

**Sponsor Testimony in SUPPORT of House Bill 1083 -  
County and Municipal Street Lighting Investment Act  
March 10, 2022**

House Bill 1083 is **enabling legislation** that is designed to speed up investments in energy efficient street lighting. There is a sponsor amendment in your packet that incorporates input from the staff of the Maryland Public Service Commission and zeroes out the fiscal note.

The bill requires each electric company to file a tariff with the Maryland Public Service Commission for customer-owned streetlights. It establishes a fair and constitutional formula for determining the value of utility-owned lights that may be acquired by a local government. It provides a mechanism by which the PSC can resolve any acquisition or valuation disputes between a utility and a local government.

Street lighting is important for safety and for commerce. It is one of the largest energy expenses for county and municipal governments.

Due to advances in technology, investing in street lighting upgrades can result in many benefits, including better safety and reduced energy and maintenance expenses.

Unfortunately, Maryland's cities and counties are far behind those in other states in enjoying the benefits of upgrading to modern street lighting technology. We have only converted a small number of utility-owned street lights to newer types. For example, in the Pepco service territory in Prince George's and Montgomery Counties, only 4% of the 65,000 utility-owned lights have been converted to durable, energy efficient LED (light emitting diode) technology.

House Bill 1083 will help remedy this problem. By authorizing local governments to assume ownership of the lighting infrastructure, they can partner directly with the private sector to expedite lighting upgrades.

This enabling legislation provides a transparent and clear process for local governments exploring this type of upgrade. It is modeled after laws on the books in other states. This approach has worked well in California, Connecticut, Washington DC, Maine, Massachusetts, Pennsylvania and Rhode Island.

HB1083 also provides for other energy saving innovations, such as part-night lighting and smart dimming that other states have embraced.

The bill before you strengthens a law that the Maryland General Assembly enacted on the same topic in 2007. In the 15 years that have gone by, no Maryland County or Municipality has successfully acquired utility-owned overhead fed street lights. There are several reasons for this. First, utilities such as Pepco and Delmarva never filed tariffs with the PSC consistent with the 2007 law. They have indicated that their 2022 filings will finally be in compliance with current law. Second, each time a municipality inquires about buying overhead lights from the utility, there are

disagreements about how to value the lights. This bill would establish a fair valuation method to use for light acquisition. And third, utilities such as Pepco recently began demanding up-front payment of third party consulting fees to even obtain an accurate inventory of lights to be acquired.

In the states that have passed strong laws, local governments are having better success. For example, dozens of local governments in New York State have successfully acquired utility-owned lights since their General Assembly enacted a strong law in 2015. Those cities and towns are enjoying significant cost savings on energy and maintenance as well as improved safety.

[A federally-funded report issued by the Maryland Energy Administration in 2020](#) identified conversion of utility-owned lights to municipal ownership as a best practice and highlighted the need for strong legislation.

Upgrading street lights to efficient LEDs can and should be the low-hanging fruit when it comes to reducing our carbon footprint as well as improving pedestrian and traffic safety. Your favorable vote on this enabling legislation will have an immediate and direct positive impact.



# THE CITY OF BRUNSWICK MARYLAND

1 WEST POTOMAC STREET · BRUNSWICK, MARYLAND 21716 · (301) 834-7500

February 22, 2022

Senator Delores Kelley, Chair – Senate Finance Committee  
Senator Brian Feldman, Vice Chair – Senate Finance Committee  
Delegate C.T. Wilson, Chair – Economic Matters Committee  
Delegate Brian Crosby, Vice Chair – Economic Matters Committee

Re: Support for Senate Bill 376/House Bill 1083 – County and Municipal Street Lighting Investment Act

Dear Senator Kelley, Senator Feldman, Delegate Wilson, and Delegate Crosby,

The Mayor and Council of the City of Brunswick support Senate Bill 376/House Bill 1083 for the County and Municipal Street Lighting Investment Act. We believe the proposed legislation will assist municipalities in controlling the cost, efficiency, and ownership of street lighting.

Thank you for your consideration.

