



**Bill No:** HB 768- Community Choice Energy – Pilot Program

**Committee:** Finance

**Date:** 3/23/2021

**Position:** Support with Clarifications

The Apartment and Office Building Association of Metropolitan Washington (“AOBA”) represents members that own or manage more than 24 million square feet of commercial office space and more than 60,000 rental units in Montgomery County, Maryland. The overwhelming majority of AOBA members purchase energy supply from the competitive market and utilize the services of brokers when purchasing their competitive supply. As such, AOBA supports Montgomery County – Community Choice Energy – Pilot Program, HB 768, with clarifications.

As proposed, the pilot program would allow a single aggregator in Montgomery County to acquire a large number of residential, master metered apartments and small commercial accounts through a simple “opt-out” notification. Under this “opt-out” notification, account holders would be simply notified by a direct mail or flyer that their electric service supplier will be switched to the Community Choice Aggregator. Importantly, in order to prevent this “forced choice,” the Bill mandates that customers to take the affirmative steps to notify the aggregator that they would like to remain with their current service provider.

In addition, the Bill does not define “master-metered multiple occupancy residences” and is not clear whether the “not more than 25 kilowatt” exclusion applies to master-metered apartments in Montgomery County. AOBA submits that the 25 kW exclusion should apply to master-metered apartments. Specifically, because Pepco does not have a separate Master Metered Apartment Tariff in Maryland, all size accounts for master metered apartments (where the landlord pays the electric bill for the tenants) are included in Pepco’s General Service Tariffs and, therefore, are considered commercial customers in Pepco’s Maryland service territory. The language in the Bill, accordingly, should be modified to specifically include master-metered multiple occupancy residences in the definition of “small commercial electric customer.” AOBA submits that “Small Commercial Electric Customer” should be clarified as follows: “Small Commercial Electric Customer” means a commercial electric customer that has a peak electric load of not more than 25 kilowatts and includes master-metered multiple occupancy residences that have a peak electric load of not more than 25 kilowatts.

If the Bill does not define “master-metered multiple occupancy residences” as drafted none of the consumer protections afforded residential and small commercial customers within this Bill will be applicable to master-metered multiple occupancy residences. For example, there



are no written notice of the aggregation plan requirements or opt-out provisions applicable specifically to master-metered multiple occupancy residences. (See for example Sections 7-510.3 (D) (1) (II) and Section 7-510.3 (F) (3).

Section 7-510.3 (H) requires that “except for a contract that automatically renews, at the end of a contract term with an electricity supplier” the customer shall be automatically enrolled unless the customer ‘opts-out’ again. AOBA submits that this requirement is burdensome for our members, many of whom have hundreds of small commercial accounts in Montgomery County. AOBA urges the committee to modify the “opt-out” notification for small commercial customers including master-metered apartments to specify that the small commercial and master metered account holder need only to opt-out once in order to be excluded from the pilot program period.

Our members manage their energy purchases and accounts by entering into different length periods for their competitive supply contracts. Some companies use multi-year agreements with third party suppliers and others sign contracts for a year or less. Many companies have hundreds of accounts. Requiring our members to “opt-out” each time a supply contract ends is an overly burdensome obligation.

AOBA on behalf of its members supports HB 768, with the proposed clarifying amendments above which we believe will make it more equitable for all residents of Montgomery County. In closing, I would like to thank the Committee for the opportunity to address HB 768.

For further information contact Ryan Washington, AOBA Maryland Government Affairs Manager, at 202-770-7713 or [rwashington@aoba-metro.org](mailto:rwashington@aoba-metro.org).