ML 210924

ORDER NO. 87991

IN THE MATTER OF THE MERGER OF EXELON CORPOATION AND CONSTELLATION ENERGY GROUP, INC.	* * * * * * * *	BEFORE THE PUBLIC SERVICE COMMISSION OF MARYLAND CASE NO. 9271

Issue Date: January 20, 2017

In Order No. 85187, issued on November 8, 2012, the Public Service Commission of Maryland ("Commission") awarded more than \$112 million from the Customer Investment Fund ("CIF") to support programs serving customers and communities in the Baltimore Gas and Electric Company ("BGE" or the "Company") service territory.[1] The CIF monies were allocated initially to fund 16 proposals from six awardees, including: the Mayor and City Council of Baltimore ("Baltimore City"); the Maryland Energy Administration ("MEA"); the Maryland Department of Housing and Community Development ("DHCD"); Baltimore County; Comprehensive Housing Assistance, Inc. ("CHAI"); and the Fuel Fund of Maryland, Inc. ("Fuel Fund") (collectively, the "CIF Recipients"). In Order No. 85636, issued on June 4, 2013, the Commission established several reporting directives and approved a semi-annual disbursement schedule regarding the distribution of funds from the CIF to begin in the first quarter of fiscal year ("FY")

[1] The CIF refers to a \$113.5 million fund designed to provide customers of BGE with energy efficiency, conservation, and limited-income energy assistance programs. The CIF was funded by contributions from Exelon Corporation and it was created as a condition of approval of the Exelon – Constellation merger, which was approved by the Commission on February 17, 2012 in Order No. 84698. Initially, the remainder of the CIF was reserved for administrative costs (such as program evaluation and fund management); however, this Order addresses in part the award of the remaining CIF balance.

2014. Subsequent orders addressed the disbursement schedules in FY 2015, FY 2016, and the first half of FY 2017.[2] On October 19, 2016, the Commission provided notice that it would conduct a hearing in November, 2016 regarding the disbursement schedule for the remainder of FY 2017.[3] The hearing notice further outlined the Commission's intent to address the CIF Recipients' annual reports pertaining to FY 2016 CIF programmatic expenditures, as well as proposals from currently approved CIF Recipients for an expansion or extension of existing CIF programs.[4]

Pursuant to the Commission's directive, on November 21, 2016 the Commission's Technical Staff ("Staff") filed its review of the CIF Recipients' FY 2016 annual reports, along with specific recommendations regarding the second semi-annual FY 2017 disbursement schedule and the proposals for additional funding filed by the CIF Recipients.[5] Subsequently, the Commission conducted a legislative-style hearing on November 29, 2016 to consider Staff's recommendations, as well as the CIF FY 2016 annual reports filed by: Baltimore City;[6] the Baltimore County Sustainable Dundalk

[2] *See* Order No. 86399 (June 16, 2014); Order No. 86787 (Dec. 29, 2014); Order No. 87015 (June 10, 2015); Order No. 87306 (Dec. 22, 2015); Order No. 87609 (June 15, 2016).
[3] ML#201225: *Notice of Hearing for the Customer Investment Fund* (Oct. 19, 2016) at 2.
[4] *Id.*
[5] ML#205083: *Office of Staff Counsel – Comments Regarding the Exelon Customer Investment Fund Recipients' Annual Reports. Fiscal Year 2016.* (Nov. 21, 2016) ("Staff Comments").
[6] ML#201179: *FY2016 Customer Investment Fund* (Oct. 14, 2016) ("Balt. City FY16 Report"); ML#205772: *Replacement Errata Versions of the City of Baltimore's Appendices A and E Regarding the Customer Investment Fund* (Nov. 29, 2016) ("Balt. City FY16 Report Errata").

