Bill: **SB 749 - Residential Retail Customer and Retail Electricity Suppliers - Definition and Alterations**

Committee: **Education, Energy, and the Environment**

Date: **February 26, 2026**

Position: **Favorable**

The Apartment and Office Building Association (AOBA) of Metropolitan Washington is a nonprofit trade association representing the owners and managers of more than 23 million square feet of commercial office space and 167,000 apartment rental units in Montgomery and Prince George's counties. AOBA submits this testimony in support of Senate Bill 749.

AOBA members are served on a mix of utility distribution non-residential rate schedules. Specifically, from the Potomac Electric Power Company ("Pepco") under its Small Commercial Rate Schedules (Type I), as well as Pepco's Medium and Large Commercial Rate Schedules (Type II), including master-metered apartments. AOBA members also receive service from the Washington Gas Light Company ("WGL" and "Washington Gas") under its Group Metered Apartment, Commercial and Industrial and Interruptible rate schedules. AOBA members also receive service from Baltimore Gas and Electric Company ("BGE") and Potomac Edison ("PE") under their non-residential rate tariffs.

Many AOBA members in Maryland purchase their electric and natural gas supply through retail competitive supply contracts. Others receive electric supply service from utility Standard Offer Service ("SOS"), and natural gas utilizing Washington Gas' Purchased Gas Charge ("PGC"). AOBA supports a competitive retail energy supply market in Maryland, which helps tenants manage their energy costs.

SB 749 clarifies that residential retail customers do not include retail accounts that serve business functions or the commercial activities of a business entity even if the account is classified as residential by a utility. In December 2024, the Public Service Commission (PSC) issued Order No. 91463 and addressed the issue of commercial entities operating under accounts that utilities have classified as residential. The PSC concluded that for the purposes of SB 1 (2024) accounts classified as residential by the utilities must be treated as such even if the account serves a business use.

As a result, thousands of multifamily accounts that clearly serve commercial uses may be swept into residential retail protections. Examples of these accounts include leasing offices, clubhouses, or amenity spaces. These accounts are not individual residential customers purchasing energy for use at a residence. Instead, they are commercial accounts that are included in retail energy supply contracts that help multifamily property owners manage rising energy costs.

For these reasons, AOBA urges a favorable report on Senate Bill 749. For more information, please contact Brian Anleu at banleu@aoba-metro.org.