ORDER NO. 87285

IN THE MATTER OF POTOMAC EDISON COMPANY D/B/A ALLEGHENY POWER'S ENERGY EFFICIENCY, CONSERVATION AND DEMAND RESPONSE PROGRAMS PURSUANT TO THE EMPOWER MARYLAND ENERGY EFFICIENCY ACT OF 2008	BEFORE THE PUBLIC SERVICE COMMISSION OF MARYLAND CASE NO. 9153
IN THE MATTER OF BALTIMORE GAS AND ELECTRIC COMPANY'S ENERGY EFFICIENCY, CONSERVATION AND DEMAND RESPONSE PROGRAMS PURSUANT TO THE EMPOWER MARYLAND ENERGY EFFICIENCY ACT OF 2008	CASE NO. 9154
IN THE MATTER OF POTOMAC ELECTRIC POWER COMPANY'S ENERGY EFFICIENCY, CONSERVATION AND DEMAND RESPONSE PROGRAMS PURSUANT TO THE EMPOWER MARYLAND ENERGY EFFICIENCY ACT OF 2008	CASE NO. 9155
IN THE MATTER OF DELMARVA POWER & LIGHT COMPANY'S ENERGY EFFICIENCY, CONSERVATION AND DEMAND RESPONSE PROGRAMS PURSUANT TO THE EMPOWER MARYLAND ENERGY EFFICIENCY ACT OF 2008	CASE NO. 9156
IN THE MATTER OF SOUTHERN MARYLAND ELECTRIC COOPERATIVE, INC.'S ENERGY EFFICIENCY, CONSERVATION AND DEMAND RESPONSE PROGRAMS PURSUANT TO THE EMPOWER MARYLAND ENERGY EFFICIENCY ACT OF 2008	CASE NO. 9157
IN THE MATTER OF WASHINGTON GAS LIGHT COMPANY'S ENERGY EFFICIENCY, CONSERVATION AND DEMAND RESPONSE PROGRAMS PURSUANT TO THE EMPOWER MARYLAND ENERGY EFFICIENCY ACT OF 2008	CASE NO. 9362

Issue Date: December 8, 2015

On October 15 and 16, 2015, the Public Service Commission of Maryland ("Commission") held a legislative-style hearing in the above-captioned cases to review the semi-annual EmPOWER Maryland reports filed by The Potomac Edison Company ("PE"),[1] Baltimore Gas and Electric Company ("BGE"),[2] Potomac Electric Power Company ("Pepco"),[3] Delmarva Power & Light Company ("Delmarva"),[4] Southern Maryland Electric Cooperative, Inc. ("SMECO" or "Cooperative"),[5] and Washington Gas Light Company ("WGL")[6] (collectively, the "Utilities"), as well as the Maryland Department of Housing and Community Development ("DHCD" or the "Department"),[7] for the first and second quarters of 2015. The Commission also reviewed the comments as filed by: the Maryland Chapter of Efficiency First ("Efficiency First");[8] Prince George's County;[9] the NRG Retail Affiliates;[10] the Retail Energy Supply Association;[11] the Natural Resources Defense Council, Sierra Club-Maryland Chapter, and the Green &

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[1] ML#172081: *Potomac Edison's 2015 Semi-Annual EmPOWER Maryland Report for the period of January 1 – June 30* ("PE Report") (July 31, 2015).

[2] ML#172092: *BGE's Semi-Annual Report for First and Second Quarters – January 1 through June 30, 2015* ("BGE Report") (July 31, 2015); ML#175800: *Response of Baltimore Gas and Electric Company to the September 24, 2015 Comments of NRG Retail Affiliates* ("BGE Response") (Oct. 14, 2015).

[3] ML#172099: *Potomac Electric Power Company Semi-Annual EmPOWER Maryland Report* ("Pepco Report") (July 31, 2015); ML#172128: *Pepco's Updated Appendices B and D* ("Pepco Report Errata") (Aug. 3, 2015).

[4] ML#172100: *Delmarva Power & Light Company Semi-Annual EmPOWER Maryland Report* ("Delmarva Report") (July 31, 2015).

[5] ML#172108: *Southern Maryland Electric Cooperative, Inc.'s Q1/Q2 2015 Semi-Annual EmPOWER Maryland Report* ("SMECO Report") (July 31, 2015); ML#174512: *Southern Maryland Electric Cooperative, Inc.'s Q1/Q2 2015 Semi-Annual EmPOWER Maryland Report Errata* ("SMECO Report Errata") (Sept. 11, 2015).

[6] ML#172096: *Washington Gas Semi-Annual EmPOWER Maryland Report for the period of January 1 – June 30* ("WGL Report") (July 31, 2015).

[7] ML#172112: *Maryland Department of Housing & Community Development's Q1/Q2 Semi-Annual EmPOWER Maryland Report* ("DHCD Report") (July 31, 2015); ML#175312: *Request additional CY 2015 – 2017 PEPCO and PE funding for MEEHA and Request to expand MEEHA to include master-metered multifamily projects* ("DHCD MEEHA Request") (Sept. 24, 2015); ML#175608: *Withdraw of Mail log#175312* ("DHCD Withdraw Letter") (Oct. 7, 2015).

[8] ML#175022: *Comments on 2nd Half 2015* ("Efficiency First Comments") (Sept. 22, 2015).

[9] ML#175317: *Comments of Price George's County* (Sept. 25, 2015).

[10] ML#175310: *Comments of the NRG Retail Affiliates* ("NRG Comments") (Sept. 25, 2015).

[11] ML#175710: *Comments of the Retail Energy Supply Association* ("RESA Comments") (Oct. 14, 2015).

Healthy Homes Initiative;[12] the Office of People's Counsel ("OPC");[13] the Maryland Energy Administration ("MEA");[14] and Technical Staff.[15]

The parties' reports and comments included requests for program modifications and budget adjustments, as well as recommendations pertaining to programmatic improvements. In this Order, we address these requests and direct certain parties to undertake next steps as detailed below. We direct the Utilities and DHCD to effectively and aggressively execute the programs associated with the additional funding approved herein, and we direct the Utilities to make related compliance filings, including tariff pages and surcharge provisions, consistent with this Order.

