

ORDER NO. 88696

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: May 21, 2018

On May 3 and 4, 2018, the Commission held a legislative-style hearing in the above-captioned cases to review, *inter alia*, the semi-annual EmPOWER Maryland reports for the third and fourth quarters of 2017 as 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”),⁵ Washington Gas Light Company (“WGL”),⁶ and the Maryland Department of Housing and Community Development (“DHCD”) (collectively, “the Utilities”).⁷ The Commission reviewed the comments pertaining to the semi-annual reports filed by the Commission’s Technical Staff (“Staff”),⁸ the Office of People’s Counsel (“OPC”),⁹ the Maryland Energy Administration (“MEA”),¹⁰ the Maryland Energy Efficiency Advocates (“MEEA”),¹¹ and

¹ ML#218775: The Potomac Edison Company - 2017 Semi-Annual EmPOWER Q4 2017 Report for the period of July 1, 2017 - December 31, 2017 (“PE Report”) (Jan. 31, 2018).

² ML#218796: BGE’s Semi-Annual Report for Third and Fourth Quarters – July 1 through December 31, 2017 (“BGE Report”) (Jan. 31, 2018).

³ ML#218793: Potomac Electric Power Company’s EmPOWER Maryland Report (“Pepco Report”) (Jan. 31, 2018).

⁴ ML#218795: Delmarva Power & Light’s EmPOWER Maryland Report (“Delmarva Report”) (Jan. 31, 2018).

⁵ ML#218783: Q3/Q4 2017 Semi-Annual EmPOWER Maryland Report (“SMECO Report”) (Jan. 31, 2018).

⁶ ML#218785: 2015-2018 Second EmPOWER Maryland Semi-Annual Report (“WGL Report”) (Jan. 31, 2018).

⁷ ML#218797: Maryland Department of Housing & Community Development’s 2018 Q3/Q4 Semi-Annual EmPOWER Maryland Report (“DHCD Report”) (Jan. 31, 2018); ML#219137: Errata of 2018 Q3/A4 Semi-Annual EmPOWER Maryland Report (“DHCD Errata”) (Feb. 22, 2018).

⁸ ML#220037: Comments of the Public Service Commission Staff 2017 Semi-Annual EmPOWER Maryland Programmatic Report for the Third and Fourth Quarters (“Staff Comments”) (April 18, 2018).

⁹ ML#220041: EmPOWER Maryland 2017 Q3-Q4 Semi-Annual Review Report (“OPC Comments”) (April 18, 2018).

¹⁰ ML#220042: Maryland Energy Administration Comments on Semiannual EmPOWER Reports for Quarters 3 and 4, 2017 (“MEA Comments”) (April 18, 2018).

¹¹ ML#220047: Maryland Energy Efficiency Advocates’ Comments on the EmPOWER Maryland Semi-Annual Reports for Third and Fourth Quarters – July 1 through December 31, 2017 (“MEEA Comments”) (April 18, 2018).

the Maryland Alliance of Energy Contractors (“MEAC”).¹² The Commission also reviewed a request for the extension of the Itron contract¹³ and a request by DHCD to modify a funding review process,¹⁴ as well as compliance filings in response to prior Commission directives.¹⁵

The filings analyzed the performance of the Utilities’ portfolios during the previous two quarters, offered recommendations for programmatic improvements, provided status reports and data in response to prior Commission orders, and requested approval and direction from the Commission regarding future programming. A comprehensive order addressing the noted filings will be forthcoming; however, we note three matters brought before the Commission that require our attention in the short term: extension of the Itron contract, modification of semi-annual filing deadlines, and DHCD’s request to change the review process for its MEEHA program.

The contract for Itron, the Commission’s EmPOWER Maryland Evaluation, Measurement & Verification (“EM&V”) contractor, expires on June 30, 2018.¹⁶ Staff and the five utilities with which Itron has a contract recommend that the Commission approves a three-year contract extension for Itron to continue as the EmPOWER EM&V evaluator.¹⁷ We are satisfied with the performance by Itron for the previous three-year

¹² ML#220045: Comments of the Maryland Alliance of Energy Contractors and the Heating and Air Conditioning Contractors of Maryland, Inc. (“MAEC Comments”) (April 18, 2018).

¹³ ML#219592: Contract Extension for Itron, the Commission’s Evaluation, Measurement and Verification Consultant (“Itron Contract Extension”) (March 26, 2018).

