

# **HB0459\_Kensington\_Lichter\_FAV.pdf**

Uploaded by: Alex Marini

Position: FAV

**Mayor Tracey Furman**

**Council Member Darin Bartram  
Council Member Nate Engle**



**Council Member Conor Crimmins  
Council Member Ann Lichter**

TO: Senate Education, Energy, and the Environment Committee  
FROM: Ann Lichter  
DATE: March 28, 2023  
RE: Testimony in favor of HB0459

I am writing today in support of House Bill 459 on behalf of the Town of Kensington.

As a small municipality, street lighting is our largest energy expense. It is also one of the basic services that directly impacts our residents and business owners on a daily basis. Yet we currently have little control over this basic municipal service. About 80% of the lights in our town are owned by Pepco. We pay hefty rates for lights that are outdated, inefficient, and require frequent maintenance. For years, the Town has worked with other municipalities to negotiate with Pepco to provide better lighting options and better service, yet these efforts have not yielded meaningful changes.

The Town is eager to transition to more energy efficient, economical, and appropriate street lighting options. House Bill 459 will make it possible for our municipality and others throughout the state to acquire and manage their own street lights, enabling towns to reduce their carbon footprint, save money, and provide lighting options tailored to their communities' needs. For example, in Kensington we've seen the benefit of being able to own and manage the lights in our historic commercial area. We switched these street lamps to LED lights years ago, something we have been unable to do with the Pepco-owned lights, saving the Town and its residents money while also reducing our carbon footprint. We were also able to select streetlights that were appropriate for the historic commercial district and that improve pedestrian safety.

As we work towards Sustainable Maryland certification, we are eager to reduce our energy use and save money. House Bill 459 would make it possible for our municipality and other local governments across the state to do just that. We urge the House of Delegates to enable greater choice, energy and cost savings by passing House Bill 459.

Ann Lichter  
Councilmember  
Town of Kensington

**Maryland One Pager\_RTE\_Final\_Feb\_2023.pdf**

Uploaded by: Barbara Zektick

Position: FAV

# RealTerm Energy has successfully upgraded over 350 projects across North America.

We have successfully installed over 350,000 LED streetlights and smart controls since 2013.

Our experience with utilities is substantial, having worked with approximately 80 regulated, unregulated, municipal- and investor-owned utilities in that time.

In every project we have completed with municipal buybacks of the assets, streetlighting costs have been substantially reduced after the acquisition and upgrade to LED technology, giving the municipality greater control of the assets, better quality lighting more quickly and the ability to add smart city devices that better serve their constituents.

In four of the states where buyback legislation is allowed, RealTerm Energy has completed 70 buyback projects, with another 9 pending in NY. Below are the results from RealTerm Energy conversions:

70

Number of Municipalities who acquired and upgraded to LED technology with RealTerm Energy

\$181

Average Annual Cost/light/year under Utility ownership

\$67

Average Annual Cost/light/year under Municipal ownership (post LED upgrade)

61%

Average Cost Reduction after acquisition and conversion (including maintenance costs)

52-82%

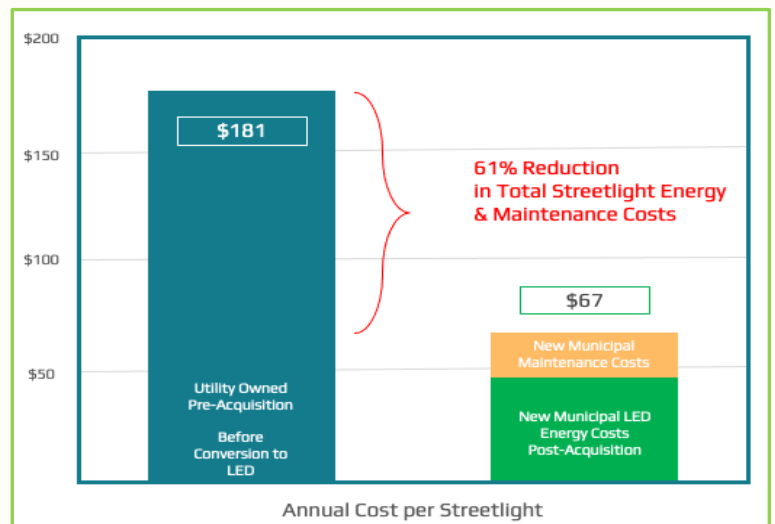
Range of Energy Cost Reduction upon conversion to LED

4.18

Average payback of project costs including acquisition (in years)

Buyback States

Massachusetts  
Connecticut  
New York  
Maine



Contact us to learn more:  
mcarter@realtermenergy.com  
www.realtermenergy.com  
201 West Street, Annapolis, MD 21401



**REALTERM**  
ENERGY

## Rationale for Purchasing Streetlights from Utilities

- **Many utilities are slow to adopt LED technology**, resulting in higher costs to Local Governments, monies that could be better used for increased resident services and/or improved local infrastructure
- **Municipally owned lights allow greater control** over color temperature, design and luminaire selection
- **Generally, the upgrade costs under municipal ownership are considerably lower** as projects are competitively bid (as opposed to in-house utility conversions)
- **Utility upgrades are frequently one-for-one replacements**, without conducting proper photometric design to minimize consumption cost and provide uniform lighting
- **Municipal ownership offers significantly lower maintenance costs**
- **Municipalities control maintenance scheduling**, resulting in faster repairs and replacements than if on a utilities timetable (a constant complaint from municipalities is the delay in a utility servicing lights that are out of order)
- **Gives the municipality additional control** to install smart lighting controllers and other smart city devices to provide future revenue opportunities
- **Utilities often have greater priorities for their work crews** that take precedence over streetlight repairs or conversions
- **Municipally-owned lights allow the municipalities to get credit** for their greenhouse gas emission reductions upon conversion

In states where municipalization is permitted (Rhode Island, Colorado, Vermont, California, etc.) many cities have already acquired or soon will acquire their lights to convert on their own with clear financial and aesthetic advantages, post-acquisition.