Initiative;[7] CHAI;[8] DHCD;[9] the Fuel Fund;[10] and MEA.[11] At the November 29, 2016 hearing, the Commission also received comment on the proposals for additional funding submitted by each of the CIF Recipients.[12]

FY 2017 Quarter 3 / Quarter 4 CIF Disbursement Schedule

When the initial CIF awards were announced, the Commission noted that disbursements would occur semi-annually through the close of FY 2016. Due to the extended ramp-up phase of several approved CIF programs throughout FY 2014, however, Staff proposed extending the disbursement schedule into FY 2017.[13] We concurred, and directed the continuation of the CIF structure into FY 2017 noting that the extension "would provide us the opportunity to disburse previously withheld or reduced funding to the affected CIF Recipients, *if their progress is deemed satisfactory*."[14] (emphasis added). While many of the CIF programs were fully disbursed at the time of the November, 2016 hearing, several programs administered by Baltimore City, CHAI, and DHCD had remaining funds that could be disbursed during the second half of FY

[7] ML#201221: *FY2016 Customer Investment Fund Annual Report* (Oct. 18, 2016) ("Balt. County FY16 Report").
[8] ML#200081: *FY16 Annual Report for the Energy Home Improvement Loan Fund* (Sept. 30, 2016) ("CHAI FY16 Report").
[9] ML#200041: *2016 Annual Customer Investment Fund Maryland Report* (Sept. 29, 2016) ("DHCD FY16 Report"); ML#204693: *Response to Request – Errata Pages for Annual Program* (Nov. 17, 2016).
[10] ML#201206: *Customer Investment Fuel Fund (CIF) Report* (Oct. 18, 2016) ("Fuel Fund FY16 Report"); ML#204711: *Errata Correction – Maryland Bill Assistance Reporting* (Nov. 21, 2016); ML#204712: *Errata Correction – Maryland Watt Watchers Reporting* (Nov. 21, 2016).
[11] ML#199946: *FY2016 Report on the Exelon Customer Investment Fund Programs* (Sept. 28, 2016) ("MEA FY16 Report").
[12] While each of the six CIF Recipients submitted a proposal for additional funding, the requests did not span the entire portfolio of 16 CIF programs initially funded by Order No. 85187. Details pertaining to the individual CIF program extension or expansion funding requests are discussed later in this Order.
[13] Order No. 87306 at 3.
[14] *Id.*

2017 upon demonstration of satisfactory progress. During the hearing, the aforementioned affected CIF Recipients commented on the proposed disbursement schedule for the second half of FY 2017 as recommended by Staff.[15]

Baltimore City

Of the eight approved CIF programs administered by Baltimore City, two of the programs were fully disbursed at the time of the November, 2016 hearing. Staff recommended that we schedule the final disbursements for the remaining five approved Baltimore City CIF programs during the second half of FY 2017, resulting in a remainder of $50,000 from the original award to Baltimore City's Urban Heat Island Mitigation Program.[16]

With respect to the Urban Heat Island Mitigation Program, Staff ascribed its recommended withholding to logistical and permitting issues experienced by the City in FY 2016, as well as discontinued assistance from the Department of Transportation with opening tree pits.[17] While we note the concerns raised by Staff, we find that the City's successful leveraging of CIF monies to provide solar and cool roof installations during FY 2016 demonstrates satisfactory progress necessary to authorize the final disbursement for Baltimore City's Urban Heat Island Mitigation Program in the second half of FY 2017.[18] We do, however, limit the use of this remaining $50,000 CIF award to support

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[15] Due to an accounting error stemming from its analysis of the pooled evaluation, measurement, and verification ("EM&V") component of the Baltimore City CIF program portfolio, Staff updated its recommendations for the third and fourth quarter FY 2017 disbursement schedule after the November 29 hearing. The updated recommendations affected Baltimore City's Case Management, Energy Assistance, Energy Efficiency, and Energy Efficiency Plus CIF Programs. *See* ML#206123: *Staff Errata to FY16 CIF Report* (Dec. 6, 2016) ("Staff Errata") at Appendix B.
[16] Staff Comments at 40; Staff Errata at Appendix B.
[17] Staff Comments at 39.
[18] *Id.*

the "cool roof" component of the Program only, given the successful leveraging of CIF funds for that purpose and the lack of assistance projected for opening tree pits moving forward.

Lastly, although Staff recommended a full disbursement for Baltimore City's Case Management Program, Staff also requested that we direct Baltimore City to continue pursuing alternative methods for completing surveys electronically due to several reporting issues stemming from implementation of the Program's tracking software during the preceding fiscal year. We concur with this recommendation and direct Baltimore City to file quarterly updates with our Staff regarding progress in securing alternative methods for electronic completion of surveys until such time that Staff deems the issue adequately resolved.