I. Electric Energy Efficiency and Conservation: Residential Programs

Residential HPwES Program

The Utilities' Residential Home Performance with Energy Star ("HPwES") programs performed well in comparison to previous semi-annual periods.[16] During the first two quarters of 2015, DPL, PE, and SMECO realized the highest participation in their respective HPwES programs since the inception of EmPOWER, with the Utilities exceeding many of the forecasted program metrics during the first half of 2015.[17] This is attributable at least in part to several program enhancements implemented during the first

[12] ML#175739: *Comments on DHCD's Withdrawal of Request for Increased Funding for PEPCO and PE Budgets and to Expand the MEEHA Program* ("NRDC/Sierra Comments") (Oct. 14, 2015).
[13] ML#175306: *Office of People's Counsel EmPOWER Maryland 2015 Q1-Q2 Semi-Annual Review Report* ("OPC Comments") (Sept. 24, 2015); ML#175788: *OPC Letter in response to filings by NRG and RESA* ("OPC Letter") (Oct. 13, 2015).
[14] ML#175308: *Maryland Energy Administration Comments on EmPOWER Maryland Semi-Annual Reports* ("MEA Comments") (Sept. 24, 2015).
[15] ML#175302: *Comments of the Public Service Commission Staff – 2015 Semi-Annual EmPOWER Maryland Programmatic Report for the First and Second Quarters* ("Staff Comments") (Sept. 24, 2015); ML#175431: *EmPOWER Maryland 2014 Evaluation and Verification Reports* (Sept. 29, 2015); ML#175458: *Supporting Documents for EmPOWER Maryland 2014 Evaluation and Verification Reports* (Sept. 30, 2015).
[16] Staff Comments at 112.
[17] *Id.*

semi-annual period, including the rollout of the Prioritized List of Measures ("PLOM") and an increased emphasis on contractor training and support.[18]

Although the Utilities' Residential HPwES Programs are now demonstrating measurable progress compared to previous semi-annual periods, both OPC and Efficiency First recommended that we direct the Utilities to overhaul the HPwES Programs to reflect instead a performance-based incentive model, with the latter requesting adoption of the new structure no later than January 1, 2016.[19] While we appreciate the parties' motivation for proposing these recommendations (in that they are seeking to drive more participation and deeper energy savings),[20] we are reluctant to disrupt the implementation momentum of the Utilities' Residential HPwES Programs after so recently adopting several major program enhancements, especially given the promising results reported in the first two quarters of 2015. Rather, we are inclined to accept Staff's recommendation to reconvene the HPwES Work Group so that the parties may collectively assess different incentive structures utilized nationwide.[21] Therefore, Staff, on behalf of the HPwES Work Group, is directed to file a report no later than September 1, 2016 that assesses the merits of the current Residential HPwES Program structure and contrasts it with incentive models offered in other jurisdictions.

Further, especially in light of SMECO's demonstrated success with the implementation of its Residential HPwES Program during the first semi-annual period of the 2015 – 2017 program cycle,[22] we approve the Cooperative's request to reclassify

[18] *See* OPC Comments at VEIC-43.
[19] Efficiency First Comments at 4; OPC Comments at VEIC-45.
[20] Oct. 15, 2015 Tr. at 144 (Kuhn).
[21] Oct. 15, 2015 Tr. at 32-33 (Chairman Hughes/Best).
[22] Staff Comments at 112.

$380,556 of its existing residential program budget for expenditure in its HPwES Program. As the Cooperative noted in its report, these funds were mistakenly earmarked last fall for its new Multifamily Program, and the reclassification we approve herein for the HPwES Program results in a commensurate decrease to the 2015 – 2017 program cycle budget of the Multifamily Program.[23] Staff is supportive of SMECO's reclassification request,[24] and given that this is a one-for-one transaction, no incremental rate impacts are expected to occur.[25] Therefore, we approve SMECO's request to increase its Residential HPwES Program budget by $380,556 and to decrease its Multifamily Program budget by $380,556 for the remainder of the 2015 – 2017 program cycle.

Residential HVAC Program

In our order addressing the Utilities' 2015 – 2017 program cycle proposals, we authorized BGE and PE to remove the HVAC performance tune-up measure from their respective Residential HVAC Programs.[26] This decision was reached following comments from BGE and PE noting both low contractor acceptance of the measure and concerns involving free-ridership, since the service is frequently provided as part of a regularly-scheduled maintenance contract.[27] Before us now is a similar request by Delmarva and Pepco for the removal of the performance tune-up measure from their respective Residential HVAC Programs, with the PHI Companies noting a similar

[23] SMECO Report at Appendix E.
[24] Staff Comments at 104.
[25] Oct. 16, 2015 Tr. at 369-370 (Sackett).
[26] Order No. 86785 (Dec. 23, 2014) at 13. SMECO also previously removed the measure from its Residential HVAC Program due to a lack of interest in the measure. ML#158132: *Southern Maryland Electric Cooperative, Inc. – 2015 – 2017 EmPOWER Maryland Plan* (Sept. 2, 2014) at 2.
[27] *See, e.g.* ML#158042: *Baltimore Gas and Electric Company – EmPOWER Maryland Program Filing for 2015-2017* (Aug. 28, 2015) at 16.

concern about a lack of contractor participation as well as their objective to align their HVAC Programs with the other EmPOWER utilities.[28] Given the reasons articulated by the Companies, along with our established policy to standardize EmPOWER programs statewide when possible, we approve the requested program modifications to remove the performance tune-up measure from the Residential HVAC Programs of both Delmarva and Pepco.

II. Electric Energy Efficiency and Conservation: Commercial and Industrial Programs

Delmarva and Pepco C&I Budget Adjustment Requests

Delmarva and Pepco requested budget adjustments to their 2015 – 2017 program cycle C&I portfolios totaling $11,196,870 and $53,940,773, respectively.[29] While these budget adjustments are projected to yield an incremental 10,983 MWh and 164,004 MWh, respectively, the requests must be evaluated in the context of the post-2015 electric energy efficiency goals and balanced against the resulting estimated bill impacts that will be experienced by C&I customers.

In Order No. 87082, which established the post-2015 electric energy efficiency goals, we adopted (and no party challenged) a modest ramp-up rate of 0.20% per year starting with the approved 2016 plans – meaning that the pace of improvement must accelerate at a rate of at least 0.20% per year until such time that the utility achieves the 2% annual energy savings target.[30] To satisfy this directive, Delmarva is charged with

[28] Delmarva Report at 28; Pepco Report at 27.
[29] *See* Staff Comments at 95 (Table 51) and 99 (Table 55).
[30] Order No. 87082 (July 16, 2015) at 22.

accelerating its current 2017 program plans to achieve an incremental 8,126 MWh; Pepco must achieve an incremental 25,786 MWh in 2017.[31]

While it is permitted, and even encouraged, for the Utilities to begin ramping up their energy savings efforts as soon as possible, this objective must be achieved using good project management so as to ensure that ratepayer funding is deployed in a manner that can foster a consistent and gradual ramp-up period; indeed, these reasons contributed to our determination of a 2% annual target – a cost-effective, achievable level of energy savings balanced with an appropriate ratepayer impact.[32] Additionally, we have affirmed repeatedly our intention to ensure an equitable distribution of the energy savings opportunities across each of the separate sectors; in adopting the consensus position to establish goals on a utility-wide basis (rather than separate goals for residential and C&I sectors), we noted our intention to monitor the allocation of resources across the sectors on a going forward basis.[33]

For the aforementioned reasons, among others, we cannot approve in full the C&I program budget adjustments requested by Delmarva and Pepco. We do find, however, that it is necessary and appropriate to approve partial budget increases, particularly in the instances in which the Companies have depleted the approved three-year program cycle

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[31] *See infra* Section V for a full discussion of this matter. While 111,101 MWh of the incremental savings projected by Pepco are attributable to its CHP program (which will take several years to develop), the remaining 52,093 MWh of projected savings attributable to the other four C&I program budget requests are still double the incremental savings required of Pepco in 2017 by our Order.

