SB79_FOREFRONTPOWER_FAV.pdf
Uploaded by: Eckstein, Bryan
Position: FAV

Re: SB0079 Electricity Change of Address – Maintenance of Subscriptions and Contracts
Senate Finance Committee

February 2, 2021

Position: Favorable

BILL OVERVIEW - SB0079 ensures continuity in community solar contracts when a community solar subscriber moves their account to a new address within the same utility service territory.

ForeFront Power supports SB0079 because it provides continuity of consumer enrollment in community solar projects, consistent with existing regulation requiring community solar providers to provide such portability (see COMAR *20.62.05.09 F : "Share Transfers and Portability…* A subscriber that moves to a premise located within the service territory served by the CSEGS may change the premises to which the CSEGS electricity generation shall be attributed to the new premise, and a subscriber organization may not charge an unreasonable transfer fee to such a customer.*")*.

The proposed bill aligns electric utility company operations with both community solar provider intent and existing regulatory requirements (see above), which reduces on-going combined administrative burden across consumer subscribers, community solar developers, and utilities relative to the status quo of re-enrolling subscribers upon a change to subscriber utility service address. Reducing the administrative burden simplifies the consumer experience, reduces subscriber churn and attrition, and provides continuity in revenue to realize payback of significant private sector capital investments in community solar project infrastructure. A subscriber move should be as easy as a change of address for any other household bills, including those for cell phone and cable television service, or subscriptions, like magazines or newspapers.

Sincerely,

Bryan Eckstein
Vice President, Project Finance and Business Development

SB0079 (HB0473) - FAV.pdf
Uploaded by: Fahrig, Landon
Position: FAV

Larry Hogan, Governor
Boyd K. Rutherford, Lt. Governor
Mary Beth Tung, Director

TO: Members, Senate Finance Committee
FROM: Mary Beth Tung – Director, MEA
SUBJECT: SB0031 (HB0379) – Electricity – Change of Address – Maintenance of Subscriptions and Contracts
DATE: February 2, 2021

MEA POSITION: FAV

On November 12, 2015, the Maryland Public Service Commission initiated an Administrative Docket, Rulemaking 56 ("RM 56"), to consider revisions to the Code of Maryland Regulations ("COMAR") 20.62 that will develop draft regulations to implement a pilot program for Community Solar Energy Generation Systems.

MEA has been actively involved in RM56 and generally supportive of the Community Solar Pilot Program ("Program"). The changes to the program proposed by Senate Bill 31 will fill a gap in the current regulations, preserving community solar benefits for subscribers in an efficient manner. The issue of portability of community solar subscriptions was raised in the Public Service Commission workgroup addressing community solar issues, and a similar regulatory fix was contemplated. MEA did not note any opposition to making those changes, and this bill would accomplish the same.

For these reasons, MEA urges the committee for a **favorable report** on Senate Bill 79.

SB79_ARCADIA_FAV.pdf
Uploaded by: Feinstein, James
Position: FAV

SB0079 Electricity - Change of Address - Maintenance of Subscriptions and Contracts
Senate Finance Committee
February 2, 2021
Position: Favorable

Testimony of Arcadia on SB0079

Chair Kelley, Vice Chair Feldman, and esteemed members of the Maryland Senate Finance 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 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.

[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

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

Arcadia asks for a favorable report on SB0079. I appreciate the opportunity to provide this testimony and would be happy to answer any questions you may have. Please do not hesitate

---

[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.

to contact me at James.Feinstein@arcadia.com or 202 999 8916 if you would like to discuss further.

Sincerely,

James Feinstein
Policy Manager
Arcadia

SB79_NRG_FAV.pdf
Uploaded by: Fiastro, John
Position: FAV

SENATE BILL 79 – ELECTRICITY – CHANGE OF ADDRESS – MAINTENANCE OF SUBSCRIPTIONS AND CONTRACTS

FAVORABLE

SENATE FINANCE COMMITTEE
FEBRUARY 2, 2021

NRG Energy, Inc. ("NRG") submits these comments in **support** of **SB 79 – Electricity – Change of Address – Maintenance of Subscriptions and Contracts.**

NRG is a Fortune 500 company, delivering customer focused solutions for managing electricity, while enhancing energy choice and working towards a sustainable energy future. We put customers at the center of everything we do. We create value by generating electricity and serving more than 6 million residential, commercial and industrial customers through our portfolio of retail electricity brands – including here in Maryland, where NRG owns seven companies that are licensed by the Public Service Commission to serve retail customers.

