

Legal Assistance Resource Center

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H.B. 5587 -- Submetering of apartment buildings and condos Sec. 6 of H.B. 6360 -- Comprehensive Energy Strategy (CES)

Energy and Technology Committee public hearing -- March 7, 2013
Testimony of Raphael L. Podolsky

Recommended Committee action:
H.B. 5587 -- NO ACTION ON THE BILL
H.B. 6360 -- MODIFICATION OF SECTION 6

H.B. 5587 would allow submetering of electricity in apartment buildings and condominiums. We oppose the bill unless it provides occupants with protections at least as comprehensive as those which must be provided by electric companies. Section 6 of H.B. 6360 authorizes submetering in multi-family and mutli-use buildings in somewhat more limited circumstances. In particular, Section 6(a)(3) specifically allows submetering only where the power source is Class I renewable energy or a combined heat and power system. Section 6(a)(4) more broadly authorizes submetering if it "promotes the state's energy goals" as described in the CES, subject to termination of service protection. It incorporates the provisions of C.G.S. 16-19ff(b) concerning PURA regulatory authority.

From a consumer perspective, there are two types of problems with submetering. One is that entities that submeter often impose administrative fees (especially when a third-party company is used) that can add a significant amount to the consumer's bill. The other is that the full range of protections available to direct-service utility customers can be lost. Shutoff protection is one shut protection, but there are many others as well. As a result, we urge that any authorization of electric submetering incorporate at least the following (to the extent not already part of C.G.S. 16-19ff(b)):

- No service fees: The occupant's liability is limited to the pro-rata share of the electric bill. Neither the property owner nor any service company should be allowed to add any extra administrative costs of the system onto the tenant through a submetering bill.
- No submetering unless electricity is delivered solely to an area within the exclusive control of the tenant: The owner cannot submeter unless it is first established that the submeter measures electricity going solely to the occupant's unit and not to common areas or any other unit.
- PURA regulatory control over submetering: There should be no submetering without PURA review of the plan and approval. The occupant should be assured access to PURA to resolve disputes with the building owner, to the same extent that the occupant would have access if electricity were provided directly by an electric company. The system should be subject to PURA review for accuracy.

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- No shutoffs by the owner or the electric company for submetering payment arrearages: Under existing law, an electric company in a master-metered multi-family building cannot shut off electricity to the building but must bring a receivership action. Because in a submetering arrangement the property owner remains the customer of the electric company, the occupants' protection against the electric company must be maintained and the owner must also be precluded from shutting off service. In addition, all rules concerning electric shutoffs should continue to apply, including warning notice, the right to enter into a reasonable amortization agreement, no winter shutoffs for hardship, and no shutoffs on certain days of the week. Occupants should be eligible for energy assistance and arrearage forgiveness programs. Discounted rates for low-income households should be available to the same extent they are available through an electric company.
- No submetering without clear disclosure: The lease must clearly disclose the existence of submetering. Submetering can be initiated only at the beginning of a new leasing term.
- Protection from excess charges due to miswiring or other defects in the submetering system for which the owner is responsible. The occupant tenant should be protected against liability for improper charges resulting from conditions beyond his or her control.