[32] *See* Order No. 87082.

[33] *Id.* at 20-21. Further, there are other outside factors (such as the pending merger of Exelon Corporation and Pepco Holdings, Inc.) that may contribute to or represent alternative funding sources to support expanded EmPOWER initiatives other than the traditional use of ratepayer funds. For example, pursuant to Condition 2 of our Merger Order, Exelon would provide Delmarva a total of $11.7 million (not recoverable in rates) over three years to fund additional energy efficiency programs. *See* Order No. 86990 (May 15, 2015) at A-5. This money could be used to expand current program offerings or fund new initiatives; the funding could not be used to supplant previously-approved budget commitments.

budgets due to the overwhelming success of the individual programs in achieving significant energy and demand savings. Because we wish to review the program management and pace of investment in Delmarva's and Pepco's portfolios in light of the post-2015 electric energy efficiency goal structure, other funding factors, and our objective to balance resources between the C&I and residential sectors, our budget approvals granted herein are designed only to fund the Companies' requests through June 30, 2016.[34] At subsequent semi-annual hearings, we can revisit the current spend rate and any budget adjustments to fund cost-effective energy efficiency programs that Delmarva and Pepco request in conjunction with future semi-annual filings.

Both Delmarva and Pepco requested budget adjustments to fund their Multifamily Prescriptive Programs, which are new programs that began operating in 2015. The new Multifamily Prescriptive Programs greatly exceeded expectations in both service territories, and therefore require additional funding to continue the programmatic offerings for the remainder of the 2015 – 2017 program cycle. Delmarva is requesting additional funding to provide customer incentives and to cover its accompanying EM&V costs; Pepco is requesting additional funding primarily (91%) for the same two categories, with some additional money to cover its administrative and outside services costs.[35] Because we are encouraged by the success of this new and innovative

[34] Further, because Delmarva and Pepco submitted the quarterly breakdown of their requested C&I program budget adjustments on November 12, 2015 (well into the fourth quarter), we are not inclined to grant authorization of additional funding for four full quarters (Q3 and Q4 in 2015, and Q1 and Q2 in 2016). Rather, we authorize additional funding equivalent to three quarters, for use through June 30, 2016, as derived from the Companies' data request response. *See* ML#177787: *PHI Responses to the Commission's Bench Data Request from October 16, 2016* ("PHI DR Response") (Nov. 12, 2015). Moreover, given that the Companies' data requests provided a quarterly breakdown of customer incentive spending only, we have applied this ratio of approved customer incentive increases to the other requested budget categories (*i.e.* administrative, outside services, marketing, EM&V) as applicable.

[35] Staff Comments at 96 and 102.

Multifamily Program, which targets an underserved customer segment,[36] we approve Delmarva's budget adjustment request in the amount of $711,774 and Pepco's budget adjustment request in the amount of $2,367,402 for their respective Multifamily Prescriptive Programs through June 30, 2016.

Delmarva and Pepco also both requested budget adjustments to fund their Small Business Programs, which have proven to be some of the most successful programs within both Companies' entire portfolios for the past three years; the Small Business Programs yielded 12,884 MWh and 24,001 MWh for Delmarva and Pepco, respectively, in the first half of 2015 alone.[37] Approximately 87% of Delmarva's total current budget adjustment request is targeted at the continuation of its Small Business Program, which Delmarva projects will require almost $9.8 million in funding to continue operations through June 30, 2016. While recommending approval of the current request, Staff noted its concern that the spending forecast actually remains too low and is undercutting the Program's potential.[38] However, for the reasons previously articulated, we find that it is appropriate only to approve Delmarva's funding request through June 30, 2016 at this time; although, we may revisit the alignment of Delmarva's forecast with the Small Business Program's potential at a future semi-annual hearing. We similarly approve Pepco's budget adjustment request in the amount of $16.5 million for its Small Business Program, including the well-subscribed Small Business Energy Advance component, through June 30, 2016; this represents over $14.4 million less than the amount requested

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[36] The Multifamily Prescriptive Program targets master-metered, multifamily units – a population that is not currently eligible for EmPOWER programs administered by DHCD as part of its MEEHA program offering.
[37] Staff Comments at 97 and 100.
[38] *Id.* at 98.

by Pepco so that we may continue to evaluate the appropriate ramp-up rate of this Program as part of subsequent semi-annual hearings.[39]

While we approve this additional funding for Delmarva's and Pepco's Small Business Programs, we again note our plan to assess the underlying incentive structure associated with this Program – especially as the innovative SBEA on-bill financing mechanism is further deployed and incorporated into the Utilities' portfolios. In Order No. 86785, we announced our intention to review during this program cycle the Small Business Program's incentive structure generally so as to strike an appropriate balance between the incentive offerings and any approved financing mechanisms.[40] Therefore, we direct the work group to reconvene on this matter, specifically for the purpose of assessing whether any synergies resulting from the incorporation of a financing component into the Small Business Program justifies an alternative incentive structure. Staff, on behalf of the work group, is directed to file a report on this matter no later than April 13, 2016.