Our retail business is committed to building long lasting relationships with our customers. SB 79 will make that easier by enabling customers to keep the product, pricing and supplier they selected when they move within a utility service territory. This is referred to as a "seamless move". In contrast, the rules in place today are disruptive to a customer's relationship with her chosen supplier – for no good reason.

Today when a customer moves, she is forced to return to regulated utility Standard Offer Service. Unlike when customers enroll with a competitive supplier, customers who move are not required to provide affirmative consent for this change in supplier – they are simply dropped back to SOS. Customers must re-enroll with their chosen supplier after the move. But the product and/or price that the customer had previously selected may no longer be available. Forcing customers to re-enroll with their chosen supplier not only creates an additional administrative burden on the customer, and also means that customers lose out on any of the benefits they were getting from their chosen product or supplier, and may not be able to get that product again. Hundreds of thousands of customers move each year – the amount of churn created is not insignificant.

Other states allow customers to keep their supplier when they move. Pennsylvania adopted seamless moves in 2016 and that program has been operating without issues since that time.

NRG supports SB 79 because it ensures that customers have the best experience possible when exercising their right to choose their energy supplier by allowing them to keep the supplier, product and price that they affirmatively consented to receive when they move. That said, NRG proposes that the bill be modified to allow natural gas customers to receive the same benefits. There is no reason customers choosing a natural gas supplier shouldn't benefit as well.

Thank you for the opportunity to share our perspective on SB 79 and for the above reasons NRG urges the Committee give the bill a **favorable** report.

NRG Energy, Inc. Contact Information

Sarah Battisti, Director Government Affairs, NRG Energy, Inc., 804 Carnegie Center, Princeton, NJ 08540, 717-418-7290, sarah.battisti@nrg.com

Leah Gibbons, Director Regulatory Affairs, NRG Energy, Inc., 3711 Market Street, Suite 1000 Philadelphia, PA 19104, 301-509-1508, lgibbons@nrg.com

John Fiastro, Fiastro Consulting, 1606 Broadway Road, Lutherville, 443-416-3842, john@fiastroconsulting.com

Brett Lininger, Old Line Government Affairs, 10 West Pennsylvania Ave., Suite 200, Baltimore, MD 21204, 443-527-4837, blininger@nemphosbraue.com

Joe Miedusiewski, Old Line Government Affairs, 10 West Pennsylvania Ave., Suite 200, Baltimore, MD 21204, 410-321-4580, americanjoe@oldlinelobbying.com

SB0079 CHESSA FAV.pdf
Uploaded by: Murray, David
Position: FAV

CHESSA

Testimony of CHESSA on HB473
FAVORABLE

Chair Kelley, Vice Chair Feldman, and esteemed members of the Maryland Senate Finance Committee, thank you for the opportunity to testify on this important legislation. My name is David Murray, I serve as Executive Director of the Chesapeake Energy Storage and Solar Association (CHESSA). I commend Senator Kramer for sponsoring this important piece of legislation and advancing community solar in Maryland.

I will first introduce our association, and then provide a discussion of why this legislation is important to Maryland's solar industry, and a description of how another state has addressed the issue.

Introduction to the Chesapeake Energy Storage and Solar Association

The Chesapeake Energy Storage and Solar Association, formerly known as the Maryland-DC-Delaware-Virginia Solar Energy Industries Association, represents the solar industry in Maryland, DC and Virginia. We represent over 4,500 jobs in the state; our members install, develop, manufacture, and operate solar generation.

Subscription portability is important to the success of Maryland's solar industry

Nationally, community solar is the fastest growing segment of the solar industry today. In 2015, Maryland passed enabling legislation that laid the foundation for its own robust community solar industry, spurring investment and job growth in this space. This growth is enabled by a supportive legislative and regulatory environment. Thank you for leading the industry forward.

