



Leaders In Quality Apartment Home Living And Service Since 1965.

February 13, 2020

The Honorable Delegate Dereck E. Davis
Chair, House Economics Matters Committee
Room 231
House Office Building
Annapolis, Maryland 21401

RE: House Bill 561– Electric Industry – Community Choice Energy

Dear Chairman Davis:

Southern Management Corporation owns and operates over 23,000 apartment units (which represents over 55,000 residents) and over 1.5 million square feet of office space in Montgomery, Prince George's, Anne Arundel, Howard, Baltimore County and Baltimore City. These properties contain many small, medium and large non-residential accounts and we strongly urge an unfavorable vote on HB561 unless amended as recommended by AOBA. All of our accounts currently purchase competitive electric supply and have for many years. Southern Management welcomes the opportunity to provide testimony on HB 561.

HB 561 states that at the end of a contract term with an electricity supplier that the account will AUTOMATICALLY be enrolled with the Community Choice Aggregator unless Southern Management gives written notice to the community choice aggregator at the end of each energy supply contract declining to participate in the aggregation activities. Again, this requires an onerous effort on the part of Southern Management to "opt-out" of a service that it has no interest in participating in the first place. Southern Management has thousands of accounts!

At times, Southern Management purchases energy in shorter term contracts of one year, and at other times we enter into longer term contracts. All of our properties do not necessarily have one start and end date. HB 561 would require an enormous amount of effort to keep on top of opting out of thousands of accounts on a continual basis.

Southern Management would be forced under HB 561 to notify the community choice aggregator that it was "opting-out" of its program for all accounts that are currently with third party suppliers when the contract term ends. This is overly burdensome for Southern Management in that we have thousands of accounts

that are either Small Commercial or master-metered apartments contained in **apartment communities, office buildings and hotels!**

Southern Management is concerned that energy customers, who do not participate in community aggregation, bear no financial responsibility for the costs of that operation, maintenance and the return of customers to SOS, and that these costs are not socialized among ratepayers.

Southern Management Corporation strongly urges an unfavorable vote on HB 561 as written.

For more information or any questions, please contact Nancy Culham, Utilities Specialist at 703.902.9415 or nculham@smcmail.com.

Sincerely,

A handwritten signature in black ink that reads "Nancy Culham". The signature is written in a cursive style with a long horizontal flourish at the end.

Nancy Culham
Utilities Specialist
Southern Management Corporation