Respectfully,

Nathan Brown  
Mayor

Cc: Senator Susan Lee  
Senator Michael Hough  
Delegate Al Carr  
Delegate Barrie Ciliberti  
Delegate Daniel Cox  
Delegate Jesse Pippy



February 18, 2022

VIA ELECTRONIC MAIL

ECONOMIC MATTERS COMMITTEE

C. T. Wilson, Chair

Brian M. Crosby, Vice Chair

Re: House Bill 1083 – County and Municipal Street Lighting Investment Act

Dear Chair Wilson, Vice-Chair Crosby, and members of the Economic Matters Committee,

The Town of Brookeville has been on the National Register of Historic Places since 1979. We are also a Montgomery County Historic District and part of the National Park Service's Star-Spangled Banner National Historic Trail. Within the Town's municipal boundaries, we have a mixture of utility-owned overhead streetlights on wooden pole light with multiple lamps/bulbs and Town-owned streetlight that reflects the aesthetics of a historic district. The Town-owned streetlights serve a vital role in public safety while blending in with the historic surroundings of the Town.

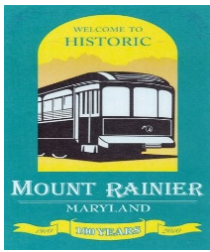
Conversion of utility-owned street lighting to customer-owned lighting is a best practice proven to improve service reliability and reduce costs. It has been successful for California, the District of Columbia, Connecticut, Massachusetts, Pennsylvania, Rhode Island, and other states. This enabling legislation will streamline the process for local governments to acquire utility-owned overhead streetlights and assume all aspects of ownership and maintenance.

We urge you to issue a favorable report for HB1083.

Respectfully,

William H. Gaskill, President  
Town of Brookeville Commissioners

cc: Delegate Carr, sponsor HB 1083  
cc: Delegate Anne Kaiser, District 14  
cc: Delegate Eric Luedtke, District 14



## City of Mount Rainier

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1 Municipal Place, Mount Rainier, Maryland 2071 Telephone: (301) 985-6585; Fax (301) 985-6595

February 11, 2021

**Re: Support for House Bill 1083, The County and Municipal Street Lighting Investment Act.**

The Honorable Economic Matters Chair C.T. Wilson

Dear Senator C.T. Wilson,

The City Mount Rainier is joining the Maryland Municipal League and various cities in Support of House Bill 1083 Sponsored by Delegate Carr.

The City of Mount Rainier has looked into this matter for several years as the utility costs for maintenance, repair and installation of street lights continue to escalate. Thus, far the options available have been cost prohibitive.

HB1083 authorizes local government like Mount Rainier, subject to specified requirements, to (1) convert its street lighting service to a customer-owned street lighting tariff established under the bill; (2) submit a request to acquire "street lighting equipment," as defined, from the electric company at some or all locations within the county or municipality; and (3) enter into an agreement to purchase electricity. If the county or municipality and the electric company fail to agree to the purchase price or conditions of purchase of the street lighting equipment, the county or municipality may acquire the equipment by condemnation, subject to specified requirements.

We support the conversion of utility-owned street lighting to customer-owned lighting as a best practice and is proven to improve service and reduce costs. It has been successfully employed for local governments in California, the District of Columbia, Connecticut, Massachusetts, Pennsylvania, Rhode Island, and in other states.

The Maryland Municipal League and individual municipal officials were instrumental in getting the original Maryland legislation passed in 2007 and we are in support of efforts to strengthen the law.

We want to thank you for your attention to this matter and your willingness to sponsor this bill. Any questions please feel free to reach out at [MayorBenitez@MountRainierMR.org](mailto:MayorBenitez@MountRainierMR.org)

Sincerely,

*Celina Benitez*

Mayor Celina R. Benitez, City of Mount Rainier  
On behalf of Mount Rainier Mayor and Council



**Prince George's County Municipal Association**  
*An Association Of 27 Municipalities*



Dear Chairman Wilson and Committee Members:

The Prince George's County Municipal Association writes to support SB 376 and HB 1083 - County and Municipal Street Lighting Investment Act. If enacted, this legislation would create a clear, fair, and efficient process for local governments to purchase existing streetlights and assume responsibility for maintaining and upgrading this equipment.