While community solar is growing rapidly, CHESSA's members continue to report that customer awareness is relatively low. Every potential customer needs to be educated on how community solar works and how to evaluate a potentially significant change to their electric service. These challenges are particularly acute for residential consumers, who tend to be less educated on their energy options than commercial and industrial customers.

The awareness challenge has a direct impact on community solar economics: when every customer needs extensive education, the cost to acquire a customer is high, potentially impacting the economic viability of a project. This means that every single customer is important to a project, and subscriber organizations cannot afford to lose customers.

This legislation is an important tool to address this economic barrier. Today, when a community solar subscriber moves to a new home - even if that home is just around the corner or only a few blocks away - they lose their subscription. The subscriber organization has to go find a new customer to fill that part of the project, which is a significant hardship. This is not a small problem, either: approximately 10 percent of households move each year.

1425 K St NW #1000
Washington, DC 20005
Chesapeake Solar & Storage Association
director@mdvseia.org
(202) 780-9563

If SB 79 is enacted into law, that subscriber will retain their subscription when they move, and the subscriber organization will not have to find a new subscriber to make the project whole. SB 79 would also enable more growth for community solar. Instead of being used to fill existing projects, new customers would be allocated to new projects and would support growth in the industry.

Leading states have addressed subscription portability

Maryland has made a tremendous commitment to solar energy. You should be proud of being a leading solar state, particularly in community solar. At the same time, there are always opportunities to learn from other states, and this issue is no different.

Consider Illinois, which has many similarities to Maryland. Illinois is a geographically and politically diverse state, with a mix of rural and urban areas. Illinois also has a restructured energy market and a commitment to clean energy.

The Illinois legislature has explicitly addressed portability in their community solar statute. The law says that all community solar subscriptions shall be "portable", which means that "subscriptions may be retained by the subscriber even if the subscriber relocates or changes its address within the same utility service territory".

The regulations adopted by the Illinois Power Agency implement the portability requirement. Specifically, the regulations require that a subscription agreement contain language that the customer "may retain the subscription (or at least a downsized version of the subscription relative to the subscriber's new load) as long as the subscriber changes addresses for utility service within the same utility service territory." The regulations also confirm that the utility tariffs for the community solar program support portability.

SB 79 is effectively the same as the portability requirement in Illinois. We encourage you to support this legislation to keep Maryland at the leading edge of community solar states.

Conclusion

CHESSA asks for a favorable report on SB 79. We 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 dmurray@mdvseia.org or (202) 780-9563 if you would like to discuss further.

Sincerely,

David Murray
Executive Director
CHESSA

SB0079_Electricity_Change of Address_Maintenance o

Uploaded by: Antonio Soruco, Antonio

Position: FWA

8614 Westwood Center Drive
Suite 1200
Vienna, VA 22182-2260
(844) 427-5945
WGLEnergy.com

Senate Finance Committee
January 29, 2021

Senate Bill 0079 – Electricity - Change of Address - Maintenance of Subscriptions and Contracts

POSITION: FAVORABLE WITH AMENDMENTS

Thank you, Chairman Kelley and members of the Senate Finance Committee, for the opportunity to comment on SB0079.

WGL Energy has served Maryland customers for over 20 years, delivering a full spectrum of energy solutions to residential, commercial, and industrial customers, across several utility service territories in the state. Competitive markets enable customers to find answers for their energy needs, and a robust retail market spurs innovation, compelling industry to meet changing customer demands.

Among other benefits, SB0079 would enable an existing electric supplier customer to relocate to another premise within the same service territory and remain in an existing contract with their supplier, rather than revert to standard offer service as a result of a move. This process is also referred to as "Seamless Moves."

Seamless Moves is a critical feature to achieve a well-functioning competitive retail energy market. In a fully-functional competitive market, customers must be able to exercise choice, and if they have chosen to shop, that they be able to keep their contract with their supplier if they move residences within a service territory.

Under the implementation of Seamless Moves, and among additional benefits to both the customer and the supplier that it provides, the customer may derive value from maintaining the original contract at terms that are no longer available under current market conditions. At the same time, the supplier has procured supplies in reliance on the contract and would be harmed if the contract were unnecessarily terminated.