¹⁴ ML#220091: DHCD Request to Change Review Process for MEEHA Funding (“DHCD Review Process Request”) (April 20, 2018).

¹⁵ ML#219814: Summary Report on the Directives from Commission Order No. 88514 (“Marketing Work Group Report”) (April 3, 2018); ML#219916: Summary Report on the Directives from Commission Order No. 88402 (“Behavior Work Group Report”) (April 10, 2018); ML#220201: Order No. 88504 Compliance Filing (“DHCD Compliance Filing”) (April 27, 2018).

¹⁶ Itron Contract Extension at 1.

¹⁷ The five utilities are PE, BGE, Pepco, Delmarva, and SMECO.

cycle and therefore approve the extension of the Itron contract and budget therefore of \$710,007 for 2018-2019, \$734,827 for 2019-2020, and \$760,516 for 2020-21.

We acknowledge, however, that there was an extremely short period of time between the request for extension and expiration of the current contract. Had we decided to deny the contract extension, the normal course would have been for Staff to issue an RFP for other evaluators. This process can take time and would likely have led to delays in evaluations. So as to avoid this circumstance in the future, we make known our intention now to open the next EmPOWER cycle to other EM&V contractors. Specifications as to the RFP to be issued will be provided in a future order but, for now, we simply direct Staff to be prepared and build plenty of lead time in to the process.

Staff's other request pertains to the filing deadlines for semi-annual EmPOWER reports. Staff explained that the deadlines were discussed during the 2018-2020 planning process meetings,¹⁸ specifically that the timeline for filing of the reports after the close of the relevant reporting period is cumbersome.¹⁹ The request is for an additional 15 days to file the reports, moving the required filing dates for the semi-annual reports from January 31 to February 15, and from July 31 to August 15.²⁰ We approve this request. We also approve the filing dates of April 15 and October 15 for other parties to comment on the EmPOWER semi-annual reports.

Finally, DHCD requests the Commission's approval to change the MEEHA project review process stated in its 2018-2020 Program Plan. The Plan applies the

¹⁸ In attendance were the Utilities, DHCD, OPC, MEA, and Staff. Staff Comments at 114.

¹⁹ Currently, the Program Administrators have 30 days after the end of either the first half of the calendar year (June 30th) or the end of the year (December 31st) to compile their data and file their reports. Data cannot be finalized for the programs until at least 15 days after the close of the reporting period, which allows only 15 days to compile data and file the reports. *Id.*

²⁰ *Id.*

evaluated realization rate to the audited estimated energy savings, which has been found to reduce the total eligible funding to a project.²¹ DHCD seeks authorization to instead use the project review process employed in prior EmPOWER cycles, where the realization rate was applied only at the reporting level.²² DHCD previously expressed concerns that this change in the 2018-2020 Plan could lead to property owners choosing to not move forward with a project under the MEEHA Program. DHCD now reports that its concerns have materialized, in that, because of this change, DHCD has not been able to close any Multifamily energy efficiency projects under the 2018-2020 MEEHA Program in the first quarter of 2018.²³ We appreciate DHCD's swift action upon recognition that its revised method of evaluation was impeding the ability of the MEEHA Program to fund projects. Furthermore, we note DHCD's assertion that switching back to its prior method of evaluation would have minimal impact on its forecasted numbers for the 2018-2020 EmPOWER cycle. We therefore approve DHCD's request to revert back to the project review process employed during the 2015-2017 EmPOWER cycle.

IT IS THEREFORE, this 21st day of May, in the year Two Thousand Eighteen, by the Maryland Public Service Commission,

ORDERED: (1) That the request for approval of the Itron contract extension and associated budget of \$710,007 for 2018-2019, \$734,827 for 2019-2020, and \$760,516 for 2020-21 is hereby granted;

²¹ DHCD Review Process Request at 1.

²² *Id.*

²³ *Id.* at 2.

(2) That the filing deadlines for the EmPOWER semi-annual reports shall be February 15 and August 15, and the filing deadlines for comments on the EmPOWER semi-annual reports shall be April 15 and October 15; and

(3) That the request by DHCD to employ the MEEHA funding review process used in prior EmPOWER cycles during the 2018-2020 EmPOWER cycle is hereby granted.

By Direction of the Commission,

/s/ David J. Collins

David J. Collins
Executive Secretary