CHAI

Although Staff expressed concerns regarding the limited number of grants processed by CHAI during the preceding fiscal year, Staff ultimately recommended that we release CHAI's final disbursement from its original award in the amount of $206,757.56 given the year-over-year variation in loan applications processed by CHAI since the inception of its CIF program.[19] Staff did, however, condition its funding recommendation on CHAI continuing to work with an EM&V contractor to correct the energy savings included in CHAI's FY 2016 annual report.[20] We concur with Staff; thus, while we approve the remaining disbursement to occur in the second half of FY 2017, we

[19] *Id.* at 10.
[20] *Id.*

also direct CHAI to correct the energy savings reported in its FY 2016 annual report within 30 days from the issuance date of this Order.

DHCD

Similar to prior fiscal year hearings on CIF expenditures and resulting programmatic performance, Staff expressed concerns regarding the significant underspending to-date of previously-disbursed funds for both of DHCD's two approved CIF programs.[21] At the close of FY 2016, DHCD expended less than 27% of its previously-disbursed funding for the Improved Energy Efficiency for Affordable Multifamily Housing ("Multifamily") Program, and only 34% of its previously-disbursed funding for the Targeted and Enhanced Weatherization ("Single Family") Program. Of further concern is the continued delayed launch of the "One-Stop Shop" component of the Multifamily program – a component that remains stalled over four years after our initial approval.[22] While DHCD offered projections regarding its pipeline for both the Single Family and Multifamily CIF Programs at our November, 2016 hearing, we concur with Staff that disbursements for the remainder of FY 2017 must be withheld due to the lack of satisfactory progress demonstrated in FY 2016, which was our threshold for release of additional funds noted in our December, 2015 Order.[23]

We do note, however, that we continue to believe the CIF programs administered by DHCD have the potential to affect positive change for the crucial population segments

[21] *See, e.g.* Order No. 87306 at 3, note 15 (noting the concern expressed by both Staff and OPC during the November, 2015 CIF hearing).
[22] Staff Comments at 15-16.
[23] Order No. 87306 at 3.

of limited-income single family and multifamily residences. Thus, we encourage DHCD to aggressively and effectively deploy its resources so that the $13.5 million in unspent, previously-disbursed CIF funding is *fully* utilized in FY 2017.[24] Nonetheless, we are willing deviate somewhat from our stated intention to conclude the original CIF awards by the close of FY 2017 given that the overall CIF structure will remain in place for one additional fiscal year in order to accommodate some limited additional awards discussed later in this Order. Therefore, we will agree in part, and disagree in part, with Staff's recommendation pertaining to the disbursement of the remainder of DHCD's initial CIF award.

With respect to the Single Family CIF Program, Staff recommended that we withhold indefinitely the remainder of the original CIF award, given the multi-year inability of the Program to gain traction and because of the magnitude of unspent, previously-disbursed funding available to DHCD for this Program at the close of FY 2016.[25] Instead, we are persuaded to deviate from Staff's recommendation in part, due to the pipeline presented by DHCD at our hearing; although our decision is tempered by program spending to date. Therefore, we release $1,250,000 of the original award to support the continuation of the Single Family CIF Program during the upcoming fiscal year, subject to certain conditions discussed later in this section.[26] Further, to the extent

[24] We remind DHCD that previously-disbursed CIF monies must be used for the purpose and program for which they were initially awarded in Order No. 85187. To the extent that DHCD wishes to deviate from the approved CIF program structure approved in that Order, a program modification may be requested in a future CIF filing.

[25] Staff Comments at 19.

[26] What remains from the original award for DHCD's Single Family CIF Program will be re-programmed to accomplish the goals outlined in Order No. 85187, as discussed later in this Order. The $1.25 million Single Family Program disbursement is authorized to occur on or after July 1, 2017, subject to the conditions discussed herein.

that some of the previously-disbursed CIF funds allocated to the Single Family Program remain unspent at the close of FY 2017, we hereby authorize DHCD to continue expending the funds for purposes of implementing its Single Family CIF Program during FY 2018. We do not, however, authorize DHCD to leverage EmPOWER funds with its CIF Single Family Program funds because we concur with Staff that the limited production and EM&V associated with DHCD's CIF Program does not compare with the rigor of our EmPOWER standards. We further concur with Staff that this denial does not hinder DHCD from providing access to both programs independently.[27]

With respect to the Multifamily CIF Program, we authorize DHCD to complete construction in FY 2018 on multifamily projects committed during FY 2017 – consistent with Staff's recommendation.[28] We diverge from Staff, however, on the issue of whether to release the remainder of DHCD's original CIF award for the Multifamily Program. While Staff does not recommend that DHCD receive its remaining disbursement, we will authorize the remaining Multifamily Program disbursement to occur on or after July 1, 2017, subject to certain conditions.