However, this Seamless Moves process is not the way it currently works in Maryland.

In Maryland's market today, when an existing supplier customer moves within a utility service territory, they must cancel their contract with their chosen energy supplier, establish a new account with their utility at the location they are moving to, and then re-enroll with their supplier.

The lack of Seamless Moves triggers antiquated thinking, confuses customers, and leads to negative shopping experiences. Mandating that a customer cancel their supplier contract if they move residences, is the opposite of "choice" and encourages the old mentality of thinking that the utility is the provider of first resort rather than the supplier of last resort.

It is also worth noting that Seamless Moves is not a new concept. Utilities in neighboring states have successfully implemented this process in the past five years. Such utilities include PECO, PPL, Duquesne, Met-Ed, Penelec, Penn Power, and West Penn Power.

Implementing Seamless Moves as proposed in SB0079 is critical to advancing Maryland's competitive retail electric market, for the benefit of Maryland energy consumers.

Lastly, and to ensure there is no customer or supplier confusion under this process, WGL Energy requests amending the language in section 7-312(B) in SB0079 from "may" to "shall." That way, if the customer wants to cancel, they can cancel. It also ensures the supplier that its existing customer's contract will remain the same.

As a result, we respectfully ask the Committee for a favorable report with amendments to SB0079.

Thank you for your consideration.

Antonio Soruco, State Regulatory & Legislative Affairs Manager
P 703.287.9468 | **M** 571.612.9802 | Antonio.Soruco@wglenergy.com

2021 Testimony- SB79 Electricity - Change of Addre
Uploaded by: OBrien, Rhea
Position: INFO

pepco
An Exelon Company

delmarva power
An Exelon Company

February 2, 2021

112 West Street
Annapolis, MD 21401
410-269-7115

INFORMATIONAL - Senate Bill 79
SB79 - Electricity - Change of Address - Maintenance of Subscriptions and Contracts

Senate Bill 79 would require an electric company to maintain a subscription to a community solar energy generating system or a competitive electric supply contract if a customer has a change in his or her service address within the same electric territory as the old address. HB473 addresses what is commonly known as “seamless moves”.

Under today’s regulations, if a customer changes his or her service address, the customer will revert to Standard Offer Service and a re-enrollment must occur to move the customer back to the competitive supplier. Previously re-enrollment could only happen after the close of the current billing cycle, but significant improvements were made by the utilities in order to accommodate re-enrollment within 3 Business Days, which is currently the time period during which re-enrollment occurs.

Seamless moves have been debated and discussed before in Maryland. In 2018, the Public Service Commissions (PSC) PC44 Competitive Markets and Customer Care (CMCC) Workgroup examined the concept of seamless moves. Participating utilities in the CMCC Workgroup, including Pepco and Delmarva Power, were asked to estimate implementation costs associated with effectuating seamless move policies in Maryland as well as provide data regarding how many customers utilize this feature in other jurisdictions. The estimated cost provided by Pepco and Delmarva Power at that time to migrate to a seamless move system could reach as much as $1.3 million. The data provided from Pennsylvania demonstrate that only a very small portion of utility customers utilize the seamless move functionality.

The CMCC Workgroup generated proposed draft regulations related to seamless moves for use by the PSC if they concluded that pursuing these policies was appropriate for Maryland ratepayers. The PSC initiated rulemaking proceeding 62 (RM62) to further evaluate seamless moves based on the work done by the CMCC Workgroup. The PSC voted against adopting the rule on seamless moves noting that it was not cost effective to have electric utilities incorporate a supplier’s ability to implement seamless transitions for customers with existing service.

Finally, the system change needed to implement seamless moves in Pepco and Delmarva Power cannot be implemented until 2023 due to a separate system upgrade that is fully designed and scheduled to go into production in late 2021.

Contact:
Katie Lanzarotto
Senior Legislative Specialist
202-428-1309
Kathryn.lanzarotto@exeloncorp.com

Ivan K. Lanier
State Affairs Manager
202-428-1288
Ivan.Lanier@pepco.com