

**ORDER NO. 87722**

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

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CASE NO. 9154

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**Issue Date: August 15, 2016**

On May 26, 2016, the Commission issued Order No. 87575, addressing matters that arose at the May 4-6, 2016 legislative-style hearing held to review the semi-annual EmPOWER Maryland reports filed by, among others, the Baltimore Gas and Electric Company (“BGE” or “the Company”). In its report, BGE requested authorization to transition its Residential Natural Gas Conversion Pilot Program, which was initially approved on May 24, 2014,<sup>1</sup> from the pilot phase into a fully operable program through the remainder of the 2015-2017 EmPOWER program cycle. Order No. 87575 denied BGE’s request, without prejudice, and directed it to conclude the Program no later than June 30, 2016. The Company was also directed to file a comprehensive report detailing the Program’s results, should the denial be revisited at a later date.<sup>2</sup>

BGE filed a Request for Rehearing and Request for Expedited Action on June 3, 2016, asking that the Commission grant a 90-day extension of the Program to allow for the filing of comments, after which the Commission would decide whether to reconsider

<sup>1</sup> Order No. 86366.

<sup>2</sup> “We direct BGE to conclude the Pilot no later than June 30, 2016 and to file a report no later than September 15, 2016 that details a comprehensive review of the Pilot’s results, including responses to the concerns outlined in OPC’s comments, as well as opportunities for potential cost reductions associated with this program’s implementation in the future, should we choose at a later date to revisit our decision rendered in this Order.” Order No. 87575 at page 11.

the issue of termination.<sup>3</sup> On June 22, 2016 in Order No. 87623, the Commission denied the request for a 90-day extension of the Program and affirmed the previous decision to end the Program on June 30, 2016. Judgment was withheld on BGE's request for a rehearing of Order No. 87575 insofar as the Order denied the transition of the Program from the pilot phase into a fully operable program. Consideration of the request for rehearing would be deferred until the receipt of parties' comments on the May 13, 2016 BGE report. Commission Staff and the Office of People's Counsel ("OPC") filed comments on BGE's Natural Gas Connection Program Report on July 22, 2016. Staff and OPC recommended that the Commission deny BGE's Request for Rehearing.

We note that we authorized several extensions for the Pilot Program over the course of its existence, due in large part to our desire to allow BGE to gather and submit detailed data that would allow us, as well as stakeholders, to thoroughly evaluate the Program and consider its future. To date, BGE has submitted only preliminary information in the form of its May 13, 2016 Report. We consider a thorough analysis of the results of a completed pilot to be a vital step in the process of whether or not to continue a program. While we considered the May 13 Report prior to denying the Company's request to transition from pilot to full program status, we found that Report lacked detail and failed to address a number of the concerns stated by us and the Parties in previous filings. We believe we have addressed these deficiencies in our direction to the Company to file a more comprehensive report by September 15, 2016.

The necessity of the Residential Natural Gas Conversion Program is uncertain given our November 18, 2015 approval of BGE's tariff revision which made the cost of

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<sup>3</sup> The comment period requested by BGE was to allow interveners to respond to BGE's May 13, 2016 filing, Natural Gas Connection Program Report, Maillog #190614.

conversion to natural gas dramatically less expensive to customers. Furthermore, it is unknown whether the Program promotes cost effective energy efficiency from a total energy perspective. And finally, results provided thus far indicate the possibility of no significant difference in energy savings between customers who convert to natural gas versus those who upgrade to higher efficiency electric measures instead.

**IT IS THEREFORE**, this 15<sup>th</sup> day of August, in the year Two Thousand Sixteen, by the Public Service Commission of Maryland,

**ORDERED:** That BGE's request for rehearing of the Commission's termination of its Residential Natural Gas Conversion Pilot Program is hereby denied.

By Direction of the Commission

*/s/ David J. Collins*

David J. Collins  
Executive Secretary