Delmarva's third and final budget adjustment request pertained to its C&I New Construction Program, which Delmarva estimated needs additional funding in the amount of $665,892 through the remainder of the 2015 – 2017 program cycle. As reported by the Company and as noted by Staff, higher-than-anticipated participation is driving the instant funding request, which would facilitate the inclusion of an additional 30 participants and yield a projected incremental 1,359 MWh of energy savings.[41] Although we are encouraged by the recent success of this Program, we again decline to approve the

[39] PHI DR Response at 4.
[40] Order No. 86785 at 17-18.
[41] Staff Comments at 97.

budget adjustment in its entirety for the aforementioned reasons. We do, however, authorize additional spending by Delmarva for its C&I New Construction Program in the amount of $346,629 through June 30, 2016.[42]

In addition to the Multifamily Prescriptive Program and Small Business Program budget adjustment requests, Pepco also requested a budget adjustment for its C&I CHP Program in the amount of $5.4 million. Pepco has already expended 128% of its three-year program cycle budget and notes that the participation pipeline built up during the first part of 2015 justifies this additional expenditure request.[43] We commend Pepco on the expansion of this project pipeline and note that the CHP Program is unique in its long development timeline.[44] Given these unique characteristics of the CHP Programs in general, we find that it is necessary to depart somewhat from our aforementioned reasoning in an effort to provide greater certainty to CHP projects already in the pipeline. Thus, while we are not inclined to approve Pepco's request in full at this time, we do approve a budget increase in the amount of $1,968,097 through December 31, 2016 for Pepco's C&I CHP Program. The additional six months of approved funding (beyond the June 30, 2016 timeline approved for other C&I budget adjustments discussed in this Order) reflects our recognition of the need for certainty with respect to these unique, long lead-time projects, as well as to signal again our expectation that the Companies present to us for our consideration at subsequent semi-annual hearings a better articulated funding schedule for the remainder of the 2015-2017 program cycle.

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[42] PHI DR Response at 7.
[43] Pepco Report at Appendix D-20 – D-21.
[44] This long development timeline may cause the CHP project to begin yielding energy savings after the completion of the program cycle from which it is funded. *See infra* at Section II: *C&I Combined Heat and Power Program* for a discussion of this energy savings timing issue.

Pepco's final budget adjustment request pertains to its C&I Prescriptive Buildings Program, for which Pepco achieved 170% of its three-year participation target and 90% of its three-year energy savings target by the end of the third quarter of 2015.[45] Given the Program's success, Pepco requested a budget increase of $13.1 million, which is projected to achieve an incremental 18,900 MWh of energy savings.[46] Pepco noted, however, that this budget increase is expected to fund its C&I Prescriptive Program through the first quarter of 2016 only.

We find that this particular request evidences another of our separate concerns with respect to the budget adjustment requests submitted by both Pepco and Delmarva in this proceeding, insofar as that their requests – this early into a new program cycle – highlight the continued forecasting issues that our Staff has repeatedly raised with respect to these Companies.[47] In making this statement, we are not including the new program offerings such as the Multifamily Prescriptive Program, for which we do not expect the Companies to have clear foresight regarding future participant subscription. However, for offerings such as the Prescriptive Program and the previously-discussed Small Business Program, which have been hallmarks of the Utilities' portfolios since the inception of EmPOWER, we expect the Utilities to deliver more accurate projections; at the very least, we should not be faced with this magnitude of budget adjustment requests after only six months into a new program cycle. With that said, we find that the budget increase requested by Pepco for its C&I Prescriptive Program *should* be sufficient to fund the Program through June 30, 2016. It is the responsibility of Pepco (and Delmarva) to

[45] *Id.* at 1.
[46] *Id.*
[47] *See, e.g.* Staff Comments at 101.

implement each of the approved budget adjustment requests in a manner that facilitates a sustained ramp-up of the programs through June 30, 2016 so as to avoid any unnecessary stoppages in work.

Lastly, we do not accept the suggestion by Delmarva and Pepco that an appropriate alternative to granting partial budget increases, as we have ordered today, would be to cancel pre-approved jobs or to reduce (in a vacuum) the incentives currently available as part of these programs.[48] We further reject the Companies' assertion that our decision to "reduce program spending"[49] would result in job losses at downstream trade allies.[50] *First*, the customer incentives offered as part of the affected programs are aligned and standardized with those offered by the other EmPOWER Utilities. To arbitrarily reduce these incentives for only two utilities, especially outside of the work group process and without the input of our EM&V contractors and other stakeholders, is an unwise precedent to assume. *Second*, the cancelation of pre-approved jobs would not engender positive feedback about the EmPOWER program in general from current program participants, future participants, or participating contractors. *Finally,* while the impact on jobs of our funding decisions is always at the forefront of our minds – indeed, it is one of the statutory factors that we are charged with considering – it must be balanced with the accompanying impact on rates, the cost-effectiveness of the proposed programs, and the impact of the programs on the environment.[51] Just as the potential impact on jobs serves as a contributing reason behind our decision to grant partial budget

[48] PHI DR Response at 3.
[49] Indeed, this is a mischaracterization of the issue, given that the pending request is for a budget increase rather than an independent review by us as to whether to reduce previously-approved funding.
[50] PHI DR Response at 3.
[51] PUA § 7-211(i)(1).

increases today, the corresponding impact on rates serves as a contributing factor to our decision to disallow the requested budget increases in full. Further, we are confident that Delmarva and Pepco will manage the implementation of the programs using the additional funding approved today in a manner that gradually and smoothly ramps-up the programs so as to minimize any stoppages in work (and thereby reduce the potential for communicating mixed signals downstream to the contractor community).

C&I Combined Heat and Power Program

Delmarva and Pepco requested authorization to extend the payment period for Commission-approved customer incentives for all CHP project applications pre-approved by the Companies before the end of the program cycle and completed by the end of 2019.[52] Further, Delmarva and Pepco were joined by BGE's request to authorize payment of CHP production incentives through June 30, 2021 for any aforementioned projects eligible for the extended incentive payment period.[53] Staff recommended that we approve both requests given that CHP projects typically are characterized by longer lead times and because a similar extension request was granted by the Commission in prior program cycles.[54] In our prior Orders authorizing similar extension requests, we noted that because of lengthy project lead times, customers and vendors have expressed concern that current projects may not be completed prior to the end of the program cycle,

[52] Delmarva Report at 52; Pepco Report at 55.
[53] BGE Report at 61-62.
[54] Staff Comments at 107.

and therefore many not receive the corresponding CHP program incentives for which they are otherwise qualified.[55]

While we concur with Staff's recommendation, we do recognize that some challenges may arise regarding the attribution of energy savings for CHP projects that are incentivized by ratepayer funding in the current program cycle but that are ultimately constructed and begin operating in the subsequent program cycle. Thus, while we approve the incentive extension requests for all CHP project applications pre-approved by the Utilities[56] before December 31, 2017 and constructed by the end of 2019 – as well as the accompanying payment of production incentives through June 30, 2021 to eligible CHP projects – we direct interested parties to comment on the timing issue regarding the attribution of energy savings at the next semi-annual hearing. Staff, on behalf of the work group, is directed to file an assessment and recommendation on this topic no later than April 13, 2016.

