

**ORDER NO. 90353**

2021-2023 EmPOWER Maryland  
Program

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BEFORE THE  
PUBLIC SERVICE COMMISSION  
OF MARYLAND

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CASE NO. 9648  
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Issue Date: September 9, 2022

**ORDER GRANTING DHCD’S REQUEST TO  
IMPLEMENT PRESCRIPTIVE PRIORITY LISTS**

On August 15, 2022, the Department of Housing and Community Development (“DHCD”) filed its semi-annual report on the EmPOWER Maryland Limited Income Program.<sup>1</sup> As discussed below, the Commission grants DHCD’s request therein to implement a prescriptive priority list for its EmPOWER Whole Home Efficiency Program.

A. Request to Implement Prescriptive Priority Lists

DHCD’s filing included a request to implement prescriptive priority lists for the EmPOWER Whole Home Efficiency Program. Specifically, DHCD explained that the U.S. Department of Energy (“DOE”) issues a Weatherization Program Notice that allows Weatherization Assistance Program (“WAP”) grantees the option to use regional priority lists for certain projects to facilitate greater impacts and reduce administrative burdens. DHCD is

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<sup>1</sup> Maillog No. 241906: DHCD Semi-Annual Report. On August 26, 2022, the Commission issued a Notice of Opportunity to Comment, directing that any comments on issues related to the DHCD request were due by September 6, 2022.

requesting to implement a similar prescriptive priority list for the EmPOWER Whole Home Efficiency program to align with the WAP to allow for seamless leveraging of funds and for increased efficiency of program delivery.

B. Limited Income Work Group Support

DHCD convened the Limited Income Work Group regarding this matter. The Work Group supported DHCD's request and reached consensus on a number of details, including that the priority list be implemented as a program pilot during the current program cycle, beginning with Q3 or Q4 of the current program year.<sup>2</sup>

DHCD explained in its request that, when using an energy model, the cost for health, safety, and incidental repairs is capped by the energy savings the jobs produce, but with a priority list, the repair costs that are necessary for the installation of energy measures must be capped with a different method.<sup>3</sup>

The Limited Income Work Group proposed that, since repair costs from the last program year were capped at an average of 30 percent, the necessary repair costs for a priority list job should also be capped at 30 percent of job cost.<sup>4</sup> This would reasonably ensure that a large number of jobs would still receive comprehensive energy upgrades. The Work Group suggested that, after the pilot period expires, it can be determined if it would be beneficial to move to a cap on the total program amount rather than the project amount.<sup>5</sup>

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<sup>2</sup> DHCD Semi-Annual Report, page 15.

<sup>3</sup> *Id.*

<sup>4</sup> *Id.*

<sup>5</sup> *Id.*

### C. Office of People’s Counsel Comments

On September 6, 2022, the Maryland Office of People’s Counsel (“OPC”) filed comments, stating that it supports DHCD’s request to implement prescriptive priority lists as proposed, but noted a concern with DHCD’s proposed cap on costs.<sup>6</sup>

In its comments, OPC supports applying this cap at the portfolio level rather than at the job level. OPC states that, because some houses might require less than the 30 percent cap per job for health, safety, and incidental repairs, a portfolio approach would allow DHCD and its partners to use discretion in qualifying jobs exceeding a 30 percent cap.<sup>7</sup> However, OPC recognized that it may take time and expense to implement this approach, and therefore supports DHCD’s proposal to cap necessary repair costs at 30 percent of the job cost for the pilot phase, while exploring the value of a portfolio-level cap based on lessons learned from the pilot.<sup>8</sup>

### Commission Decision

DHCD uses prescriptive incentive lists for its Base Efficiency Program and for some of the utilities’ programs. The lists have allowed for more streamlined program implementation, which can assist in increasing the number of limited-income households participating in the whole home efficiency programs.<sup>9</sup> For this reason, the Commission approves DHCD’s request to implement prescriptive priority lists for the EmPOWER Whole Home Efficiency Program, subject to incorporating the consensus items reached with the Limited Income Work Group as identified in DHCD’s filing.<sup>10</sup>

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<sup>6</sup> Maillog No. 242214: OPC Comments.

<sup>7</sup> OPC Comments, page 3.

<sup>8</sup> *Id.*

<sup>9</sup> DHCD Semi-Annual Report, page 15.

<sup>10</sup> *Id.*

The Commission acknowledges the agreement among the Limited Income Work Group to implement a cap on necessary repair costs at 30 percent of the project cost, as well as to determine later if an adjustment to utilizing a cap at the program level is warranted. OPC also supports this approach. Accordingly, the Commission approves the 30 percent cap on necessary repair costs at the project level for the pilot phase, and supports DHCD's ability to later determine if an adjustment from project cap to program cap is to be made.

**IT IS THEREFORE**, this 9<sup>th</sup> day of September, in the year Two Thousand Twenty-Two by the Public Service Commission of Maryland, **ORDERED** that:

(1) The Department of Housing and Community Development's Request to Implement Prescriptive Priority List, as discussed herein, is granted.

By Direction of the Commission,

*/s/ Andrew S. Johnston*

Andrew S. Johnston  
Executive Secretary