

ORDER NO. 87623

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 *
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BEFORE THE
PUBLIC SERVICE COMMISSION
OF MARYLAND

CASE NO. 9154

Issue Date: June 22, 2016

On May 4 – 6, 2016, the Public Service Commission of Maryland (“Commission”) held a legislative-style hearing in the above-captioned case to review, among other matters, the semi-annual EmPOWER Maryland report filed by Baltimore Gas and Electric Company (“BGE” or the “Company”).¹ As part of its semi-annual report, the Company requested approval to continue its Residential Natural Gas Conversion Pilot for the remainder of the 2015 – 2017 program cycle.² In accordance with the EmPOWER Maryland Energy Efficiency Act of 2008 (“EmPOWER”),³ the Commission reviewed the comments as filed by: the Maryland Chapter of Efficiency First (“Efficiency First”);⁴ Montgomery County;⁵ the Maryland Alliance for Fair Competition and the Heating and Air Conditioning Contractors of Maryland, Inc. (the

¹ ML#182966: *BGE’s Semi-Annual Report for Third and Fourth Quarters – July 1 through December 31, 2015* (“BGE Report”) (February 1, 2016); ML#182965: *Response of Baltimore Gas and Electric Company to Order No. 87285* (“BGE Response”) (Feb. 1, 2016); ML#188680: *Joint Utilities’ Response to Commission Data Request re: Value LEDs* (“Utilities’ Response on Value LEDs”) (April 15, 2016).

² BGE Report at 31 – 34.

³ Public Utilities Article (“PUA”) § 7-211.

⁴ ML#188280: *Comments on 2nd Half 2015* (“Efficiency First Comments”) (April 12, 2016).

⁵ ML#188578: *Comments of Montgomery County, Maryland* (April 15, 2016).

“Alliance”);⁶ the Maryland Energy Efficiency Advocates (“MD EE Advocates”);⁷ the Office of People’s Counsel (“OPC”);⁸ the Maryland Energy Administration (“MEA”);⁹ and Technical Staff.¹⁰

On June 3, 2016, BGE filed a request for expedited action and a request for rehearing with respect to the Commission’s decision in Order No. 87575, issued on May 26, 2016, to terminate the Company’s Natural Gas Conversion Pilot Program by June 30, 2016.¹¹ Through its filing, BGE requests that the Commission authorize a 90-day extension from June 30, 2016 to permit the Pilot to continue, during which time the Commission could allow for a month-long comment period for intervenors to respond to BGE’s May 13, 2016 filing of its Pilot results.¹² Because of the scheduled imminent termination date of the Pilot, BGE requests that the Commission rule expeditiously on the 90-day extension; although, the Company suggests that its requested rehearing of Order

⁶ ML#188681: *Comments of the Maryland Alliance for Fair Competition* (“Alliance Comments”) (April 15, 2016).

⁷ ML#188675: *The Maryland Energy Efficiency Advocates’ Comments on the EmPOWER Maryland Semi-Annual Reports and Requested Changes to the 2015 – 2017 EmPOWER Maryland Plans* (“MD EE Advocates Comments”) (April 15, 2016); ML#189933: *Response to Comments filed by the Maryland Energy Administration* (“NRDC Response”) (May 2, 2016); ML#188604: *Comments of the MD EE Advocates on the EmPOWER Maryland Limited Income Work Group Report* (“MD EE Advocates Comments on LIWG Report”) (April 15, 2016); ML#188667: *Comments of the MD EE Advocates on the Natural Gas Efficiency Goals Reports of the Natural Gas-Electric Efficiency Coordination Work Group* (“MD EE Advocates Comments on NGWG Report”) (April 15, 2016).

⁸ ML#188590: *Office of People’s Counsel EmPOWER Maryland 2015 Q3-Q4 Semi-Annual Review Report* (“OPC Comments”) (April 15, 2016).

⁹ ML#188606: *Maryland Energy Administration Comments on EmPOWER Maryland Semi-Annual Reports* (“MEA Comments”) (April 15, 2016); ML#189973: *Maryland Energy Administration Response to a letter filed by the Natural Resources Defense Council* (“MEA Response”) (May 3, 2016).