C&I Prescriptive Program - Lighting

On February 13, 2015, BGE filed a joint request on behalf of the EmPOWER Maryland Utilities for modification of the C&I LED measures and incentive levels offered as part of the Utilities' C&I Prescriptive Program.[57] In making this request, the Utilities conducted a review of individual LED measures, incentive levels, and equipment costs currently available in the industry, and proposed to align EmPOWER incentives

[55] We granted a similar incentive fund extension request for C&I CHP projects pre-approved by BGE, Delmarva, and Pepco during the 2012 – 2014 program cycle. *See* Order No. 85987 (Nov. 12, 2013) at 8 (BGE); Order No. 86366 (May 28, 2014) at 28 (PHI).

[56] While this concept began as a request by BGE, Delmarva, and Pepco, we direct all of the Utilities to adopt this practice in observance of our preferred policy to standardize EmPOWER programs across the service territories when possible. This is also consistent with Staff's recommendation included in its comments at page 105.

[57] ML#164176: *Baltimore Gas and Electric Company Semi-Annual Report for Third and Fourth Quarters – July 1 through December 31, 2014* (Feb. 13, 2015) at Appendix E.

with present market pricing.[58] Consistent with the Utilities' request and with Staff's recommendation,[59] we approved in Order No. 86995 a modification to the C&I Prescriptive Program to reflect the C&I LED measures and incentive levels included in BGE's February 13, 2015 report.[60]

As a result of Order No. 86995, C&I customer incentives in the amount of $5 per lamp are currently available for the replacement of an existing linear fluorescent lamp with a Type A TLED linear lamp *and a new fluorescent ballast*. However, after a contractor objected to the imposition of the new fluorescent ballast requirement as a rebate criterion in the BGE service territory, we invited all interested parties to comment on this issue at our October semi-annual hearings since the ballast replacement is a standardized requirement adopted statewide following the issuance of Order No. 86995.

In response to our request for comments, Staff provided a detailed timeline of the stakeholder process and reasoning behind the initial decision to require the installation of a new fluorescent ballast as a prerequisite to the receipt of a Type A TLED rebate.[61] In particular, Staff remarked that energy efficiency measures experiencing rapid growth and customer acceptance, such as LEDs and TLEDs, require careful monitoring to ensure that the incentive does not cover more than 50 – 70% of the incremental cost of the measure; experience has dictated that incentives in excess of that range tend to increase free ridership and reduce the cost effectiveness of the program.[62] Thus, Staff expressed concern that the removal of the new fluorescent ballast requirement would necessitate a

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[58] *Id.* at 58
[59] ML#167445: *Staff 2014 Semi-Annual EmPOWER Maryland Programmatic Report for the Third and Fourth Quarters* (April 22, 2015) at 88.
[60] *See* Order No. 86995 (May 21, 2015) at 6-7.
[61] Staff Comments at 28-34.
[62] Oct. 15, 2015 Tr. at 23.

reduction of the current rebate to prevent over-incentivizing the Type A TLED measure.[63] Ultimately, Staff recommended that we maintain the current incentive level and technical requirements for Type A TLED measures in the C&I Prescriptive Programs, including the new fluorescent ballast criteria.[64] BGE echoed Staff's recommendation, and further noted that the price of LED lamps in general are trending downward and may in the future no longer require the support of EmPOWER incentives.[65]

We have expressed repeatedly in prior orders our intention to minimize free ridership so as to maximize the cost effectiveness of EmPOWER programs.[66] Indeed, the ratepayer dollars at issue must be strategically deployed to incentivize deeper energy savings and to influence market-transformative conservation efforts – particularly those that would not have occurred but for the impetus of an underlying EmPOWER Maryland program. Therefore, given the observations noted by Staff and BGE pertaining to the increased market presence of all LEDs, as well as the downward trend of TLED prices in particular, we find that it would not be advisable to strike the requirement that a new fluorescent ballast be installed in conjunction with a Type A TLED in order to qualify for an EmPOWER incentive; such a modification would likely contribute to unacceptable

[63] Oct. 15, 2015 Tr. at 24. Staff also noted that a recent discussion paper by General Electric concluded that the lifetime of a Type A TLED is dependent on both the design life of the LED tube *and* the ballast life; therefore, maintenance costs and customer satisfaction may be influenced by the installation of a Type A TLED with an old ballast. Further, Staff observed that the Utilities' long-term vision for the C&I lighting projects will focus on projects that drive deeper savings and that the recent and dramatic drop in LED prices may require a shifting of resources to achieve this vision. Staff Comments at 31-32.
[64] *Id.* at 34.
[65] Oct. 15, 2015 Tr. at 207-208.
[66] *See, e.g.* Order No. 86366 at 4-5.

levels of free ridership across the Utilities' C&I Prescriptive Programs as it would likely result in over-incentivizing the Type A TLED.[67]

While such a result could potentially be avoided by a reduction in the rebate amount for Type A TLEDs that are not installed in conjunction with a new fluorescent ballast, no party put forth an appropriate rebate level for our consideration as part of the semi-annual hearing. Furthermore, we received comments from multiple parties that TLED prices are likely to continue their downward trend, possibly to levels that render EmPOWER incentives unnecessary in the near future.[68] Therefore, we decline to modify the incentives and requirements outlined in Order No. 86995 pertaining to lighting measures offered as part of the Utilities' C&I Prescriptive Programs. We do, however, direct Staff, on behalf of the work group, to file an assessment of the customer incentives and eligible lighting measures offered as part of the C&I Prescriptive Programs no later than September 14, 2016, so that we may continue to proactively monitor this evolving market.

C&I Small Business Program[69]

Currently, BGE is implementing a Small Business Energy Advance ("SBEA") pilot using Customer Investment Fund ("CIF") monies stemming from a separate merger proceeding.[70] The SBEA is administered in conjunction with BGE's existing EmPOWER C&I Small Business Program and makes available to eligible customers a

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[67] This result would be particularly troubling given that lighting measures account for between 92-99% of all prescriptive measures, with LED measures accounting for 60% of all prescriptive lighting measures installed in the first half of 2015. Staff Comments at 32.
[68] Oct. 15, 2015 Tr. at 207.
[69] *See supra* Section II: *Delmarva and Pepco C&I Budget Adjustment Requests*, which outlines our directive that the work group reconvene to investigate whether the incorporation of any approved financing mechanisms as part of the Small Business Program offerings justifies a revision to the current incentive structure.
[70] *See* Order No. 85187 (Nov. 8, 2012).

monetary advance that can be used to complete energy efficiency upgrades, which can then be repaid over the course of 12 months using an on-bill financing mechanism.[71] As reported by BGE, there has been "a notable increase in the average job size, energy savings and incentive amounts" captured by the EmPOWER Small Business Program since the introduction of the SBEA.[72] As such, BGE requested the ability to utilize EmPOWER dollars to fund the SBEA once the CIF monies are depleted.