The conditions with which DHCD must comply in order to receive the aforementioned disbursements on or after July 1, 2017 for its Single Family and Multifamily CIF Programs are as follows: (1) *first*, we remind DHCD that geographic diversity for the expenditures of its CIF monies is a continuing condition for receipt of

[27] *See* Staff Comments at 18. DHCD must continue to qualify its participants for the EmPOWER program and the Single Family CIF Program separately, while providing continued access to both programs to qualified participants.
[28] *Id.* at 16

these funds; (2) *second*, DHCD must obtain the required appropriation from the General Assembly for expending these funds in FY 2018; and (3) *third*, DHCD must file quarterly reports with Staff detailing production and expenditures associated with its Single Family and Multifamily CIF Programs until such time that the backlog of unspent, previously-disbursed CIF monies is resolved.[29] These conditions, coupled with the pipeline and production estimates attested to by DHCD at our November, 2016 hearing, justifies our decision to release $1,250,000 of the original CIF award to the Single Family CIF Program and the remainder ($2,416,205) of the original CIF award to the Multifamily Program administered by DHCD.

<u>Recommendations and Modifications Pertaining to Other Approved CIF Programs</u>

While all of the CIF programs administered by MEA are fully disbursed, Staff and MEA continue to monitor and report on the CIF programs for purposes of reviewing programmatic performance and resolving any issues encountered during deployment of the funds. Specifically, the Net Zero Energy ("NZE") School Program has encountered delays due to difficulties locating a school that fits the criteria and timing necessary for design and construction of a net zero energy school under the CIF Program.[30] As a result, MEA requested a program modification that would extend the construction timeline for the NZE schools until December, 2018. Staff supported MEA's request, contingent on continued status reports regarding the Program's performance.[31] We therefore grant MEA's requested modification to its NZE School CIF Program, and note that all CIF

[29] In the event Staff determines that any of the aforementioned conditions are not satisfied by DHCD for either its Single Family or Multifamily CIF program, Staff is directed to file notice of this occurrence with the Commission no later than June 7, 2017.
[30] *Id.* at 20.
[31] *Id.*

Recipients are required to continue their annual reporting on the preceding fiscal year's programmatic expenditures and associated performance until such time that all disbursed monies have been depleted.[32]

Staff also provided a recommendation pertaining to another CIF Program administered by MEA – the Next Generation Energy Efficiency Gains for the Industrial Sector Program. Staff noted that at the close of FY 2016, energy conservation measure ("ECM") upgrades were realized at only a 21% completion rate as part of this Program; although almost half of the ECM upgrades were completed in the most recent fiscal year. Staff requested that MEA continue to track the status of ECM upgrades installed as part of its Next Generation EE CIF Program, and to include any applicable findings in its subsequent annual CIF reports pertaining to the realization rate of the recommended ECM upgrades.[33] We concur with Staff's request and direct MEA to effectuate the requested reporting.

<u>Ongoing Reporting Requirements and Continuing Commission Jurisdiction</u>

While the original Commission Order authorizing the CIF awards noted the unprecedented opportunity – at no cost to BGE's customers – associated with the CIF monies, the Commission did condition the awards on several factors to ensure that the short- and long-term benefits intended to be realized by the disbursements would in fact

[32] *See* Order No. 85187 at 24. For example, although the Small Business Energy Advance ("SBEA") Program proposed by MEA has been fully disbursed from a CIF perspective (and is actually administered by BGE), MEA retains oversight of these CIF funds and thus should continue its annual reporting until such time that the original CIF funds authorized by Order No. 85187 for the SBEA Program are depleted. A further discussion of self-sustaining CIF Programs is contained later in this Order.