Quality street lighting is a major public safety, environmental, and financial concern for local governments, and unfortunately current law falls short in each area. Local governments have insufficient control over the quality of lighting, and the utility companies have insufficient incentive to provide high quality maintenance and efficient fixtures. SB3 76 and HB 1083 establishes a fair manner to calculate the value of existing street lighting equipment.

Many of our member municipalities have explored the possibility of purchasing the streetlights within their jurisdictions, because despite paying hundreds of thousands of dollars in maintenance and electricity fees, the quality of lighting and maintenance is not at a commensurate level. With HB 1083, municipalities would be able to pay fair market value to acquire streetlights, increase public safety with better lighting, and decrease financial and environmental costs.

We believe this legislation will create important public safety, financial, and environmental benefits across the State, and respectfully request a favorable report on SB 376 and HB 1083.

Sincerely,

A handwritten signature in blue ink, which appears to read "Patrick L. Wojahn".

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Patrick L. Wojahn  
PGCMA President  
240-988-7763 (c)  
President@thepgcma.com

Pronouns: He/Him/His

**HB1083/SB376 SUPPORT - appendix on street lighting equipment valuation comparison**

<b>State</b>	<b>Valuation Method</b>
Washington DC	<p>“\$14,850,000 representing the cost of Pepco's streetlighting equipment as of December 31, 1983 (which amount the parties agree includes the <b>original cost of the equipment sold less depreciation</b> of \$12,918,000) which amount will be adjusted to add the cost of the streetlighting plant additions from January 1, 1984 to the date of sale.”  <a href="#"><u>1984 settlement/purchase agreement between Pepco and the District of Columbia</u></a></p>
Connecticut	<p>CL&amp;P's streetlight <b>net plant value</b> is accurate and is valid for determining the purchase price of streetlight assets  <a href="#"><u>June 2005 PUC order</u></a></p>
Massachusetts	<p>Any municipality exercising the option to convert its street lighting service pursuant to subsection (a) shall be required to compensate the electric company for its <b>unamortized investment, net of any salvage value</b> obtained by the electric company under the circumstances, in the lighting equipment owned by the electric company in the municipality as of the date the electric company receives notice of such exercise pursuant to subsection (a). In meeting this requirement, the municipality may acquire all or any part of such lighting equipment of the electric company upon the payment of the unamortized investment allocable to such acquired equipment. Upon such payment, the municipality shall have the right to use, alter, remove, or replace such acquired equipment in any way the municipality deems appropriate.  <a href="#"><u>Massachusetts Section 34A: Municipal street lighting service</u></a></p>
Maine	<p><b>The commission shall also determine a fair and equitable cost for all aspects of the transfer</b> and establish guidelines to best enable the contiguous ownership of lighting fixtures. <i>Maine Revised Statutes Annotated § 2523. Street lights; use of poles Effective: June 26, 2013</i> The parties further agree that a municipality may purchase existing street lighting equipment at the equipment's <b>Net Book Value (NBV), plus the associated tax effect</b>, and that to the extent a utility's books and records allow it, a municipality may take ownership of some components of the equipment but not others. <a href="#"><u>2015 order of the Maine Public Utilities Commission</u></a></p>
New York	<p><b>[Original cost minus depreciation]</b> According to the <i>Case 17-E-0238.2 Rate Order</i>, if a municipality wishes to purchase all the street lighting assets within its taxing jurisdiction, National Grid is required to sell those street lighting assets at the <b>municipal specific net book value (NBV), plus transaction and transition costs associated with the sale.</b> - <a href="#"><u>NY PSC order for Town of Evans</u></a> <a href="#"><u>NY Law 70a effective 2016</u></a></p>
Rhode Island	<p>Any municipality exercising the option to convert some or all of its street lighting service pursuant to subsection (a) must compensate the electric distribution company for the <b>original cost, less depreciation and less amortization, of any active or inactive existing public lighting equipment owned by the electric distribution company and installed in the municipality as of the date the municipality exercises its right of acquisition pursuant to subsection (a), net of any salvage value.</b> Upon such payment, the municipality shall have the right to use, alter, remove, or replace such acquired lighting equipment in any way the municipality deems appropriate. <a href="#"><u>2013 Rhode Island Law</u></a></p>



Explanation of the sponsor amendment:

**Zeroes out the Fiscal Note** removes the requirement for utilities to consult with the Maryland Energy Administration when filing updated tariffs. This is at MEA's request. They already have the ability to intervene in MD PSC matters when warranted.