While BGE initially anticipated that the CIF depletion would occur by mid-2016, customer repayments of the advance recently began to accelerate causing BGE to delay its projected EmPOWER budget impact associated with the SBEA until 2017.[73] As such, BGE characterized its request during our October 2015 semi-annual hearing as an inquiry regarding whether the Commission would like to see the continuation of the SBEA through the EmPOWER Maryland programs.[74] While we cannot prejudge this issue without first understanding the accompanying bill impacts, we do commend BGE on the success of the SBEA in driving an approximate 20% increase in participation in its Small Business Program, as well as the realization of deeper energy savings per project.[75] Thus, we would encourage BGE to file the necessary budget adjustment template and present this option at a future semi-annual hearing, although we must today deny without prejudice its current budget adjustment request.[76]

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[71] BGE Report at 58-61.
[72] *Id.* at 59.
[73] Oct. 15, 2015 Tr. at 214 (Wolf).
[74] *Id.*
[75] *Id.*
[76] We note that the filing of a budget adjustment template is necessary to understand the bill impacts that would result from an increase in the Small Business Program budget to fund the SBEA through EmPOWER Maryland. However, should BGE instead wish to modify its existing Small Business Program so that a portion of the existing budget could be earmarked instead for the SBEA, then BGE must only file a program modification request in conjunction with its subsequent semi-annual report.

C&I Customer Incentives, generally

Similar to the request made by Delmarva and Pepco with respect to their C&I CHP Programs, BGE filed a proposal to extend payment of Commission-approved customer incentives for *all* categories of C&I project applications pre-approved by the Company before the conclusion of this program cycle and completed by the end of 2019.[77] Although we approve herein the request to extend payment of customer incentives for pre-approved C&I CHP projects, we decline to authorize this same two-year extension for all C&I programs at this time. While we concur with Staff's reasoning that a multi-year extension is warranted for CHP projects (which traditionally take a longer time to build, install, and complete as compared to other types of C&I projects), this same reasoning cannot be used to justify an equally long extension for all other non-CHP C&I projects.[78] We do, however, find that a six month extension is warranted given our strong interest in ensuring an improved and smoother transition between program cycles.[79] Thus, we authorize the Utilities to pay Commission-approved customer incentives for all non-CHP C&I project applications pre-approved by the Utilities before December 31, 2017 and completed no later than June 30, 2018.[80]

III. Limited-Income Programs

Initially, DHCD proposed two budget adjustments that would provide additional funding for its Multifamily Energy Efficiency and Housing Affordability ("MEEHA")

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[77] BGE Report at 61-62.
[78] Staff Comments at 107.
[79] As observed in several parties' comments, the transition between the 2012 – 2014 and the 2015 – 2017 program cycle contributed to some shortfalls in program performance during the first half of 2015. *See, e.g.* Staff Comments at 9.
[80] While this concept began as a request by BGE, we direct all of the Utilities to adopt this practice in observance of our preferred policy to standardize EmPOWER programs across the service territories when possible. This is also consistent with Staff's recommendation included in its comments at page 105.

program, requesting $4,000,000 and $625,000 for use in the Pepco and PE service territories, respectively.[81] However, DHCD withdrew its request prior to our semi-annual hearing, stating that the Department was "in discussion with the Maryland Energy Administration to secure an alternative funding source."[82] DHCD further clarified at our hearing that the focus of their discussions is whether additional revenue sources – such as auction proceeds stemming from the State's participation in the Regional Greenhouse Gas Initiative ("RGGI") – could be re-deployed to enhance DHCD's program offerings.[83]

The Natural Resources Defense Council, Sierra Club-Maryland Chapter, and the Green & Healthy Homes Initiative filed comments in opposition to the withdrawal of DHCD's budget adjustment request.[84] In part, their comments expressed concern regarding a perceived lack of explanation and plan for procuring the additional funding needed by DHCD.[85] In response, DHCD committed to providing an assessment and status report on this issue in December, 2015.[86]

Since the inception of the EmPOWER Maryland programs, it has been our experience that a healthy pipeline of jobs and the avoidance of unnecessary stoppages in programmatic activities are both key to the long-term success of energy efficiency programs. At our semi-annual hearing, the Department testified that it continues to collect applications for MEEHA projects located in the PE and Pepco service territories so that once funding is in place, the review process can begin.[87] DHCD stated that it will "still have time to be able to incorporate funding [for pipeline projects] if [DHCD has]

[81] DHCD MEEHA Request at 1.
[82] DHCD Withdraw Letter at 1.
[83] Oct. 15, 2015 Tr. at 36 (Secretary Holt).
[84] NRDC/Sierra Comments at 1.
[85] *Id.* at 2.
[86] Oct. 15, 2015 Tr. at 47-48 (Secretary Holt).
[87] *Id.* at 85-86 (Falvey).

any idea of the funding with MEA in December."[88] Therefore, we accept DHCD's commitment to provide a status report regarding the acquisition of alternative funding sources for the MEEHA program, and direct the Department to file this report no later than December 30, 2015. In addition, DHCD is directed to file a subsequent progress report on this matter as part of its February 1, 2016 semi-annual filing.

Further, we note that should the alternative funding opportunity prove unavailable before or after the December 30 status report is submitted, DHCD is directed to notify the Commission promptly of this development so that unnecessary stoppages of work in the MEEHA program can be avoided. This is particularly critical given that no multifamily units were weatherized in the PE and SMECO service territories during the first half of 2015.[89] OPC expressed concern regarding this significant variation in spending and savings by DHCD in each of the utility service territories, and noted that "[w]hile discrepancies by service territory may have strong justifications, they could also be indicators of problems which may require training or other repercussions."[90] Therefore, we once again remind the parties that our July 2015 Order concurred with the recommendation of several stakeholders that sector progress should continue to be tracked so as to ensure the equitable distribution of utility and DHCD resources.[91] We look forward to the post-2015 limited-income sector energy savings goals that will be proposed by the Limited-Income Work Group in its upcoming February 1, 2016 filing,

[88] *Id.*
[89] OPC Comments at VEIC-64.
[90] *Id.*
[91] Order No. 87082 at 29.

especially with respect to any proposed parameters that ensure equitable and sufficient distribution of resources across the State.[92]

IV. Other EmPOWER Requests

Data-driven Demand-Side Management Program Offerings

Both NRG Retail Affiliates ("NRG") and the Retail Energy Supply Association ("RESA") offered comments on data access issues relating to the provision of retail electricity products and services that assist customers in reducing their electricity usage.[93] For those service territories in which smart meters are deployed, the Utilities receive hourly customer consumption data that may be used for purposes of engaging and educating customers about their electricity usage. In fact, this "near real-time" data is already being leveraged by BGE, Delmarva, and Pepco in support of behavior-based programs like home energy reports and dynamic pricing. While Delmarva and Pepco make this data available to competitive retail suppliers (with customer consent)[94] in a timely and efficient manner, the same policies are not yet established with respect to BGE.[95] Therefore, NRG and RESA requested that the Commission direct BGE to offer competitive suppliers access to their customers' near real-time billable quality interval usage ("BQIU") data via Batch CSV files by December 31, 2015.[96]