[33] Staff Comments at 22-23.

occur.[34] Specifically, the Commission noted that the CIF monies may only be used for program elements contained within the proposals submitted to the Commission, as modified by any subsequent Commission order.[35] Further, the CIF monies may only be used in quantities proportionate to the categories in the proposed budgets submitted to the Commission, as modified by any subsequent Commission order.[36] Annual reports regarding the progress and effectiveness of the approved CIF programs are also required, and for self-sustaining programs, the annual reporting is mandated until such time that the original funds authorized by Order No. 85187 are depleted.[37] To the extent that any CIF Recipient is found to mismanage disbursed funds or to spend CIF monies in an unauthorized manner, the Commission explicitly stated its intent to exercise its continuing jurisdiction over the expenditure of the CIF monies to require repayment.[38]

Given these aforementioned conditions outlined clearly in the initial November, 2012 Commission Order on the CIF Programs, we are concerned by statements made during the November, 2016 hearing by CIF Recipients who asserted that CIF monies returned to their organization through a revolving loan mechanism, etc.… could be re-purposed and that no reversionary clause existed to the best of their knowledge.[39] To the extent that this was unclear before, we reaffirm that monies distributed to entities through the CIF may only be used for program elements contained within the proposals submitted to and approved by the Commission in this proceeding, regardless of whether the funds have cycled through a revolving mechanism. To the extent that a CIF Recipient wishes

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[34] *See generally* Order No. 85187.
[35] *Id.* at 24.
[36] *Id.*
[37] *Id.*
[38] *Id.*
[39] Nov. 29, 2016 Tr. at 149, 183.

to expend its CIF monies in an alternative manner or in a different budget category than initially proposed and approved by Commission order, the CIF Recipient must seek a program modification from the Commission. Further, if a CIF Recipient dissolves its CIF Program prior to depletion of disbursed CIF monies, the Commission will exercise its continuing jurisdiction over the CIF to require repayment of the un-deployed funds.

Lastly, the confusion expressed at our November, 2016 hearing by certain CIF Recipients regarding self-sustaining programs has escalated to our attention a potential issue with respect to the Small Business Energy Advance ("SBEA") Program administered by BGE, but initially proposed by MEA as part of the CIF Program umbrella. After several years of implementation of the SBEA Program as part of the CIF construct, BGE requested and received approval for additional funding to sustain the SBEA Program as part of EmPOWER Maryland.[40] While we continue to applaud this innovative on-bill financing mechanism as a positive outcome of the CIF portfolio, we take this opportunity to remind MEA (given that MEA is the actual CIF Recipient) of its continuing obligation to monitor and report on the use of CIF monies in the ongoing SBEA Program administered by BGE. Further, we remind BGE that while it is permitted to use funding from both EmPOWER and CIF to continue implementation of the SBEA, it is imperative that separate accounting for the two different funding streams is maintained until such time that the CIF monies are fully depleted.[41] Therefore, given that

[40] Order No. 87575 (May 26, 2016) at 20.
[41] The SBEA was initially piloted using $2.5 million in CIF monies, and although as of the last reporting date, customers are submitting repayments of the advancements at the prescribed rate, we recognize that the administrative costs associated with implementation of the SBEA (as well as any customer defaults) will eventually cause full depletion of the initial $2.5 million CIF funding stream. Separate accounting and reporting of the CIF and EmPOWER monies used to implement the SBEA Program must be maintained until the time of CIF depletion. The Company is not authorized to earn a return or collect carrying costs on the portion of the SBEA Program funded by the CIF monies.

we did not receive an update on the use of CIF monies in the SBEA Program as part of our November, 2016 hearing, we direct MEA to file a supplement to its FY 2016 annual report within 90 days of the issuance date of this Order setting forth the SBEA Program's achievements and repayments during FY 2016 associated with the portion of the Program funded by CIF.

Fiscal Year 2018: CIF Program Expansion or Extension Proposals

In our Notice of Hearing for the November, 2016 annual review of the CIF Programs, we invited proposals from currently approved CIF Recipients for an expansion or extension of existing CIF Programs, noting that there *may* be resources of approximately $11.0 million to support additional awards for FY 2018.[42] Each of the six CIF Recipients submitted a proposal for additional funding; although the requests did not span the entire portfolio of 16 CIF programs initially funded by Order No. 85187. In total, the requests for additional funding amounted to $24.4 million, and recommendations for approval made by Staff totaled over $13 million; thus, both totals significantly exceeded the potential additional awards that we could approve. Staff's recommendations on the CIF Recipients' proposals for additional funding were as follows:

[42] ML#201225: *Notice of Hearing for the Customer Investment Fund* (Oct. 19, 2016) at 2.

