidance in the form of expert testimony, formal comments on utility filings, independent analyses on specific topics, advisory services and responses to surveys or other communication with the Commission. Accounting Investigations keeps up to date with the most recent changes in accounting pronouncements and tax law, and applies its expertise to electric, gas, telecommunications, water, wastewater, taxicabs, maritime pilots, and toll bridge matters.

During 2021, the Accounting Investigations Division’s work responsibilities included assisting other divisions, conducting audits of utility fuel programs and other rate adjustments, ongoing evaluation of utility base rates, STRIDE rates, and providing appropriate analysis of utility filings and rate initiatives. Division personnel provided expert testimony and recommendations relating to the performance of ongoing audits of 14 utility fuel programs and 11 other rate adjustments, and provided appropriate analyses and comments with respect to 103 filings submitted by utilities. In addition, Division personnel participated in eight formal proceedings, including one multi-year rate plan (MRP) case, and a number of special assignments.

Electricity Division (*Drew McAuliffe, Director*)

The Electricity Division conducts economic, financial and policy analyses relevant to the regulation of electric utilities, electricity retail markets, low income concerns, and other related issues. The Division prepares the results of these analyses in written testimony, recommendations to the Commission, and various reports. This work includes: retail competition policy and implementation related to restructuring in the electric utility industry, rate of return on equity and capital structure, pricing structure and design, load forecasting, low-income customer policy and statistical analysis, consumer protection regulations, consumer education, codes of conduct, mergers, and jurisdictional and customer class cost-of-service determinations. The Division's analyses and recommendations may appear as expert testimony in formal proceedings, special topical studies requested by the Commission, leadership of or participation in workgroup processes established by the Commission, or formal comments on other filings made with the Commission.

As part of rate proceedings, the Division's work lies in three main areas: (1) rate design, the setting of electricity prices to recover the cost (as annual revenue) of providing service to a specific class of customers (*e.g.*, residential); (2) cost of service studies, the classification of utility operating costs and plant investments and the allocation of those costs to the customer classes that cause them; and (3) cost of capital, the financial analysis that determines the appropriate return to allow on a utility's plant investment given the returns observed from the utility industry regionally and nationally. In multi-year rate plan proceedings, the Division also reviews, validates and submits testimony regarding utility projections of customers, sales, and billed maximum demand.

In addition to traditional rate-of-return expertise, the Electricity Division's technical and analytical professionals also identify and analyze emerging issues in Maryland's retail energy market. Division analysts research methods of electricity procurement, retail energy market models, energy and natural resource price trends, annual electricity cost data, renewable energy issues, economic modeling of electricity usage, and other areas that reflect characteristics of electricity costs. During 2021, the Electricity Division's work included expert testimony and/or policy recommendations in approximately 51 administrative proceedings, four formal proceedings, one traditional rate case, and the second multi-year rate plan case filed with the Commission. The Electricity Division also participated in Public Conference 53 (PC53), which addressed the impacts of COVID-19 on utilities as well as their customers. In addition to traditional regulatory analysis, Electricity Division personnel facilitated and participated in several stakeholder work groups covering net energy metering, community solar, retail market electronic data exchange, retail market supplier coordination, electric vehicles, electric rates, multi-year rate plans, and Montgomery County Community Choice Aggregation. The Electricity Division also evaluated legislation on renewable energy programs, community solar, net metering, retail choice, limited income mechanisms, and Community Choice Aggregation.

Energy Analysis and Planning Division *(Daniel Hurley, Director)*

The Energy Analysis and Planning Division (EAP) is primarily responsible for evaluating and reporting to the Commission on the results of advanced meter infrastructure (AMI) deployment and the EmPOWER Maryland energy efficiency and demand response programs, which are operated by the electric utilities in accordance with the EmPOWER Maryland legislation.

Division members have analytical and/or oversight responsibilities on a wide range of subjects: energy efficiency and demand response programs, regional power supply and transmission planning through participation in PJM work groups and committees, advanced metering infrastructure and smart grid implementation, the SOS competitive solicitations, the wholesale energy markets focusing on prices and availability, Maryland's renewable energy portfolio standard, wholesale market demand response programs, applications for retail natural gas and electricity suppliers, applications for community solar projects and applications for small generator exemptions to the CPCN process.

During 2021, EAP was directly responsible for, or involved in, several significant initiatives including:

- EmPOWER Maryland—
    - Preparing semi-annual reports for the utilities' energy efficiency and demand response programs;
    - Assisting in the development of the Commission's annual EmPOWER Maryland report to the General Assembly;
    - Direct oversight of the evaluation, measurement and verification process of an independent evaluator, producing annual impact and cost-effectiveness evaluation;
    - Conducting work groups related to the 2021-2023 EmPOWER Maryland energy efficiency and demand response plans;
    - Reviewing the annual EmPOWER Maryland surcharge filings for cost recovery of the EmPOWER Maryland programs;
- Preparing the *Ten-Year Plan (2021-2030) of Electric Companies in Maryland*;
- Preparing the *Renewable Energy Portfolio Standard Report of 2020*;
- Monitoring several PJM committees and work groups;

- Monitoring the SOS procurement processes to ensure they were conducted according to codified procedures consistent with the Maryland restructuring law;
- Processing applications for the Community Solar Pilot program;
- Continuing to work with electricity and natural gas suppliers to bring retail choice to the residential and small commercial markets; and
- Participating in NARUC activities.

Engineering Division (*John Borkoski, Chief Engineer*)

The Commission's Engineering Division monitors the operations of public service companies for safety, efficiency, reliability and quality of service. The Division's primary areas of responsibility include electric distribution and transmission, gas and electric metering, private water and sewer distribution systems, certification of solar renewable energy facilities, and natural gas and hazardous liquid pipeline safety.

In CY2021, the Engineering Division continued its monitoring and review of the utilities' implementation of the Commission's electric distribution system service quality and reliability regulations found in the Code of Maryland Regulations (COMAR) 20.50.12. By April 1 of every year, the utilities file their annual reliability reports for the previous year. The Engineering Division reviewed each of the reports and provided the Commission with its analyses and recommendations in a hearing on the annual review of reliability reports filed in Case No. 9353—Reliability & Service Quality Standards–on June 15, 2021. The Engineering Division's review of the annual reliability reports includes the assessment of any utility corrective action plan (CAP) that outlines how the utility expects to meet reliability targets in the future when specific reliability targets have been missed in the previous year. On August 12, 2021, the Commission issued Order

No. 89908, in which it accepted the service quality and reliability annual reports filed by BGE, Pepco, Delmarva, Potomac Edison, Choptank, and SMECO.

