



Maryland Public Service Commission

Maryland Distributed Resources Update

MADRI Workgroup Meeting
Baltimore

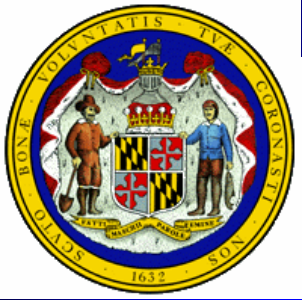
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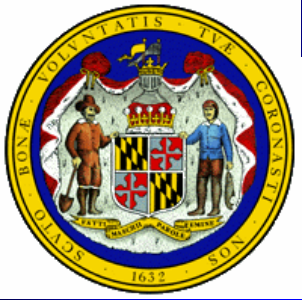
Maryland Cases and Working Groups

- Case No. 8908 Phase II settlement on standard offer service included provision for an “Other Services Workgroup” to address “Experimental Demand Response Services.”
 - Comverge proposed to activate the workgroup to consider a smart thermostat pilot program
- Case No. 9059 was docketed to address EAct05 DR and AMI related issues
- Case No. 9060 was docketed to address EAct05 interconnection standards
- Comments on all three matters generally proposed working groups to examine relevant issues in detail
 - To address 8908 and 9059 issues, MD PSC established Demand Response/Distributed Generation Working Group
 - To address 9060 issues, MD PSC established Small Generator Interconnection Working Group



Demand Response/Distributed Generation Working Group

- First meeting 12/13/06
 - Presentations by EnerNOC, NAESB, BGE, PJM, NEMA, South River Consulting, Pepco and SMECO provided good variety of viewpoints on distributed resources issues
 - Identified 3 issues on scope of working group for discussion in subteams prior to 2/5/07 DR/DG WG meeting
- Conservation subteam concluded that consideration of energy efficiency issues should be part of overall framework for distributed resources
- Gas subteam concluded that there are points of nexus between gas conservation or DG activities (gas as the fuel for DG) and electric DR, but gas would not be involved in DR/DG WG except for combination electric-gas utilities
- DG subteam concluded that certain DG issues should continue to be addressed in a DG subteam



DR/DG WG 2/5/07 Meeting

- Scope of working group will include electric conservation/energy efficiency, gas issues as necessary and special consideration for DG specific issues
- Preliminary agreement on list of principles to evaluate demand side actions - two principles subject to further review
- Immediate future activities
 - All interested parties consider draft rules for AMI standards currently under development in TX
 - Utilities start work on necessary AMI/MDM related changes to current MD regs on metering, billing and any other current reg.
 - All parties prepare to present proposed demand side frameworks
- Next meetings (all start at 10:00)
 - 2/12 at BGE downtown - AMI standards
 - 2/21 Baltimore location TBD - Review demand side frameworks in light of demand side principles
 - 3/5 at BGE downtown - next general meeting



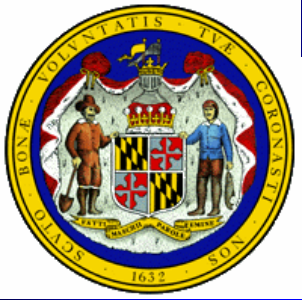
Small Generator Interconnection Working Group

- Jan. 11 first meeting, meeting every two weeks (see MD PSC website under “utility areas” - “electric” - “working groups” for meeting details)
- Starting with standard rule strawman based on MADRI model as modified by PA and OR interconnection proceedings
- Generally limiting discussion to technical and procedural interconnection standards, standard agreements and application forms
- “Ratemaking” issues (such as application fees and standby charges) will generally be left in DR/DG WG or normal PSC process for tariff changes
- Goal is to wrap up working group activities by end of march and prepare a final rule for commission action by July.



Pepco and DPL DR Related Proposals

- PEPCO Case No. 9092 and DPL Case No. 9093 contain two DR related proposals
- “Decoupling” revenue adjustment - removes link between customer usage and utility distribution revenue
 - Very similar to decoupling approach being developed in MADRI and to current BGE and WGL approach for gas revenue decoupling
- Proposing full cost recovery for utility standby service
 - Full distribution rate applied to all customer usage - self generation plus usage off the grid
 - Requirement to meter all self generation



BGE DR/AMI/Conservation Filing

- January 23, 2007 filing with Commission
- Specifics request for PSC action
 - 1,000 residential customer DR pilot effective 2/23/07
 - Regulatory asset treatment of DR costs (est. \$1 million)
 - Close current ALM program to new customers effective 2/23/07 (220,000 in current program)
 - Regulatory asset for costs of pilot phase of AMI program (\$7-10 million, 9000 meters, late 2007-mid 2008) effective 3/23/07
- Discussion of Demand Side vision
 - Lower electric consumption by 10% and gas by 8% over 10 years compared to consumption without conservation/efficiency program
 - Stakeholder process for input initial programs, with surcharge cost recovery and decoupling mechanism, starting summer 2007
 - Full AMI deployment to 2 million gas and electric meters 2008-2011
 - Advanced DR programs accommodating 425,000 participants
- Stakeholder meeting 2/7 at PHI offices 10 E. Baltimore St. (suite 1201)



Not Yet Involved?

- Contact me by email to get on email list. So far meetings are open to anyone interested
- We need good input from all interested sectors
 - Utilities will always be involved
 - We need good input from program and technology people too (best practices, good model rules and standards, cost estimates, pitfalls, monitoring and evaluation etc.)
 - Customer side input has also been modest so far