

Oppose

Economic Matters Committee  
2/16/2023**House Bill 459 - County and Municipal Street Lighting Investment Act**

Baltimore Gas and Electric Company (BGE) opposes *House Bill 459 County and Municipal Street Lighting Investment Act*, which would authorize counties and municipalities to purchase utility-owned streetlights for net book value. Upon purchasing the streetlights and any associated equipment, a local government would be authorized to install alternate energy street lighting technologies. Utilities would be required to offer alternate energy tariffs to provide electrical service to the county and municipality-owned streetlights.

Maryland Code, Local Governments §1-1309 already provides counties and municipalities the right to purchase street lighting equipment from the utility at fair market value. However, House Bill 459, § 1-1309 D (2), provides that if an agreement can't be reached, the county or municipality may acquire the street lighting equipment by condemnation under Title 12. BGE strongly opposes this legislation as it attempts to deny the realization of fair market value for any street lighting equipment sold to a local government. House Bill 459 conflicts with Title 12 of the Real Property Article that requires fair market value and has a very specific definition that isn't the same as net book value. Furthermore, § 1-1309L states that a jury is going to determine net book value in a condemnation case. Any exercise of eminent domain (a condemnation action) requires fair market value. The ability for a local jurisdiction to purchase streetlights currently exists; however, it is inappropriate to attempt to negate the costs and responsibilities associated with such a purchase.

Additionally, BGE has satisfied many of the concerns highlighted in the bill including energy efficient fixtures, quick response times, and customer-owned options, etc. BGE's existing street light tariff already offers counties and municipalities the options that appear to be the goal of House Bill 459. BGE's street light tariff allows counties and municipalities to own and maintain unmetered street lighting just as the tariff already allows a local jurisdiction to select their own electric supplier. BGE is also deploying 265,000 smart lighting controls on BGE-owned and customer-owned lights through 2026, in addition to developing dimming options with smart controls.

Furthermore, House Bill 459 does not consider other costs and factors associated with transfer of ownership, including the fact that utility-owned streetlights are often attached to poles that are entirely or jointly owned by the utilities, such as BGE and Verizon. County or municipal purchase of streetlights may also require payment to the utility for pole rental and other associated pole attachment fees. Although the bill states that joint use poles are not considered to be Street Light Equipment, to the extent that any of the lighting fixtures are attached to poles

BGE, headquartered in Baltimore, is Maryland's largest gas and electric utility, delivering power to more than 1.2 million electric customers and more than 655,000 natural gas customers in central Maryland. The company's approximately 3,400 employees are committed to the safe and reliable delivery of gas and electricity, as well as enhanced energy management, conservation, environmental stewardship and community assistance. BGE is a subsidiary of Exelon Corporation (NYSE: EXC), the nation's leading competitive energy provider.

jointly owned by the telecommunication company, the county or municipality would be responsible for any necessary arrangements with and payments to the telecommunications company. In addition, municipal customers owning assets on BGE utility poles would mean working around other BGE-owned assets and power lines. This would present challenges by creating a disconnect at each light and high costs to do so would be the responsibility of the party requesting taking ownership. BGE would need to revise the configuration of the street lighting system so that the county, municipality, or third-party personnel could safely work on the fixtures, which would have associated charges.

For these reasons, BGE respectfully requests that the Committee vote unfavorable on this legislation.

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