

OPPOSE – Senate Bill 376
SB 376 – County and Municipal Street Lighting Investment Act
Senate Finance Committee
Thursday, February 15, 2022

Potomac Edison, a subsidiary of FirstEnergy Corp., serves approximately 275,000 customers in all or parts of seven Maryland counties (Allegany, Carroll, Frederick, Garrett, Howard, Montgomery, and Washington Counties). FirstEnergy is dedicated to safety, reliability, and operational excellence. Its ten electric distribution companies form one of the nation's largest investor-owned electric systems, serving customers in Ohio, Pennsylvania, New Jersey, West Virginia, and Maryland.

Unfavorable

Potomac Edison opposes Senate Bill 376 – County and Municipal Street Lighting Investment Act. Senate Bill 376 would allow a county or municipality to convert its street lighting service to a customer-owned street lighting tariff, acquire certain street lighting equipment by purchase or condemnation, enter into an agreement to purchase electricity, and request that an electric company remove certain street lighting equipment in the county's or municipality's jurisdiction. Counties and municipalities already have the authority to install their own street lighting systems and shop for an electricity supplier in Maryland. This legislation seems only to allow the acquisition of a street lighting system at a significantly reduced cost, in lieu of paying for their own system.

FirstEnergy requests an Unfavorable report on SB 376 for the following reasons.

This legislation allows for the “taking” of street lighting and street lighting equipment without the need of public benefit. Beyond the assumption of lower cost, there is no “greater good” identified for the public at large in this bill.

The “Alternative Energy Only Tariff” portion of SB 376 is very confusing. In Maryland, there is no “energy only” distribution service. The distribution of electricity requires more than just the specific facilities used to serve a streetlight. Distribution service includes an allocated share of the supporting distribution infrastructure and back-office support needed to provide electricity. Distribution is based primarily on fixed costs and does not necessarily vary with the amount of energy consumed. Other customers should not have to subsidize these costs. In addition, the bill provides no standards for light fixtures or sizes -- thus making correctly determining consumption difficult, if not impossible, for electric companies.

Many of the declarations in section (B) of SB 376 are false, misleading or inaccurate in some way. Taxpayers are not mandated to pay for streetlighting -- it is an elective service offered to counties and municipalities, and the Public Service Commission determines just and reasonable rates. Counties and municipalities determine streetlighting placement by selecting exactly where they want fixtures located. Streetlights use very little energy, but to help reduce their carbon footprint further, communities can choose to have their generation provided by renewable resource providers. As for maintenance, the current Maryland tariff states that Potomac Edison will replace burned-out lamps and maintain the equipment during regular daytime working hours as soon as practicable, following notification by the customer. Communities need to consider the serious safety and liability issues when working around high voltage energized facilities. In addition, legislation is not needed for better illumination. Potomac Edison offers a menu of streetlighting options. If the customer wants more illumination, they simply select a light with more lumens.

SB 376 is not in alignment with Potomac Edison's duty to provide street lighting solutions that ensure the safety of residents and the general public. The issues contemplated by this legislation are already subject to Maryland Public Service Commission oversight, and any community with issues can get them resolved through their process.

For the above reasons, Potomac Edison respectfully request an **Unfavorable** vote on Senate Bill 376.