¹⁰ ML#188599: *Comments of the Public Service Commission Staff – 2015 Semi-Annual EmPOWER Maryland Programmatic Report for the Third and Fourth Quarters* (“Staff Comments”) (April 15, 2016); ML#188474: *Summary Report on the Directives from Commission Order No. 87285* (“Staff Summary Report”) (April 13, 2016); ML#188875: *EmPOWER Energy Efficiency Program Impact Evaluation Guidance* (“EM&V Guidance Document”) (April 19, 2016); ML#182985: *Limited-Income Work Group Summary Report* (“LIWG Report”) (Feb. 1, 2016); ML#182981: *Natural Gas Efficiency Goals* (“NGWG Report”) (Feb. 1, 2016).

¹¹ ML#192129: *Case No. 9154 - Request for Rehearing and Request for Expedited Action of Baltimore Gas and Electric Company* (“BGE Request”) (June 3, 2016).

¹² *Id.* at 1.

No. 87575 could occur at a later administrative meeting following conclusion of the above described comment period.¹³

In this Order, we address BGE's request for expedited action on a decision as to whether to extend the Pilot by 90 days from June 30, 2016 while the Commission considers stakeholder comments on BGE's May 13, 2016 report. The Company asserts that allowing the Pilot to sunset will result in the release of several contractor resources, which may not be available in the event that the Commission decides to reauthorize the Pilot at a later date.¹⁴ BGE further notes that should those contractor resources prove unavailable in the future, additional administrative costs may be incurred in an effort to engage and train new contractors.¹⁵

After fully considering the Company's request, we deny a 90-day extension of the Pilot and affirm our previous decision in Order No. 87575 to end the Pilot on June 30, 2016 as was planned.¹⁶ We note that while several extensions of the Pilot have been authorized previously, OPC has repeatedly expressed reservations and requested additional information during those periods. We find the risk of incurring additional start-up costs in the event that the Pilot is reauthorized at a later date does not outweigh our responsibility to analyze the results of this Pilot and to consider the informed feedback of the parties prior to granting a further extension or considering conversion of the Pilot to a permanent program.¹⁷

¹³ *Id.*

¹⁴ *Id.* at 6.

¹⁵ *Id.*

¹⁶ *See also* Order No. 86995 (May 21, 2015).

¹⁷ PUA § 7-211(i)(2) states that, "[t]he Commission shall monitor and analyze the impact of each program and service to ensure that the outcome of each program and service provides the best possible results."

Thus, while we deny the requested 90-day extension, we withhold judgment on the Company's request for rehearing of Order No. 87575 insofar as the Order denied the transition of the Pilot into a fully operable Residential Natural Gas Conversion Program for the remainder of the 2015 – 2017 program cycle. Our consideration of the Company's request for rehearing of Order No. 87575 as it pertains to the Pilot is pending receipt of parties' comments on the May 13, 2016 report filed by BGE. Staff, as well as any other interested party wishing to do so, is directed to file comments no later than 30 days from the issuance date of this Order regarding the Company's May 13, 2016 report, which detailed the results of its Residential Natural Gas Conversion Pilot through the end of 2015.¹⁸

IT IS THEREFORE, this 22nd day of June, in the year Two Thousand and Sixteen, by the Public Service Commission of Maryland,

ORDERED: (1) That the request by BGE for a 90-day extension from June 30, 2016 of its Residential Natural Gas Conversion Pilot is denied; AND

(2) That Staff, as well as any other interested party wishing to do so, is directed to file comments on BGE's May 13, 2016 filing of its Residential Natural Gas Conversion Pilot results no later than 30 days from the issuance date of this Order.

By Direction of the Commission,

/s/ David J. Collins

David J. Collins
Executive Secretary

¹⁸ See ML#190614: *Baltimore Gas and Electric Company Report on the Natural Gas Connection Program and Request to Extend the Program* (May 13, 2016).