**Substitutes the term "Net Book Value" for the term "Fair Market Value"**. Fair market value is a term used for real property and it implies a willing seller and multiple potential buyers. Street lighting equipment is personal property, the local government is the sole potential buyer and the utility is not always a willing seller.

**Adds a definition of "Make-Ready Work"**

**Establishes a "Street Light Service Point"** where there is a handoff in maintenance responsibility between the utility and the local government for customer-owned lights.

**Clarifies the preamble language which establishes the bill's purpose.**

**Deletes unnecessary language about utility-owned lights that are not acquired.**

**Clarifies that the Maryland Public Service Commission's existing complaint process shall be used to resolve disputes.**

**Removes a 75 day time limit for the MD PSC to approve a new tariff for customer-owned street lighting.**

**HB1083/753228/1**

BY: Delegate Carr  
(To be offered in the Economic Matters Committee)

AMENDMENTS TO HOUSE BILL 1083  
(First Reading File Bill)

AMENDMENT NO. 1

On page 1, strike beginning with “convert” in line 3 down through “tariff,” in line 4; in line 5, after “condemnation,” insert “convert its street lighting service to a customer-owned street lighting tariff.”; strike beginning with “request” in line 6 down through “jurisdiction” in line 7 and substitute “contract with an electric company for the maintenance of the street lighting equipment”; in line 9, after “determine” insert “, in a certain manner.”; in the same line, strike “fair market” and substitute “net book”; in line 10, strike “in a certain manner” and substitute “brought under this Act”; strike beginning with “within” in line 13 down through “time” in line 14 and substitute “, the net book value of the street lighting equipment, or any other matter regarding the acquisition of certain street lighting equipment”; in line 14, after the first “a” insert “final”; in line 15, strike “acquisition of certain street lighting equipment and the”; and in line 16, strike “within a certain period of time”.

AMENDMENT NO. 2

On page 2, in line 9, after “(3)” insert ““MAKE-READY WORK” MEANS ANY STREET LIGHTING EQUIPMENT INFRASTRUCTURE MODIFICATIONS:

(I) REQUIRED TO FACILITATE A TRANSFER OF STREET LIGHTING EQUIPMENT FROM AN ELECTRIC COMPANY TO A COUNTY OR MUNICIPALITY; AND

(II) THAT COMPLY WITH ALL APPLICABLE SAFETY AND ELECTRIC CODES.

**(4)**;

in the same line, strike “FAIR MARKET” and substitute “NET BOOK”; in line 13, after “DEPRECIATION” insert “AND ANY CONTRIBUTION ALREADY PAID TO AN ELECTRIC COMPANY BY A COUNTY OR MUNICIPALITY FOR ACTIVITIES ASSOCIATED WITH THE INSTALLATION OF STREET LIGHTING EQUIPMENT”; in line 18, strike “(4)” and substitute “**(5)** “STREET LIGHT SERVICE POINT” MEANS THE POINT OF INTERCONNECTION ON A STREET LIGHTING CIRCUIT WHERE OWNERSHIP CHANGES FROM AN ELECTRIC COMPANY TO A COUNTY OR MUNICIPALITY.”

**(6)**;

in line 19, after “USED” insert “SOLELY”; in line 25, strike “SUPPLY”; in the same line, after “CIRCUITS” insert “AND EQUIPMENT FROM THE STREET LIGHT SERVICE POINT”; in line 29, strike “LIGHTING TECHNOLOGIES” and substitute “LAMPS”; in the same line, strike “AND”; and in line 30, strike “LIGHTING TECHNOLOGIES” and substitute “LAMPS; AND”

**6. OLDER LAMP TYPES SUCH AS HIGH PRESSURE SODIUM, MERCURY VAPOR, METAL HALIDE, OR INCANDESCENT**”.

On page 3, in line 4, strike “ARE MANDATED TO”; in line 11, after “**(3)**” insert “EFFICIENCY UPGRADES TO”; strike beginning with “IS” in line 11 down through “PRESENTS” in line 12 and substitute “EQUIPMENT PRESENT”; strike beginning with “THERE” in line 18 down through “**(6)**” in line 21; in line 25, strike “**(7)**” and substitute “**(6)**”; and in line 28, strike “ILLUMINATION” and substitute “DURABILITY”.