Table 1: Staff's Recommendations on Proposals for Additional CIF Funding

CIF Recipient	Program Name	CIF Recipient's Funding Request	Staff Recommendation
Baltimore City	Baltimore Energy Challenge	$550,000	Approve
	Energy Assistance	$1,750,000	Deny
	Energy Efficiency	$1,900,000	Approve
	Energy Efficiency Plus	$4,250,000	Approve
	Retrofits & Upgrades	$2,250,000	Approve
	Urban Heat Island Mitigation	$150,000	Deny
CHAI	Energy Home Improvement Loan Fund	$2,000,000	Deny
DHCD	Improved Efficiency for Affordable Multifamily Housing	$6,600,000	Deny
Dundalk Renaissance	Sustainable Dundalk Initiative	$700,000	Deny
Fuel Fund	Program Expansion	$3,000,000	Approve
MEA	Next Generation EE Gains for the Industrial Sector	$1,250,000	Approve
	Total:	**$24,400,000**	**$13,200,000**

While we encourage the CIF Recipients to seek alternative funding streams to continue their program offerings in the future, we concur with Staff that additional grants offered as part of the CIF structure cannot be extended to CHAI, DHCD, the Dundalk Renaissance Corporation, or for the Baltimore City Urban Heat Island Mitigation Program for the reasons articulated in Staff's comments.[43] Further, while we appreciate the interest expressed by the Fuel Fund for additional funding to continue its bill assistance and behavioral programming for limited-income BGE customers, we decline to extend additional CIF monies to the Fuel Fund given our limited pool of supplemental funds, the potential overlap with other programs administered by the State and CIF, and

[43] *See* Staff Comments at 10-11, 16, 25, and 40.

due to the untapped $5 million quasi-endowment fund initially seeded with CIF dollars.[44] Similarly, we also decline to extend additional CIF monies to MEA; although, we are hopeful that MEA is able to identify other sources of funding to continue its support of energy efficiency upgrades in the industrial sector.

For the reasons outlined in Staff's comments, we concur with Staff's recommendations for approval of additional funding pertaining to the proposals offered for the remaining suite of Baltimore City CIF Program extension proposals (with the exception of the City's Energy Assistance Program, which we also approve). We note, however, that because the magnitude of additional and re-programmed funds was less than initially expected, we cannot fund all of Baltimore City's CIF programs at the levels requested. Thus, our approvals for additional CIF funding, for disbursement on or after July 1, 2017 for FY 2018, are for the following CIF programs and in the following amounts:

[44] While the $5 million quasi-endowment fund may be functioning as initially intended to secure and reinforce the Fuel Fund at the beginning of each fiscal year, we note that there is untapped potential flowing from the interest received on this capital. We remind the Fuel Fund that it has flexibility with respect to the expenditure of interest money garnered from the quasi-endowment fund; however, if the Fuel Fund wishes to in the future expend any of the $5 million principal, it must first seek a CIF program modification from the Commission.

Table 2: CIF Program Expansions Approved for Additional CIF Funding[45]

CIF Recipient	Program Name	FY18 (Additional Funds) Disbursement
Baltimore City	Baltimore Energy Challenge	$550,000.00
	Energy Assistance	$1,000,000.00
	Energy Efficiency	$1,900,000.00
	Energy Efficiency Plus*	$1,286,342.00
	Retrofits & Upgrades	$2,250,000.00
	Total:	**$6,986,342.00**

We remind Baltimore City that these additional funding awards are contingent on the same set of conditions applicable to the original CIF awards. Specifically, Baltimore City is only authorized to deploy the CIF funds in the manner and amount described by the proposals submitted in this proceeding, unless a program modification is approved by subsequent Commission order. Further, the annual reports discussed in this Order and initially described by Order No. 85187 shall continue until such time that the original and additional CIF award monies are depleted. The City is also reminded that EM&V of the programmatic results is required, and must be funded from the budgets authorized herein. Lastly, the additional CIF awards are dependent on securing necessary legislative appropriations for FY 2018 to support the deployment of these additional funds.