We are generally supportive of this request given that the leveraging of near real-time energy usage data to enable customer demand-side management tools is a

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[92] In Order No. 87082, we outlined several parameters that the Limited-Income Work Group should consider when developing its post-2015 energy savings goal. *Id.* at 27-28.
[93] NRG Comments at 2.
[94] Oct. 16, 2015 Tr. at 274 (Brenner/Greene).
[95] NRG Comments at 3-5.
[96] *Id.* at 12. NRG and RESA also requested that we direct BGE to settle retail supplier load at PJM based on interval usage data. However, this request is moot given that BGE confirmed that it anticipates fulfilling this request in early 2016. BGE Response at 2.

recognized potential benefit associated with the deployment of Advanced Metering Infrastructure ("AMI"), and because the parties' objections to NRG and RESA's request were largely procedural in nature.[97] However, we note that AMI deployment is ongoing in service territories beyond BGE, Delmarva, and Pepco (*i.e.* SMECO and Choptank Electric Cooperative), and may extend to other service territories in the future. Therefore, it is sensible for all parties to convene and to develop one general methodology for the delivery of this type of BQIU data via Batch CSV files. As such, the EmPOWER Utilities that are currently authorized by the Commission to deploy smart meters, along with NRG, RESA, and any other interested EmPOWER stakeholder, are directed to convene immediately a work group on this issue. BGE, on behalf of the work group, is directed to file a report no later than March 1, 2016 detailing the resolution of this issue, including a straw proposal for the data access methodology and an affirmation of the customer consent policy in compliance with the Code of Maryland Regulations.

EmPOWER Reporting and Program Implementation

As a new party to the EmPOWER proceeding, Prince George's County raised several issues for our consideration with respect to semi-annual reporting and program implementation. Given that the County's recommendations have not yet been discussed at the work group level, and because the issues could be applicable to all Utilities, we find that the requests are not yet ripe for our consideration. Instead, we note the willingness of the parties, including Prince George's County,[98] to convene at the work group level to consider and report back on several of the County's requests. Specifically,

[97] OPC and BGE questioned whether the EmPOWER proceeding was the appropriate venue in which to discuss and resolve the issues raised by NRG and RESA. *See* Oct. 16, 2015 Tr. at 257-264.
[98] Oct. 16, 2015 Tr. at 277-78 (McGee).

Staff is directed to convene an EmPOWER Reporting and Process Improvement ("ERPI") Work Group for the purpose of assessing Prince George's County's requests: (1) to require an additional appendix to the semi-annual reports that depicts EmPOWER Maryland program data by county; and (2) to require the Utilities to approve completed incentive applications and issue customer rebates within a 30-day period.[99] The ERPI Work Group is open to all EmPOWER parties and stakeholders, and Staff is directed to invite representatives from other counties – particularly those counties that are served by multiple electric companies. Staff, on behalf of the ERPI Work Group, is directed to file a report addressing these two issues no later than April 13, 2016.[100]

V. Post-2015 Electric Energy Efficiency Goals

The post-2015 electric energy efficiency goals established pursuant to Order No. 87082 require the Utilities to achieve an annual incremental gross energy savings of 2.0% per year, using a ramp-up rate of 0.20% per year.[101] The goals are calculated as a percentage of the individual utility's weather-normalized gross retail sales baseline, which is adjusted with each new program cycle. For the remainder of the 2015 – 2017 program cycle, the electric energy efficiency goals are calculated using the 2013 weather-normalized gross retail sales baselines as reported by the Utilities.[102]

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[99] Prince George's County Comments at 6.

[100] At this time, our Order does not constitute an endorsement of the proposals raised in Prince George's County's comments, but rather presents an opportunity for the Work Group to convene and discuss the merits of the County's suggestions. To the extent that the ERPI Work Group ordered herein would like to take up other issues in its April 13th report or beyond, such as data collection strategies, internal performance metrics, or other EmPOWER reporting and implementation-related issues, the Work Group is encouraged to do so.

[101] Order No. 87082 (July 16, 2015) at 31.

[102] For the 2018 – 2020 program cycle, the electric energy efficiency goals will be calculated using the 2016 weather-normalized gross retail sales baseline; for the 2021 – 2023 program cycle, a 2019 baseline; etc.... Given that the 2016 baseline is necessary to plan for the 2018 – 2020 EmPOWER program cycle proposals, the Utilities shall file this information as part of their January 31, 2017 semi-annual reports.

2013 Weather-Normalized Gross Retail Sales Baseline

Electric Utility	Retail Electricity Sales (MWh)
BGE	32,602,459
Delmarva	4,564,609
Pepco	15,643,794
PE	7,561,392
SMECO	3,610,882

Using the 2013 weather-normalized gross retail sales baselines, the Utilities' 2015 – 2017 Commission-approved program cycle plans translate into the post-2015 EmPOWER goal methodology as follows:

2015 – 2017 Program Cycle Plans Approved in Order No. 86785 (Dec. 23, 2014)

	2015		2016		2017	
	Forecasted Energy Savings (MWh)	Energy Savings as a % of 2013 Baseline	Forecasted Energy Savings (MWh)	Energy Savings as a % of 2013 Baseline	Forecasted Energy Savings (MWh)	Energy Savings as a % of 2013 Baseline
BGE	495,822	1.52%	565,933	1.74%	594,603	1.82%
Delmarva	60,666	1.33%	66,931	1.47%	67,934	1.49%
Pepco	222,291	1.42%	237,311	1.52%	242,813	1.55%
PE	68,246	0.90%	73,434	0.97%	79,419	1.05%
SMECO	70,878	1.96%	75,900	2.10%	78,284	2.17%

Consequently, with the exception of SMECO,[103] the remaining Utilities are required to submit supplemental plans demonstrating a ramp-up rate of at least 0.20% in 2017 as compared to the 2016 Commission-approved plans. We will consider these enhancements as part of our spring 2016 semi-annual hearings. Therefore, the Utilities are directed to include proposals to achieve these enhancements as part of their February 1, 2016 semi-annual filings; the enhancements should be reflective of the incremental

[103] Once a utility reaches the goal of achieving an annual incremental gross energy savings rate equivalent to 2.0% of its retail sales baseline, no further ramp-up is required. The utility must then turn its focus toward maintaining the annual 2.0% savings rate in subsequent program years.

energy savings needed to achieve the 0.20% ramp-up rate in 2017, as depicted in the following table.