In the Order, the Commission noted the CAPs submitted by utilities and also directed SMECO to file a written CAP detailing the problems that led to its violation of the Periodic Inspections Standard. The Commission also lifted BGE's and Choptank's respective requests for stays of enforcement, previously approved by the Engineering Division in light of the COVID-19 pandemic, after determining that the stays are no longer necessary. In addition, the Commission determined that the Vegetation Management Cost Work Group and the Customer Perception Survey Work Group have both achieved their objectives and disbanded them. The Commission directed that the Customer Perception Survey Work Group's proposed survey questionnaires and rating scales be included in the next cycle of customer perception surveys, in accordance with COMAR 20.50.12.14. Furthermore, the Commission directed that a workgroup be formed, under the leadership of Staff, to consider service quality and reliability standard changes proposed by Staff, the electric companies, OPC, or other Case No. 9353 stakeholders. Finally, the Commission required utilities to file next cycle reliability reports using the 2.5 Beta Method (using Major Event Days) and the COMAR method (using Major Outage Events) used in previous next cycle reliability reports.

The Engineering Division led the Customer Perception Survey Work Group in 2021. The Engineering Division's role was to develop consistency among survey methodologies. The Work Group made recommendations for an additional 30 survey question themes and sub-themes, in addition to the standardized rating scale to be included in the next cycle of customer perception surveys. The Commission accepted the recommendations as the Work Group achieved its objectives, as required by Order No. 89056.

Under the leadership of the Engineering Division, the RM43 Standard Revisions Work Group was launched with its first meeting on September 28, 2021. The Work Group was also tasked to review any ongoing work around the country related to outage valuation and the feasibility of determining the costs of service outages (of various extents and durations) to Maryland communities. In response to the Commission's Order, Staff filed a report on the value of reliability on December 1, 2021. To date, the Work Group has achieved near consensus on almost all of the COMAR revision proposals. The Work Group will file a final COMAR revision proposal with the Commission in CY2022.

On September 1, 2020, in Order No. 89629, the Commission directed the Electric Utilities to meet with Staff, and any other interested parties, to convene a Work Group to discuss the definition of 'all-in' vegetation management costs[13] after expressing continued concern about the relatively high per-mile cost of Pepco's vegetation management program compared to the average cost per-mile reported by the average electric utility in 2019. The Order directed the Work Group to find a consensus definition prior to the filing of the annual reliability reports for the CY2021. The Work Group

[13] All-In Vegetation Management Cost means all vegetation management capital and operation and maintenance expenditures including all direct contractual costs and internal staffing associated with yearly scheduled cyclical trimming and all corrective work, and all indirect costs associated with vegetation management staff, supplies and equipment.

consisted of five electric utilities and OPC, under the leadership of the Engineering Division Staff. After holding several monthly meetings from October 2020 through January 2021, the Work Group was able to come to a consensus on a definition for all-in vegetation management costs and filed its final report to the Commission on February 9, 2021; no regulation changes were recommended by the Work Group. On August 12, 2021, in Case No. 9353, Order No. 89908, the Commission approved the consensus definition, determined the Work Group had achieved its objectives, and ordered that the Work Group be disbanded.

The Engineering Division continued to address the impacts of the COVID-19 pandemic on Maryland's gas and electric utility operations in CY2021. There were several areas of collaboration between the Engineering Division and the utilities relative to their engineering operations that have been affected by the ongoing pandemic. In late March 2020, the Pipeline and Hazardous Materials Administration (PHMSA) gave states the flexibility to delay inspections that do not have code implications and to allow intrastate operators to request code relief from the State Program Manager, which for Maryland resides in the Engineering Division. Based upon this allowed flexibility, the Commission granted the Engineering Division the authority to issue stays of enforcement and waivers for operations and maintenance inspections to gas pipeline operators impacted by the COVID-19 pandemic. Subsequently, on April 16, 2020, five of the six electric utilities that are governed by COMAR 20.50.12.10 requested, and the Commission granted, authority to the Engineering Division to issue stays of enforcement following the request of a utility if the utility believes it will be unable, due to the COVID-19 pandemic, to perform certain periodic inspection and maintenance work on their electric distribution systems in the time periods required by the regulation. In CY2020, the Engineering Division approved two COVID-19 Electric Utility Stay of Enforcement Requests and both of these waivers were rescinded in CY2021. On May 26, 2021, PHMSA issued a Notice of Termination in regards to Stays of Enforcement as a result of Covid-19. Accordingly, the Engineering Division began to schedule the inspections that were put on hold by the various Stays of Enforcement requested by the pipeline operators. As of December 31, 2021, the Engineering Division was able to complete all but two of the inspections. The remaining two inspections were completed by the end of February 2022.

The Engineering Division was involved in five significant Certificates of Public Convenience and Necessity (CPCN) cases in CY2021 that were not PV solar system CPCN applications:

- Case No. 9471 - Transource Maryland LLC Construction of Two New 230 kV Transmission Lines Associated with the Independence Energy Connection Project in Portions of Harford and Washington Counties. The Commission issued Order No. 89571 approving the project on June 30, 2020. A large part of the project is in Pennsylvania, where the project is still pending approval. On June 22, 2021, the Commission granted a six-month extension of the CPCN construction deadlines. On December 22, 2021, the Commission granted an additional extension of the CPCN construction deadlines to December 31, 2022.

- Case No. 9642 - BGE Bush River Crossing. This is a project to replace a 1.3 mile portion of an existing 115 kV transmission line that runs from Edgewood to Perryman across the Bush River in Harford County. Staff filed testimony in December of 2020. Virtual evidentiary and public hearings were held in early 2021, and the PULJ’s order approving the proposed project became final in June

2021.

- Case No. 9636 - BGE Five Forks to Maryland/Pennsylvania Border. This project replaces an existing double circuit, 115 kV overhead transmission line and its associated lattice structures with a double-circuit line on weathered steel poles. The Commission's order became final on January 11, 2021.

- Case No. 9658 - BGE Five Forks to Windy Edge. This project is to rebuild 20.7 miles of the existing 115 kV double-circuit transmission line segment between BGE's Five Forks substation in northern Harford County and its Windy Edge substation in northern Baltimore County. The Commission's order became final on January 4, 2022.

- Case No. 9669 - Potomac Edison Doubs-Goose Creek Transmission Line. Filed in June of 2021, the project proposes to rebuild 15.2 miles of the Maryland portion of the existing high voltage 500 kV transmission line between Doubs Substation located in Buckeystown, Maryland and Goose Creek Substation located near Leesburg, Virginia. Based on the revised procedural schedule, an evidentiary hearing for the case is expected to occur in January of 2023.