Thus, while we will continue to receive annual reports as discussed in this Order, all disbursements from the CIF funded by contributions from Exelon Corporation and

[45] Due to uncertainty regarding the CIF interest accrual rate, the amount of additional funds awarded to Baltimore City for its Energy Efficiency Plus Program in FY 2018 *may exceed* the amount reflected in this table.

created as a condition of approval of the Exelon – Constellation merger are now scheduled for completion no later than July, 2017, and all CIF Programs should be completed during FY 2018.

IT IS, THEREFORE, this 20th day of January in the year Two Thousand Seventeen, by the Public Service Commission of Maryland,

ORDERED: (1) That the second semi-annual disbursement of funds for fiscal year 2017 shall be distributed during the third quarter of fiscal year 2017 in the amounts specified in Appendix Table A;

(2) That Baltimore City is directed to file quarterly updates with Staff regarding progress in securing alternative methods for electronic completion of surveys for the Case Management Program, until such time that Staff deems the reporting issue adequately resolved;

(3) That CHAI is directed to file its corrected fiscal year 2016 energy savings data no later than 30 days from the issuance date of this Order;

(4) That DHCD is authorized to continue implementing its Targeted and Enhanced Weatherization CIF Program in fiscal year 2018, including through the use of previously-disbursed CIF funds allocated to this Program, to the extent that such funds remain unspent at the close of fiscal year 2017;

(5) That the request by DHCD to leverage EmPOWER funds with its Targeted and Enhanced Weatherization CIF Program is denied;

(6) That DHCD is authorized to complete construction in fiscal year 2018 on multifamily projects committed during fiscal year 2017 as part of its Improved Efficiency for Affordable Multifamily Housing CIF Program;

(7) That the remaining $2,416,205 of the original award for DHCD's Improved Efficiency for Affordable Multifamily Housing CIF Program shall be distributed during the first quarter of fiscal year 2018, subject to the conditions described herein;

(8) That $1,250,000 of the original award for DHCD's Targeted and Enhanced Weatherization CIF Program shall be distributed during the first quarter of fiscal year 2018, subject to the conditions described herein;

(9) That the request by MEA to extend the construction timeline for its Net Zero Energy Schools CIF Program until December 2018 is granted;

(10) That MEA is directed to continue tracking the status of energy conservation measure upgrades installed as part of its Next Generation Energy Efficiency Gains for the Industrial Sector CIF Program, and to include any applicable findings in its subsequent annual CIF reports;

(11) That MEA is directed to file a supplement to its FY 2016 annual report within 90 days of the issuance date of this Order covering the SBEA Program's achievements and repayments associated with the portion funded by CIF;

(12) That BGE, to the extent that it is not already doing so, is directed to maintain separate accounting and reporting structures for the two different funding streams (CIF and EmPOWER) used to implement its Small Business Energy Advance Program;

(13) That the requests for additional CIF funding proposed by CHAI, DHCD, the Dundalk Renaissance Corporation, the Fuel Fund, MEA, and for Baltimore City's Urban Heat Island Mitigation Program are denied; and

(14) That the requests for additional CIF funding proposed by Baltimore City are approved for the programs and in the amounts specified in Table 2, and shall be distributed during the first quarter of fiscal year 2018.

/s/ W. Kevin Hughes

/s/ Harold D. Williams

/s/ Jeannette M. Mills

/s/ Michael T. Richard

/s/ Anthony J. O'Donnell
Commissioners

Appendix Table A: Fiscal Year 2017 Quarter 3 / Quarter 4 CIF Disbursement Schedule

CIF Recipient	Program Name	FY17 Q3/Q4 Disbursement
Baltimore City	Baltimore Energy Challenge	$390,384.00
	Case Management	$341,367.97
	Energy Assistance	$252,300.99
	Energy Efficiency	$800,542.00
	Pooled EM&V for CM; EA; EE; and EE+ Programs	$102,289.17
	Retrofits & Upgrades	$1,617,749.00
	Urban Heat Island Mitigation	$50,000.00
CHAI	Energy Home Improvement Loan Fund	$206,757.56
	Total:	**$3,761,390.69**