Incremental Energy Savings Needed to Achieve Ramp-up between 2016 and 2017

	2017 - Current		2017 - Revised		
	Forecasted Energy Savings (MWh)	**Energy Savings as a % of 2013 Baseline**	**Forecasted Energy Savings (MWh)**	**Energy Savings as a % of 2013 Baseline**	**Incremental Energy Savings Needed to Achieve 0.20% Ramp-up from 2016 (MWh)**
BGE	594,603	1.82%	631,138	1.94%	36,535
Delmarva	67,934	1.49%	76,060	1.67%	8,126
Pepco	242,813	1.55%	268,599	1.72%	25,786
PE	79,419	1.05%	88,557	1.17%	9,138
SMECO	78,284	2.17%	N/A	N/A	0

While each utility's progress will be measured against the annual percentage targets established by Order No. 87082, we again note that the achievement of each utility's goal will be measured using an average of the utility's three-year program cycle annual targets and realized savings.[104] We find that this structure provides the necessary flexibility to facilitate an efficient and cost-effective implementation of the EmPOWER programs. Thus, the Utilities' achievement of the 2015 – 2017 program cycle goals will be evaluated pursuant to the following table.

[104] *See* Order No. 87082 at A-1.

Schedule for Evaluation of Utilities' Achievement of 2015 – 2017 Program Cycle Goals

	2015		2016		2017		2015 - 2017 Goal	
	Forecasted Energy Savings (MWh)	**Energy Savings as a % of 2013 Baseline**	**Forecasted Energy Savings (MWh)**	**Energy Savings as a % of 2013 Baseline**	**Forecasted Energy Savings (MWh)**	**Energy Savings as a % of 2013 Baseline**	**Average Annual Energy Savings Achieved (MWh)**	**Average Energy Savings as a % of Retail Sales**
BGE	495,822	1.52%	565,933	1.74%	631,138	1.94%	564,298	1.73%
Delmarva	60,666	1.33%	66,931	1.47%	76,060	1.67%	67,886	1.49%
Pepco	222,291	1.42%	237,311	1.52%	268,599	1.72%	242,734	1.55%
PE	68,246	0.90%	73,434	0.97%	88,557	1.17%	76,746	1.01%
SMECO	70,878	1.96%	75,900	2.10%	78,284	2.17%	72,218	2.00%

IT IS THEREFORE, this 8th day of December, in the year Two Thousand Fifteen, by the Public Service Commission of Maryland,

ORDERED: (1) That Staff, on behalf of the Home Performance with Energy Star Work Group, is directed to file an assessment of the current and prospective incentive structure of the Utilities' Residential Home Performance with Energy Star Programs no later than September 1, 2016;

(2) That a decrease to the budget of SMECO's Multifamily Program in the amount of $380,556 through the end of the 2015 – 2017 program cycle is approved;

(3) Than an increase to the budget of SMECO's Residential Home Performance with Energy Star Program in the amount of $380,556 is approved through the end of the 2015 – 2017 program cycle;

(4) That the proposal by Delmarva and Pepco to remove the performance tune-up measure from the Residential HVAC Program is approved;

(5) That an increase to the budget of Delmarva's Multifamily Prescriptive Program in the amount of $711,774 is approved through June 30, 2016;

(6) That an increase to the budget of Delmarva's C&I New Construction Program in the amount of $346,629 is approved through June 30, 2016;

(7) That an increase to the budget of Delmarva's C&I Small Business Program in the amount of $9,575,997 is approved through June 30, 2016;

(8) That an increase to the budget of Pepco's Multifamily Prescriptive Program in the amount of $2,367,402 is approved through June 30, 2016;

(9) That an increase to the budget of Pepco's Small Business Program and Small Business Energy Advance sub-program in the amount of $16,520,416 is approved through June 30, 2016;

(10) That an increase to the budget of Pepco's C&I CHP Program in the amount of $1,968,311 is approved through December 31, 2016;

(11) That an increase to the budget of Pepco's C&I Prescriptive Program in the amount of $13,127,270 is approved through June 30, 2016;

(12) That Staff, on behalf of the work group, is directed to file no later than April 13, 2016 a report regarding the incentive structure of the Small Business Program, with consideration of any approved financing mechanisms;

(13) That BGE, Delmarva, Pepco, PE, and SMECO are directed to pay Commission-approved customer incentives for all C&I CHP project applications pre-approved by the Utilities before December 31, 2017 and completed no later than December 31, 2019, as well as the accompanying CHP production incentives through June 30, 2021;

(14) That Staff, on behalf of the work group, is directed to file no later than April 13, 2016 an assessment and recommendation pertaining to the timing of the attribution of

energy savings stemming from CHP projects incentivized by one program cycle budget but constructed during a subsequent program cycle;

(15) That Staff, on behalf of the work group, is directed to file an assessment of the customer incentives and eligible lighting measures offered as part of the C&I Prescriptive Programs no later than September 14, 2016;

(16) That an increase to the budget of BGE's Small Business Program in the amount of $1,085,000 to fund its Small Business Energy Advance Program through the remainder of the 2015 – 2017 program cycle is denied, without prejudice;

(17) That BGE, Delmarva, Pepco, PE, and SMECO are directed to pay Commission-approved customer incentives for all non-CHP C&I project applications pre-approved by the Utilities before December 31, 2017 and completed no later than December 31, 2019;

(18) That all revised targets and forecasts filed by the Utilities in conjunction with the budget adjustment requests are approved and shall be reflected in the next semi-annual filing.

(19) That DHCD is directed to file a status report regarding the acquisition of alternative funding for the EmPOWER MEEHA program no later than December 30, 2015, and that DHCD is directed to file a progress report on the same matter in conjunction with its February 1, 2016 semi-annual filing;

(20) That BGE, on behalf of the work group, is directed to file a report addressing the provision of near real-time bill quality interval usage data to retail suppliers as described herein no later than March 1, 2016;

(21) That Staff, on behalf of the EmPOWER Reporting and Process Improvement Work Group, is directed to file a report addressing the two requests raised by Prince George's County and detailed herein no later than April 13, 2016;

(22) That BGE, Delmarva, Pepco, PE, and SMECO are directed to file their 2016 weather-normalized gross retail sales baselines as part of their January 31, 2017 EmPOWER semi-annual reports; and

(23) That BGE, Delmarva, Pepco, and PE are directed to file proposals to achieve the incremental energy savings required in program year 2017 as described herein in conjunction with their February 1, 2016 EmPOWER semi-annual reports.

/s/ W. Kevin Hughes

/s/ Harold D. Williams

/s/ Lawrence Brenner

/s/ Anne E. Hoskins

/s/ Jeannette M. Mills
Commissioners