The Engineering Division participated in a rulemaking docket involving CPCNs in CY2021. The Engineering Division supported Staff's submission on December 18, 2020, of a petition to initiate a rulemaking for generation CPCNs. In response, the Commission docketed RM72–Rulemaking to Revise Regulations to COMAR 20.79 Governing Certificates of Public Convenience and Necessity for Generating Stations. The Engineering Division prepared Staff's comments on RM72 and participated in the rulemaking hearing on March 29-30, 2021. The Commission approved the regulations published in the *Maryland Register* at a final rulemaking session on August 10, 2021, with an effective date of September 6, 2021.

The Commission received approximately 5,100 applications for in-state photovoltaic (PV) solar renewable energy credits (SRECs) in calendar year 2021, down from 6,574 applications received in 2020. Approximately 444 MWs were approved in 2021, compared to 230 MWs in 2020. The increase in MWs is attributable to larger systems and the inclusion of community solar projects coming online. The application numbers are for new systems, amendments to existing systems, ownership changes, and de-certifications. Electric utilities in Maryland purchase SRECs generated in Maryland to comply with the Renewable Portfolio Standard (RPS). A registry of Renewable Energy Credits (RECs) is also maintained in the PJM Generator Attribute Tracking System Environmental Information Service (GATS-EIS). This is in addition to power from other renewable sources like wind, landfill gas, geothermal, and heat recovery. The application process for SRECs has been greatly automated since its origins in 2008. It has become paperless since the introduction of an interactive platform. Customers enter their data through the application accessible through a portal on the Commission's website. The data is reviewed by engineers and compared to an interconnection agreement provided by the utilities. Weekly data is compiled and sent to PJM GATS-EIS.

Most solar PV systems approved have been small residential installations ranging in size from 1 kW to 20 kW. Projects less than 2 MWs do not need to apply for a CPCN with the Commission. Systems larger than 2 MWs must apply for a CPCN or CPCN exemption. Maryland counties have played an increasing role in these cases with zoning restrictions for the large solar projects. There have also been projects applying for the Community Solar Pilot Program governed by COMAR 20.62. These systems are generally less than 2 MWs and provide virtual net-meter subscription plans for interested electric ratepayers. There have been over 50 solar CPCN cases filed since 2011. To date, the largest project to come online is Great Bay Solar at 150 MWs. Some projects are built for energy sales into the PJM market, and others provide net-metered energy for facilities such as hospitals, schools, prisons, college campuses, and other government facilities. The Commission has promoted the development of solar projects since the State adopted a goal of 14.5 percent solar, in-state, as part of the RPS program. The Engineering Division worked on several solar CPCN cases for CY2021 with their respective status as follows:

- Case No. 9408 - Perennial Solar (approved in CY2021);
- Case No. 9429 - LeGore Bridge Solar Center, LLC (approved in CY2021);
- Case No. 9499 - Morgnec Road Solar (in progress at the end of CY2021);
- Case No. 9620 - Lightsource Solar (withdrawn in CY2021);
- Case No. 9635 - New Market Solar LLC (in progress at the end of CY2021);
- Case No. 9643 - Jade Meadow Solar (approved in CY2021);
- Case No. 9652 - Fairview Farm Solar (Approved in CY2021);
- Case No. 9656 - Kumquat & Citron Cleantech, LLC Solar (procedural schedule suspended at the end of CY2021);
- Case No. 9662 - Costen Solar (approved in CY2021); and
- Case No. 9663 - CPV Backbone Solar (approved in CY2021; order became final January 1, 2022)

The Clean Energy Jobs Act (i.e., Senate Bill 516 in 2019) increased Maryland's Renewable Portfolio Standard (RPS) to 50 percent by 2030 and increased the "carve-out" for offshore wind within Maryland's RPS that is equal to 10 percent of all electricity sales within Maryland thereby requiring an additional minimum of 1,200 MW by 2030.

Pursuant to the Clean Energy Jobs Act (CEJA), the Commission issued a solicitation for the purposes of fulfilling this requirement. On July 27, 2021, two developers, US Wind and Skipjack, filed applications with the Commission that included five distinct proposals in Case No. 9666. The Commission reviewed each of those applications and held evidentiary hearings over a four-day period to evaluate and compare the proposed offshore wind projects. The Engineering Division testified before the Commission and provided an analyses regarding the technical and reliability impacts related to the offshore wind projects proposed by US Wind and Skipjack. On December 17, 2021, the Commission issued Order No. 90011, granting ORECs to US Wind and to Skipjack. In the Order, the Commission awarded ORECs to US Wind's Bid 2, an 808.5 MW project that will consist of approximately 55 turbines, with the closest turbine located no more than 15 miles off the coast from Ocean City; and to Skipjack's Phase 2.1, an 846 MW project that will consist of approximately 60 turbines, with the closest turbine located no more than 20 miles off the coast from Ocean City. US Wind commits that the entire 808.5 MW project would be constructed and operational on or before December 31, 2026. As for Skipjack's Phase 2.1 project, Skipjack would begin construction of the Phase 2.1 in conjunction with the Skipjack Phase 1 project that was approved in Round 1. The COD for the Skipjack project is scheduled for Q4 of 2026. On November 15, 2021, the Commission's Technical Staff filed a Petition for Rulemaking to revise COMAR 20.61–Renewable Energy Portfolio Standard Program–to implement changes required by CEJA. Among other statutory changes supporting job training and a revision to the RPS, CEJA amended PUA § 7-704.1–Application for Offshore Wind

Project–to provide for additional application periods for offshore wind projects to receive ORECs and to implement certain these statutory changes, revisions are necessary to COMAR 20.61. On November changes to the application and approval process for these applications. As a result of 16, 2021, the Commission initiated Rulemaking 75 to consider revisions to COMAR 20.61. No action was taken on the proposed regulations in the first rulemaking session on December 21, 2021. In light of possible new legislative requirements and changes that were made in Case No. 9666, the Commission directed Staff to make a new filing with the Commission on May 2, 2022.