On page 4, in line 2, after “OWNERSHIP” insert “AND MAINTENANCE,”; strike beginning with “ONLY” in line 2 down through “CONSUMED” in line 3 and substitute “DISTRIBUTION SERVICE COSTS, THE COSTS OF ANY MAKE-READY WORK”

PERFORMED BY AN ELECTRIC COMPANY, AND OPTIONAL ELECTRIC COMPANY-  
PROVIDED MAINTENANCE AND REPAIR COSTS"; in line 15, strike "60 DAYS'  
WRITTEN" and substitute "WRITTEN"; strike beginning with "CONVERT" in line 21  
down through "(II)" in line 24; in line 26, strike "AND"; after line 26, insert:

"(II) AFTER ACQUISITION, CONVERT ITS STREET LIGHTING  
SERVICE TO A CUSTOMER-OWNED STREET LIGHTING TARIFF SET IN  
ACCORDANCE WITH § 4-212 OF THE PUBLIC UTILITIES ARTICLE; AND";

in line 27, after "ELECTRICITY" insert "FROM A RETAIL SUPPLIER LICENSED UNDER  
§ 7-507 OF THE PUBLIC UTILITIES ARTICLE OR THE ELECTRIC COMPANY"; in line  
29, strike the second "TO" and substitute "ON"; in line 31, after "CONDEMNATION"  
insert "IN ACCORDANCE WITH TITLE 12 OF THE REAL PROPERTY ARTICLE"; and  
in line 32, strike "(1)".

On page 5, in line 3, strike "fair market" and substitute "NET BOOK"; in the same  
line, after "equipment" insert "AND THE COST OF ALL MAKE-READY WORK  
PERFORMED BY THE ELECTRIC COMPANY"; strike in their entirety lines 4 through  
14, inclusive; in line 19, after "with" insert "THE ELECTRIC COMPANY OR"; and in line  
21, strike "ALTERATION" and substitute "CHANGE".

On page 6, in line 11, after "EQUIPMENT" insert "UNLESS REQUIRED BY STATE  
LAW OR REGULATION"; in lines 17 and 18 and 27, in each instance, strike "FAIR  
MARKET" and substitute "NET BOOK"; strike beginning with "WITHIN" in line 22 down  
through "A" in line 24 and substitute "A"; in line 25, after "SUBSECTION" insert "SHALL  
BE CONSIDERED BY THE PUBLIC SERVICE COMMISSION IN ACCORDANCE WITH  
THE COMPLAINT PROCEDURES ESTABLISHED UNDER § 3-102 OF THE PUBLIC  
UTILITIES ARTICLE"; in line 27, after "PROCEEDING" insert "BROUGHT UNDER THIS  
SECTION"; and in line 33, strike "THIS" and substitute "THIS".

On page 7, strike beginning with the third comma in line 1 down through the comma in line 2; in line 4, strike “ONLY”; in the same line, strike “FEES” and substitute “SERVICE COSTS AND THE COSTS OF ANY APPLICABLE MAKE-READY WORK PERFORMED BY THE ELECTRIC COMPANY”; in line 7, strike “ANNUAL”; in line 9, after “INCLUDE” insert “MANDATORY”; and in line 28, strike “WITHIN 75 DAYS AFTER” and substitute “AFTER”.

On page 8, in line 1, strike “WITHIN 75 DAYS AFTER RECEIPT OF A REQUEST FOR RESOLUTION, THE” and substitute “THE”; in line 2, after the first “A” insert “FINAL”; and in line 4, after “SECTION” insert “THAT IS SUBMITTED IN ACCORDANCE WITH THE COMPLAINT PROCEDURES ESTABLISHED IN § 3-102 OF THIS ARTICLE”.