



HB473 Electricity - Change of Address - Maintenance of Subscriptions and Contracts
Economic Matters Committee
Maryland House of Delegates
442nd Session of the General Assembly
January 26, 2021
Position: Favorable

Testimony of Arcadia on HB473

Chair Davis, Vice Chair Dumais, and esteemed members of the Maryland House of Delegates Economic Matters Committee, thank you for the opportunity to testify on this important legislation. Below is an introduction to Arcadia, a background on why portability legislation is needed, and an overview of why these changes are necessary for customers and projects.

Introduction to Arcadia

Founded in 2014, Arcadia is the first nationwide digital energy services platform. Our job is to connect utility customers with clean energy while helping them save money. Depending on the local market structure, we provide a number of services to our customers, including renewable energy credit purchasing, retail supply brokerage, and community solar. We currently have more than 450,000 customers, spread across all 50 states, including more than 15,000 in Maryland.

Arcadia is the market leader in managing residential community solar subscriptions. We have more than 35,000 customers signed up to join community solar projects across Maryland, Massachusetts, New York, Maine, Rhode Island, Washington, DC, Illinois, and Colorado, and more than 300 MW of community solar projects under management.

Executive Summary

In Maryland, customers who move to a new service address -- even within the same utility service territory -- lose their community solar subscriptions. There are no existing protections to ensure that a customer who moves has the option of retaining such existing contracts.

As approximately 10 percent of Americans move annually, this is an issue our customers experience on a regular basis.¹ Our customers are rightfully frustrated that they are disconnected from a project solely because they move. This bill is an appropriate market reform

¹ Brett Theodos and Sara McTarnaghan, Urban Institute; Claudia Coulton, Case Western Reserve University. *Family Residential Instability: What Can States and Localities Do?*
https://www.urban.org/sites/default/files/publication/98286/family_residential_instability_what_can_states_and_localities_do_1.pdf

that maintains the benefits of community solar that subscribers expect when they signed up for a project. Passage of this legislation will improve the customer experience.

Impact on customers

- **Current rules do not serve consumers well:** If a subscriber would like to continue participating in community solar after a move, they will need to re-enroll in their project. This typically includes waiting in a queue and only being connected once an eligible project has availability.
- **This disproportionately harms LMI Customers:** According to the Urban Institute study on Family Residential Instability, “Residential mobility rates are higher among certain populations, especially low-income households. Households below the federal poverty level moved at nearly twice the rate of households above the poverty level during a one-year period (19 percent versus 10 percent).”²
- **Portability is a customer’s right:** Customers move for a variety of reasons ranging from preferring a new neighborhood to eviction. Moving to a new service address does not justify forfeiting a customer’s right to participate in community solar.
- **This is not unique:** Like cable television services or cell phone services, these agreements should move with customers as they move and change service addresses if they are within the same utility territory.

Impact on projects

- **Moving is the number one cause of project subscriber attrition:** Solving this will reduce project risk and potentially increase project revenue, which will lead to more developers offering more favorable terms, including better customer experiences, and the removal of early termination fees and long term contracts.
- **Most move within the same territory:** While some people move out of their existing utility service territory, most do not. In fact, Arcadia estimates that if subscription portability were allowed, we could retain upwards of 80% of all moving subscribers.³

Solution

This legislation will authorize: 1) All community solar subscribers to bring their subscriptions with them when they move to a new service address; and 2) Empower and require each electric utility to process these changes.

Conclusion

² Ibid,

https://www.urban.org/sites/default/files/publication/98286/family_residential_instability_what_can_states_and_localities_do_1.pdf

³ Arcadia, the largest residential community solar subscriber manager in the country, has reviewed its attrition rates and has identified moving as the number one cause of subscriber attrition across its portfolio.

Arcadia asks for a favorable report on HB0473. I appreciate the opportunity to provide this testimony and would be happy to answer any questions you may have. Please do not hesitate to contact me at James.Feinstein@arcadia.com or 202 999 8916 if you would like to discuss further.

Sincerely,

A handwritten signature in blue ink that reads "James Feinstein". The signature is fluid and cursive, with a prominent flourish at the end of the last name.

James Feinstein
Policy Manager
Arcadia