The Engineering Division participated in Case No. 9619–The Maryland Energy Storage Pilot Program–in 2020. The Engineering Division's role was to evaluate the reliability and benefit/cost of the utility-filed energy storage pilot project proposals, which were developed initially through the PC44 Energy Storage Work Group and finalized in accordance with the Energy Storage Pilot Project Act of 2019, and propose metrics to be used in evaluating the pilot projects. The Commission issued Order No. 89664 on November 6, 2020, approving the six pilot projects proposed by the Exelon companies, with the stipulation that the electric companies would need to notify the Commission should the companies anticipate that the projects would need to expend more than 50 percent of the approved contingency funding. The Little Orleans Energy Storage Pilot project proposed by Potomac Edison (PE) was rejected, and the Commission deferred issuing a decision on PE's Town Hill proposal until such time when PE’s second proposal was filed. On February 5, 2021, PE filed its second proposal which included its Urbana Energy Storage Pilot Project, replacing the Little Orleans project. On April 21, 2021, the Commission issued Order No. 89805, approving both of PE's energy storage pilot projects. On October 1, 2021, the Exelon companies filed updated project costs and operational start dates pursuant to Commission Order No. 89664 in Case No. 9619 for five of their six proposed energy storage pilot projects: Fairhaven, Chesapeake Beach, Ocean City, National Harbor, and Montgomery County Bus Depot. The Exelon companies' requests were approved at the Commission's December 15, 2021 Administrative Meeting. On December 30, 2021, PE filed a request for the extension of the project operational deadline for its Urbana Energy Storage Pilot Project for good cause pursuant to PUA § 7-216(h)(6)(ii).

The Engineering Division participated in the following rate cases that were either completed or initiated in CY2021:

- Case No. 9645–BGE Multi-Year Rate Plan (MYP) Order No. 89678 issued on December 16, 2020. Staff continues to annually review and evaluate project list filings associated with this case in 2021 and for each year of the MYP.
- Case No. 9651–Washington Gas Light Co. rate case filing (Order No. 89799 issued on April 9, 2021.)
- Case No. 9655–Potomac Electric Power Co. multi-year rate plan filing (final order issued June 28, 2021.)
- Case No. 9670–Delmarva Power & Light rate case filed September 1, 2021 (order became final on March 2, 2022.)
- Case No. 9671–Maryland Water Service, Inc. rate case filed September 30, 2021 (order became final April 14, 2022.)

The Engineering Division participates in the Maryland Department of Emergency Management (MDEM) emergency preparedness and response efforts. The Power

Infrastructure Strategic Coordinating Function (SCF) supports the MDEM emergency preparedness and response efforts. The Engineering Division and the Maryland Energy Administration (MEA) are jointly responsible for leading the SCF for utility coordination related to electric service outages and fuel supply coordination during fuel disruptions. The Power Infrastructure SCF participates in training, drills, coordination meetings and statewide emergency management conference calls for establishing situational awareness and management of state emergencies. Training and exercises continue virtually, when possible, due to the COVID-19 pandemic.

Several large storms in CY2021 required our Power Infrastructure SCF roster activation, including thunderstorms on July 1, 2021; Hurricane Ida remnants on September 1, 2021; and a rain and wind event with coastal flooding on October 29, 2021. However, none of these storms required a utility Major Outage Event report filing.

The Engineering Division also participated in the GridEx VI drill on November 16-17, 2021. GridEx is a distributed play grid exercise that allows participants to engage remotely, simulates a cyber and physical attack on the North American electricity grid and other critical infrastructure. The Engineering Division also participated in the CalvEx drill in CY2021. CalvEx is a federally evaluated exercise involving emergency response for the Calvert Cliffs Nuclear Power Plant.

The Engineering Division continues to advise the Commission through written comments (‘bucksheets’) for Administrative Meetings on various engineering matters filed with the Commission or in Commissioners Meetings for various compliance filings.

In CY2021, the Engineering Division completed 43 bucksheet assignments and supported 16 bucksheets assigned to other Staff divisions.

Nineteen electrical accident reports were filed with the Engineering Division in CY2021 for further investigation.

The Engineering Division continues to lead the Cyber-Security Reporting Work Group (CSRWG). The Commission established Case No. 9492 for Cyber-Security Reporting of Maryland Utilities and on February 4, 2019, issued Order No. 89015 that requires triennial cyber-security in-person briefings that apply to utilities with more than 30,000 customers. In CY2021, the Commission completed its first three-year reporting cycle of utility in-person briefings with the Commission on cybersecurity. The CSRWG will file a petition for rulemaking in CY2022 based on lessons learned from this first three year reporting cycle.

The Engineering Division continues to lead the PC44 Interconnection Work Group. Phase III of the PC44 Interconnection Work Group's efforts continued into CY2021 culminating in a filing of the Phase III Final Report on May 14, 2021. The PC44 Interconnection Work Group continues to work on Phase IV efforts to further explore, among other things, hosting capacity cost allocation methodologies, communication and control, and statewide smart inverter setting standards

The Engineering Division continues to participate in the PC44 Electric Vehicle (EV) Work Group to evaluate electric vehicle supply equipment (ESVE) metering. As a result of the mid-cycle EV pilot program hearing in October 2021, in Case No. 9478, the Commission issued Order No. 90036 on January 11, 2022, which granted the EV pilot utilities additional COMAR sub-metering waivers and directed Staff to work with utilities to develop and propose EV metering regulations before December 31, 2023. The Engineering Division continues to work to develop EVSE metering recommendations in CY2022.

House Bill 1007 (HB 1007), concerning the Renewable Energy Portfolio Standard and geothermal heating and cooling systems, was introduced during the 2021 session of the Maryland General Assembly. On May 18, 2021, Governor Hogan signed HB 1007 into law, which, among other things, alters the RPS for post-2022 to require a certain percentage of energy from Tier 1 renewable sources each year to be derived from certain geothermal heating and cooling (GHC) systems; requires a certain percentage of energy be derived from certain GHC systems installed on certain property; and clarifies that energy from certain geothermal heating and cooling systems is eligible for inclusion in meeting the RPS. HB1007 also requires the Commission to determine the methods for calculating energy savings to determine the annual amount of RECs awarded for the geothermal heating and cooling system. Pursuant to HB 1007, the Engineering Division continues work on implementing a process for calculating energy savings for commercial GHCs into CY2022.

The Commission established Case No. 9665 for Distribution System Planning (DSP) for Maryland Electric Utilities in CY2021 after considering the recommendations of Maryland stakeholders, including the Engineering Division, that participated in a PC44 technical conference to consider the findings of the National Regulatory Utilities Commission/National Association of State Energy Officials (NARUC/NASEO) Task

Force on Comprehensive Electricity Planning. The Engineering Division worked with other Staff divisions to file comments and participated in a virtual technical conference on March 25, 2021, to consider the final report of the Task Force and provide recommendations.

The Engineering Division led the Professional Engineer Work Group to pursue the National Transportation Safety Board (NTSB) Massachusetts Gas Over-Pressurization Event Recommendation P-19-16 to "remove the exemption so that all future natural gas infrastructure projects require licensed professional engineer approval and stamping." The Commission docketed RM71 for Licensed Professional Engineer Approval and Stamping of Natural Gas Infrastructure Projects in Maryland in CY2020. The Commission approved the proposed regulations at a final rulemaking session on May 18, 2021. The regulations became effective on June 14, 2021.

In CY2018, BGE, Columbia Gas, and Washington Gas Light (WGL) reapplied for their second iteration of STRIDE (known as STRIDE 2). All three companies were approved to continue with STRIDE programs from 2019–2023, subject to certain conditions. In CY2021, Elkton Gas filed for authority to implement a STRIDE 1 plan and cost recovery mechanism in Case No. 9660. Elkton Gas proposed to replace 6.1 miles of Aldyl-A pipe (vintage plastic pipe susceptible to brittle-like cracking) in its distribution system by the end of CY2023. On August 20, 2021, the Commission approved Elkton Gas's STRIDE 1 Plan and recovery mechanism in Order No. 89931. In CY2021, the Engineering Division's Pipeline Safety Group participated in the review of the related

STRIDE filings for the Commission and is currently monitoring the companies' progress in the implementation of each of the STRIDE 1 and STRIDE 2 plans.

In CY2021, the Engineering Division's Pipeline Safety Group continued inspection of jurisdictional gas and hazardous liquid pipeline operators to ensure compliance with applicable pipeline safety regulations. Additionally, in CY2021, the Engineering Division's Pipeline Safety Group conducted five significant incident investigations as follows:

- April 4, 2021 - WGL responded to a damaged 12-inch gas main located at Old Georgetown Road and Executive Boulevard in Bethesda. A utility contractor was installing a utility pole when it struck a gas main with a backhoe. As a result of the damage, WGL had to turn off gas service to 2,000 customers to make the repairs. The investigation determined that the gas line was properly marked but that the contractor did not follow proper excavation practices.

- May 14, 2021 - BGE was repairing a leak on its gas main located at 8407 Stevenson Road in Pikesville. After completing the repair, the BGE crew discovered a coupling that needed to have a weld over sleeve placed on it. While the crew was welding the over sleeve, gas ignited and a BGE crew member received significant burns and was hospitalized. As a result of this event, 216 customers were without gas while the utility made repairs. The injured BGE employee subsequently passed away. The investigation is ongoing into CY2022.

- May 25, 2021 - WGL responded to a damaged 22-inch gas transmission line. A utility contractor was in the process of using an auger to excavate a hole for a pole to be installed. While excavating the contractor struck and damaged the gas transmission line. The investigation determined that line locate marks for the transmission line were off by approximately three feet from where the pipe was actually located. It was determined that WGL's locator mismarked the gas transmission line.

- November 3, 2021 - WGL responded to a damaged eight-inch gas main at Dormansville Boulevard and Church Road in Upper Marlboro. A contractor was working on a bridge at that location and cleaning out an excavation with a backhoe when it struck the gas main. WGL was able to maintain gas supply to its customers while the main was repaired. After the gas main was repaired, the investigation determined that the gas line was properly marked but that the contractor did not follow proper excavation practices.

- December 16, 2021 - WGL responded to a gas-fed fire at 7224 Annapolis Road in Hyattsville. It was determined by the utility that the gas was coming from an eight-inch gas main, which had a chain link fence installed directly over it. A transformer located in the vicinity short-circuited which resulted in an electrical discharge traveling down the fence and arcing onto the pipe resulting in a "burn through" and the subsequent fire.

Every year, the Engineering Division's Pipeline Safety Program is audited by the Pipeline and Hazardous Materials Safety Administration (PHMSA) of the U.S. Department of Transportation, as part of its agreement with PHMSA. The Commission's senior pipeline and hazardous liquid safety engineers must be fully trained for their roles by PHMSA for enforcement of federal pipeline safety regulations within the State. In CY2021, the Engineering Division added two pipeline safety engineers who are currently undergoing this PHMSA training. The audit is conducted by PHMSA to ensure that the Engineering Division's Pipeline Safety Group is conducting inspections of its jurisdictional operators according to PHMSA's State Guidelines and the Pipeline Safety Group's own procedures. In CY2021, the Pipeline Safety Group was audited on its CY2020 inspections—the Group received a score of 98.00 percent for its State Gas Program and 99.48 percent for its State Hazardous Liquids Program.

The Pipeline Safety Group was active throughout the state conducting routine pipeline safety inspections and continues to evaluate the progress of mitigation of leaks caused by failed mechanical gas couplings in Prince George's County.

Miscellaneous Engineering Division inspection and testing activities in CY2021 included:

- Electric Meter Referee Tests - 14
- Gas Meter Referee Tests - 2
- Meter Shop Inspections - 21
- Water System Inspections - 34
- Sewer System Inspections - 1
- LPG/Propane Operator EN-30A Meter Testing Inspections - 9
- Electric Company Inspections - 7
- PHMSA Gas System Inspections - 591 Days
- PHMSA Hazardous Liquid System Inspections - 31 Days

Staff Counsel Division (*Lloyd J. Spivak, Staff Counsel*)

The Staff Counsel Division directs and coordinates the preparation and presentation of the Technical Staff's position in matters pending before the Commission, under the supervision of the Executive Director. In performing its duties, the Staff Counsel Division identifies issues in public service company applications and evaluates the applications for legal sufficiency and compliance with the PUA, the Code of Maryland Regulations, utility tariffs and other applicable law. In addition, the Staff Counsel may support Staff in initiating investigations or complaints. The Staff Counsel Division attorneys are the final reviewers of the Technical Staff's testimony, reports, proposed legislation analysis, and comments before submission to the Executive Director. Additionally, the attorneys draft and coordinate the promulgation and issuance of regulations, review and comment on items handled administratively, provide legal services to each division within the Office of Executive Director, and handle inquiries from utilities, legislators, regulators and consumers.

During 2021, Staff Counsel attorneys participated in a wide variety of matters involving all types of public service companies. The Staff Counsel Division's work included review of rates charged by public service companies, consideration of numerous requests for CPCNs, review of SOS matters, telecommunications proceedings, supplier issues, merger proceedings, taxi matters and electric reliability matters. The Staff Counsel Division also was involved in a variety of efforts intended to address the EmPOWER Maryland Act of 2008, smart meter issues, and the continued implementation of the Maryland RPS Program.

Telecommunications, Gas, and Water Division *(Benjamin Baker, Director)*

The Telecommunications, Gas, and Water Division assists the Commission in regulating the delivery of wholesale and retail telecommunications services, retail natural gas services, and water services. The Division's output generally constitutes recommendations to the Commission but also includes publication of industry status reports, responses to inquiries from elected officials, media representatives, members of the public, and industry stakeholders. In addition, similar to other Technical Staff divisions, this Division assists the Commission's Consumer Affairs Division in the resolution of consumer complaints, on an as-needed basis, and leads or participates in industry work groups. The Division's analyses and recommendations to the Commission may appear as written comments, expert testimony in formal proceedings, special topical studies requested by the Commission, formal comments on filings submitted by the utilities or by other parties, comments on proposed legislation, proposed regulations and public presentations.

In 2021, the Division reviewed approximately 63 tariff filings, including changes to toll free calling rates as required by the Federal Communications Commission (FCC), compliance filings as a result of rate cases, adding renewable natural gas standards, annual revisions, and related matters. Of those, 44 were telecommunications and 19 were natural gas. The Division also presented testimony in 14 cases before the Commission. Staff participated in two natural gas base rate proceedings, one water rate proceeding, eight natural gas purchased gas adjustment charge proceedings, a proceeding to consider a pilot to modify gas expansion in the State, a STRIDE case and a show cause proceeding for a company that had poor call center metrics.

In telecommunications, the Division reviews applications for authority to provide telephone services from local and intrastate toll service providers, reviews tariff filings from such providers, monitors the administration of telephone numbering resources for the state, is responsible for reviewing FCC compliance filings filed by carriers, administers the certification of all payphone providers in the state, and monitors the provision of low income services, E911 (Enhanced 9-1-1) and telecommunications relay services. In 2021, the Commission authorized five new local exchange carriers and eligible telecommunications carriers.

In the natural gas industry, the Division focuses on retail natural gas competition policy and implementation of customer choice. The Division participates as a party in contested cases before the Commission to ensure that safe, reliable and economical gas service is provided. Staff contributes to formal cases by providing testimony on rate of return, capital structure, rate design and cost of service. In addition, the Division provides recommendations on consumer protections, consumer education, codes of conduct, mergers, debt and equity issuances, and other issues as necessary for the

Commission related to natural gas. The Division also conducts research and analysis on the procurement of natural gas for distribution to retail customers. In 2021, the Division participated in a proceeding against a gas company that failed to provide adequate customer service. Also, Elkton Gas established a STRIDE program. Additionally, Staff participated in a work group tasked with drafting regulations for the implementation of supplier consolidated billing.

In the water industry, the Division focuses on retail prices and other retail issues arising in the provision of safe and economical water services. In September 2021, Maryland Water Services applied for a base rate increase (see the Utility Rate Cases section for more details).

Finally, the Division provides assistance to other Staff divisions, particularly in matters of statistical analysis and economic policy.

Transportation Division (*Christopher Koermer, Director*)

The Transportation Division enforces the laws and regulations of the Commission pertaining to the safety, rates and service of transportation companies operating in intrastate commerce in Maryland. The Commission's jurisdiction extends to most intrastate for-hire passenger carriers by motor vehicle (total 931), intrastate for-hire railroads, as well as taxicabs in Baltimore City, Baltimore County, Charles County, Cumberland, and Hagerstown (total 1,221). The Commission is also responsible for licensing drivers (total 3,537) of taxicabs in Baltimore City, Charles County, Cumberland, and Hagerstown, and other passenger-for-hire vehicles that carry 15 or fewer passengers (not including Transportation Network Operators, or TNOs).

The Commission is also responsible for regulating TNOs, who provide transportation network services (total 445,967). The Transportation Division monitors the safety of vehicles operated (total 4,688 non-TNO vehicles, including taxicabs, and 523,144 TNO vehicles), limits of liability insurance, schedules of operation, rates, and service provided for all regulated carriers, except railroads (only entry, exit, service and rates are regulated for railroads that provide intrastate service). If problems arise in any of these areas that cannot be resolved at the staff level, the Division requests proceedings by the Commission, which may result in the suspension or revocation of operating authority or permits, or the institution of civil penalties.

During 2021, the Transportation Division was involved in RM74, *Revisions to COMAR 20.90 and COMAR 20.95–Vehicle Inspection Standards*. On January 5, 2021, the Commission initiated the Administrative Docket, and directed Staff to begin the revision process by consulting industry stakeholders and interested persons, prior to drafting and filing revised regulations to COMAR 20.90 and COMAR 20.95 associated with vehicle inspection standards on all vehicles currently or in the future permitted by the Commission. Transportation staff, along with Staff Counsel, formed a work group to begin the process to propose revised regulations for vehicle inspection standards to include the self-certification that a Commission-permitted vehicle, or vehicle to be permitted by the Commission in the future, has complied with any vehicle safety recalls issued by the vehicle manufacturer and posted online by the National Highway Traffic Safety Administration (NHTSA) under section 49 U.S.C. § 30118. The work group consisted of Transportation Staff, Staff Counsel and industry stakeholders including the

Maryland Motor Vehicle Administration, Maryland Limousine Association, Washington Metropolitan Area Transit Commission, NHTSA, Uber Technologies Inc., zTrip, Center for Auto Safety, National Safety Council, Lyft Inc. and Freedom Services LLC. In addition, draft regulations were shared with all transportation industry stakeholders regulated by the Commission for input and comments.

On August 2, 2021, Commission Staff submitted a filing that proposed revised regulations to COMAR 20.90 and COMAR 20.95–Vehicle Inspection Standards–followed by a period of public comment until August 26, 2021. The proposed, revised regulations included the input from the Work Group as well as transportation industry stakeholders regulated by the Commission. On September 7, 2021, the Commission convened a hearing to consider testimony and public comments on the proposed revised regulations and, after hearing testimony and comments, unanimously voted to publish the revised regulations as proposed by Staff on August 2, 2021, in the *Maryland Register* for public comment and notice.

On November 19, 2021, the proposed regulations were published in the *Maryland Register* for notice and comments, with comments due by December 20, 2021. The Commission, on December 16, 2021, gave notice that it would conduct a rulemaking session on January 18, 2022, to consider whether to finally adopt the proposed revisions to COMAR 20.90 and COMAR 20.95. It should be noted that, according to the Maryland Department of Transportation, about 53 million vehicles in the U.S. are subject to potentially life-threatening safety recalls, including more than 450,000 in Maryland. The adoption of the proposed revised regulations to incorporate the self-certification that a Commission-permitted vehicle, or vehicle to be permitted by the Commission in the future, has complied with any vehicle safety recalls issued by the vehicle manufacturer and posted online by NHTSA is paramount in determining the most effective way of minimizing the risk of having taxis and passenger-for-hire vehicles operating while subject to vehicle safety recalls, while also minimizing disruption to the transportation industry in Maryland.

During 2021, the Transportation Division continued to conduct vehicle inspections and report results via on-site recording of inspection data and electronic transmission of that information to the Commission's databases and to the Federal Motor Carrier Safety Administration's Safety and Fitness Electronic Records (SAFER) System. SAFER provides carrier safety data and related services to the industry and the public via the Internet.

Additionally, the Division maintained its regular enforcement in 2021 through field investigations and joint enforcement projects with local law enforcement officials and regulators in other jurisdictions. Administratively, the Division continued to develop, with the Commission's IT staff, projects designed to streamline processes through automation, electronic filings by the industry, and better intra-agency communication among the Commission's internal databases, such as fine-tuning an electronic TNO application process and a citation database. The electronic data transfer of digital photos of licensed Maryland drivers from the MVA's database to the Commission's databases continued to prove to be beneficial in 2021 during the global COVID-19 pandemic. The use of MVA driver's license photos for passenger-for-hire drivers benefits the industry by eliminating the need for an applicant to travel to the Transportation Division’s office to be photographed. Eliminating the need for the applicant to appear in person at the Transportation Division’s office has been extremely beneficial during the pandemic by reducing potential exposure of staff and the public to the COVID-19 virus.

Public Utility Law Judge Division (*Ryan C. “Chuck” McLean, Chief Public Utility Law Judge*)

As required by the Public Utilities Article, the Division is a separate organizational unit reporting directly to the Commission and includes four attorney Public Utility Law Judges (PULJs), including the Chief Public Utility Law Judge. Typically, the Commission delegates to the Division proceedings pertaining to the following: applications for construction of power plants and high-voltage transmission lines; rates and other matters for gas, electric, and telephone companies; purchased gas and electric fuel rate adjustments reviews; bus, passenger common carrier, water, and sewage disposal company proceedings; plant and equipment depreciation proceedings; and consumer complaints, as well as other complaints not resolved at the administrative level. In addition, the Division hears matters pertaining to certain taxicab permit holders and matters regarding Baltimore City, Cumberland, and Hagerstown taxicab drivers, as well as passenger-for-hire drivers, including Transportation Network Operators. While most of the Division’s activities concern delegated cases from the Commission, the Commission also may conduct its proceedings in three-member panels, which may include one PULJ. As a panel member, a PULJ participates as a voting member in the hearings and in the panel's final decision. The decision of a three-member panel constitutes the final order of the Commission.

In delegated cases, the PULJs conduct formal proceedings in the matters referred to the Division and file proposed orders, which contain findings of fact and conclusions of law. During 2021, the Commission delegated 57 cases to the Division: 19 non-transportation-related matters and 38 transportation matters of which three were taxicab-related and 35 were for-hire related; none were TNO-related. These transportation matters include license applications and disciplinary proceedings involving requests for imposition of fines or civil penalties against carriers for violations of applicable statutes or regulations. The Division held 99 hearings and issued 60 proposed orders in 2021. Unless an appeal is noted with the Commission or the Commission takes action on its own motion, a proposed order becomes the final order of the Commission after the specified time period for appeal as noted in the proposed order, which may be no less than seven days and no more than 30 days. There were nine appeals/requests for reconsideration filed with the Commission resulting from a proposed order: six related to non-transportation matters and three related to for-hire matters. The Commission issued four orders reversing a proposed order with two related to non-transportation matters and two related to for-hire matters. The Commission did not issue any orders remanding a matter back to the PULJs for further proceedings.

Work Groups led by Public Utility Law Judges:

The 2021-2023 EmPOWER Maryland Program - Case No. 9648

On December 18, 2020, the Commission issued Order No. 89679 which, in part, established the Future Programming Work Group (FPWG) to ensure that future EmPOWER cycles are well-informed and fully developed. The FPWG began meeting in April 2021 to address 14 different topics. The FPWG filed a report on April 15, 2022.

Montgomery County Community Choice Aggregation Pilot Program

PUA § 7-510.3 created a Community Choice Aggregation Pilot Program and required the Commission to establish a work group, adopt regulations on or before December 31, 2023, and create a pilot program to begin on the earlier of the date that a county gives notice to the Commission of its intention to initiate a process to form a community choice aggregator or April 1, 2024. The Commission initiated Public Conference 54 on July 22, 2021, to establish a Community Choice Work Group and to receive comments and inquiries. The work group began meeting on September 20, 2021.

XI. RECEIPTS AND DISBURSEMENTS FY 2021

Receipts and Disbursements Fiscal Year 2021			
C90G001 – General Administration and Hearings			
Salaries and Wages			$7,700,990
	Public Utility Regulation Fund	$7,700,990	
Technical and Special Fees			$103,035
	Public Utility Regulation Fund	$103,035	
Operating Expenses			$85,599,799
	Public Utility Regulation Fund	$2,243,315	
	Electric Reliability Remediation Fund	$210,000	
	Retail Choice Customer Education and Protection Fund	$146,484	
	Federal Fund	$83,000,000	
Total Disbursements for FY 2021			**$93,403,825**
	Public Utility Regulation Fund	$10,047,340	
	Electric Reliability Remediation Fund	$210,000	
	Retail Choice Customer Education and Protection Fund	$146,484	
	Federal Fund	$83,000,000	
Reverted Appropriation			$1,926,330
	Public Utility Regulation Fund	$1,926,330	

Total Appropriation for FY 2021			**$95,330,154**
	Public Utility Regulation Fund	$11,973,670	
	Electric Reliability Remediation Fund	$210,000	
	Retail Choice Customer Education and Protection Fund	$146,484	
	Federal Fund	$83,000,000	
C90G002 – Telecommunications, Gas and Water Division			
Salaries and Wages			$230,461
	Public Utility Regulation Fund	$230,461	
Operating Expenses			$1,850
	Public Utility Regulation Fund	$1,850	
Total Disbursements for FY 2021			**$232,311**
	Public Utility Regulation Fund	$232,311	
Reverted Appropriation			$333,833
	Public Utility Regulation Fund	$333,833	
Total Appropriation for FY 2021			**$566,144**
	Public Utility Regulation Fund	$566,144	
C90G003 – Engineering Division			
Salaries and Wages			$2,128,347
	Public Utility Regulation Fund	$1,533,638	
	Federal Fund	$594,709	

Operating Expenses			$123,377
	Public Utility Regulation Fund	$9,396	
	Federal Fund	$113,981	
Total Disbursements for FY 2021			**$2,251,724**
	Public Utility Regulation Fund	$1,543,034	
	Federal Fund	$708,690	
Reverted Appropriation			$97,674
	Public Utility Regulation Fund	$91,840	
	Federal Fund	$5,834	
Total Appropriation for FY 2021			**$2,349,398**
	Public Utility Regulation Fund	$1,634,874	
	Federal Fund	$714,524	
C90G004 – Accounting Investigations Division			
Salaries and Wages			$714,308
	Public Utility Regulation Fund	$714,308	
Operating Expenses			$0
	Public Utility Regulation Fund	$0	
Total Disbursements for FY 2021			**$714,308**
	Public Utility Regulation Fund	$714,308	
Reverted Appropriation			$66,379

	Public Utility Regulation Fund	$66,379	
Total Appropriation for FY 2021			**$780,687**
	Public Utility Regulation Fund	$780,687	

C90G005 – Common Carrier Investigations Division (Transportation)

Salaries and Wages			$1,533,590
	Public Utility Regulation Fund	$1,408,463	
	For-Hire Driving Services Enforcement Fund	$125,127	
Technical and Special Fees			$265,163
	Public Utility Regulation Fund	$163,874	
	For-Hire Driving Services Enforcement Fund	$101,289	
Operating Expenses			$99,906
	Public Utility Regulation Fund	$72,760	
	For-Hire Driving Services Enforcement Fund	$27,145	
Total Disbursements for FY 2021			**$1,898,659**
	Public Utility Regulation Fund	$1,645,097	
	For-Hire Driving Services Enforcement Fund	$253,562	
Reverted Appropriation			$102,179
	Public Utility Regulation Fund	$102,179	

Total Appropriation for FY 2021			**$2,000,838**
	Public Utility Regulation Fund	$1,747,276	
	For-Hire Driving Services Enforcement Fund	$253,562	
C90G006 – Washington Metropolitan Area Transit Commission			
Operating Expenses			$331,168
	Public Utility Regulation Fund	$331,168	
Total Disbursements for FY 2021			**$331,168**
	Public Utility Regulation Fund	$331,168	
Reverted Appropriation			$130,593
	Public Utility Regulation Fund	$130,593	
Total Appropriation for FY 2021			**$461,761**
	Public Utility Regulation Fund	$461,761	
C90G007 – Electricity Division			
Salaries and Wages			$384,266
	Public Utility Regulation Fund	$384,266	
Operating Expenses			$4,050
	Public Utility Regulation Fund	$4,050	

Total Disbursements for FY 2021			**$388,316**
	Public Utility Regulation Fund	$388,316	
Reverted Appropriation			$179,385
	Public Utility Regulation Fund	$179,385	
Total Appropriation for FY 2021			**$567,701**
	Public Utility Regulation Fund	$567,701	
C90G008 – Public Utility Law Judge Division			
Salaries and Wages			$941,891
	Public Utility Regulation Fund	$896,743	
	For-Hire Driving Services Enforcement Fund	$45,148	
Operating Expenses			$119
	Public Utility Regulation Fund	$119	
Total Disbursements for FY 2021			**$942,010**
	Public Utility Regulation Fund	$896,862	
	For-Hire Driving Services Enforcement Fund	$45,148	
Reverted Appropriation			$75,006
	Public Utility Regulation Fund	$75,006	

Total Appropriation for FY 2021			**$1,017,016**
	Public Utility Regulation Fund	$971,868	
	For-Hire Driving Services Enforcement Fund	$45,148	
C90G009 – Staff Counsel Division			
Salaries and Wages			$1,129,666
	Public Utility Regulation Fund	$1,129,666	
Operating Expenses			$0
	Public Utility Regulation Fund	$0	
Total Disbursements for FY 2021			**$1,129,666**
	Public Utility Regulation Fund	$1,129,666	
Reverted Appropriation			$3,392
	Public Utility Regulation Fund	$3,392	
Total Appropriation for FY 2021			**$1,133,058**
	Public Utility Regulation Fund	$1,133,058	
C90G0010 – Energy Analysis and Planning Division			
Salaries and Wages			$651,585
	Public Utility Regulation Fund	$651,585	

Operating Expenses			$925
	Public Utility Regulation Fund	$925	
Total Disbursements for FY 2021			**$652,510**
	Public Utility Regulation Fund	$652,510	
Reverted Appropriation			$111,821
	Public Utility Regulation Fund	$111,821	
Total Appropriation for FY 2021			**$764,331**
	Public Utility Regulation Fund	$764,331	
SUMMARY OF PUBLIC SERVICE COMMISSION			
FISCAL YEAR ENDED JUNE 30, 2021:			
Salaries and Wages			$15,415,104
	Public Utility Regulation Fund	$14,650,120	
	For-Hire Driving Services Enforcement Fund	$170,275	
	Federal Fund	$594,709	
Technical and Special Fees			$368,198
	Public Utility Regulation Fund	$266,909	
	For-Hire Driving Services Enforcement Fund	$101,289	
Operating Expenses			$86,161,193

	Public Utility Regulation Fund	$2,663,583	
	For-Hire Driving Services Enforcement Fund	$27,145	
	Electric Reliability Remediation Fund	$210,000	
	Retail Choice Customer Education and Protection Fund	$146,484	
	Federal Fund	$83,113,981	
Total Disbursements for FY 2021			**$101,944,495**
	Public Utility Regulation Fund	$17,580,612	
	For-Hire Driving Services Enforcement Fund	$298,709	
	Electric Reliability Remediation Fund	$210,000	
	Retail Choice Customer Education and Protection Fund	$146,484	
	Federal Fund	$83,708,690	
Reverted Appropriation			$3,026,593
	Public Utility Regulation Fund	$3,020,758	
	Federal Fund	$5,835	
Total Appropriations for FY 2021			**$104,971,088**
	Public Utility Regulation Fund	$20,601,370	
	For-Hire Driving Services Enforcement Fund	$298,710	
	Electric Reliability Remediation Fund	$210,000	
	Retail Choice Customer Education and Protection Fund	$146,484	

	Federal Fund	$83,714,524	
Assessments collected during Fiscal Year 2021:			**$19,799,107**
Other Fees and Revenues collected during Fiscal Year 2021:			
	1) Fines and Citations-General Fund		$1,219,166
	2) For-Hire Driving Services Permit Fees		$482,154
	3) Meter Test		$170
	4) Filing Fees		$148,905
	5) Miscellaneous Fees		$10,867
	Total other fees and revenues:		**$1,861,261**
Interest Earned on Customer Investment Fund balance			$789
Interest Earned on Offshore Wind Energy Fund balance			$3,153
Assessments collected that were remitted to other state agencies during Fiscal Year 2021 from the Public Utility Regulation Fund:			
	1) Office of People's Counsel		$4,164,505
	2) Railroad Safety Program		$491,200