---

## Financing the Acquisition and Upgrade Costs

**Tax-Exempt Lease Purchase financing (TELP)** can be used to allow the municipal or county buyer to obtain low interest terms that **do not require any up-front capital** and use the significant annual energy and maintenance savings to completely service the loan until repayment, usually in 5-10 years. During that time, **the project can create a positive cash flow each year during the term.**

Thus, the energy and maintenance savings can pay for the entire project, **including acquisition costs.**



# HB 459 - FAV - MML.pdf

Uploaded by: Bill Jorch

Position: FAV



Maryland Municipal League  
*The Association of Maryland's Cities and Towns*

TESTIMONY

March 28, 2023

**Committee:** Senate Education, Energy, and the Environment Committee

**Bill:** HB 459 - Public Utilities - Street Lighting Equipment - Acquisitions and Reporting (County and Municipal Street Lighting Investment Act)

**Position:** Support

**Reason for Position:**

The Maryland Municipal League supports HB 459, which would more clearly define the process for municipalities to acquire streetlights in their jurisdiction from a public utility company and likely lead to more municipalities operating their own streetlights.

Since legislation was first enacted in 2007 to permit local governments to purchase street lighting equipment from private entities, discussions between municipalities and utility companies have proved fruitless in finding agreement on the fair market value of street lighting equipment. Since then, few municipalities have successfully negotiated the acquisition of streetlights in their jurisdiction. The League hopes that the process for acquiring street light equipment articulated in this bill will provide an equitable means of breaking the stalemate that has persisted in this area and lead to a scenario where municipalities that wish to own and operate their own.

As HB 459 will help municipalities address these ongoing issues, the Maryland Municipal League supports this bill and asks this committee to provide the bill with a favorable report.

**FOR MORE INFORMATION CONTACT:**

Theresa Kuhns

Angelica Bailey Thupari, Esq.

Bill Jorch

Justin Fiore

Chief Executive Officer

Director, Advocacy & Public Affairs

Director, Public Policy

Deputy Director, Advocacy & Public Affairs

1212 West Street, Annapolis, Maryland 21401

410-268-5514 | 800-492-7121 | FAX: 410-268-7004 | [www.mdmunicipal.org](http://www.mdmunicipal.org)

**HB0459-EEE\_MACo\_SUP.pdf**

Uploaded by: Brianna January

Position: FAV





## House Bill 459

*Public Utilities - Street Lighting Equipment - Acquisitions and Reporting  
(County and Municipal Street Lighting Investment Act)*

MACo Position: **SUPPORT**

To: Education, Energy, and the Environment

Date: March 28, 2023

From: Brianna January

The Maryland Association of Counties (MACo) **SUPPORTS** HB 459. This bill gives counties additional control over the costs, quality, and efficiency of streetlighting by clarifying the process for local governments to acquire and manage streetlights. Ultimately, the bill would empower counties to pursue streetlighting most appropriate for their communities, including through cost-saving and environmentally friendly technologies.

In 2007, the General Assembly passed legislation authorizing local governments to acquire and manage street light equipment from private utilities. However, few local governments have successfully done so since then, with the two parties unable to reach agreements on the fair market value of streetlighting equipment. Historically, utility companies have quoted prohibitively high costs when engaging with counties and municipalities on potential purchase of equipment.

This has prevented counties and municipalities from implementing greener lighting to save energy and money, like converting to LED lighting. As such, Maryland and its local governments are losing out. The transfer of ownership of streetlights from utilities to local governments has reportedly improved services and lowered costs for neighboring Washington, DC, as well as Pennsylvania, New York, and many other states.

By setting fair value market rates, HB 459 will level the playing field for local governments and will help counties achieve better services at lower costs and implement energy-efficient street lighting – a welcome change for counties, Maryland taxpayers, and the environment. For these reasons, MACo urges a **FAVORABLE** report on HB 459.

**HB 459 - MoCo\_Wenger\_FAV\_Senate (GA 23).pdf**

Uploaded by: Melanie Wenger

Position: FAV



# Montgomery County

## Office of Intergovernmental Relations

---

ROCKVILLE: 240-777-6550

ANNAPOLIS (toll free): 301-261-2461

---

**HB 459**

**DATE: March 28, 2023**

**SPONSOR: Delegate Kaufman, *et al.***

**ASSIGNED TO: Education, Energy, and the Environment**

**CONTACT PERSON: Melanie Wenger**

**POSITION: SUPPORT (Department of Transportation)**

---

### **Public Utilities – Street Lighting Equipment – Acquisitions and Reporting (County and Municipal Street Lighting Investment Act)**

House Bill 459, as amended, enables counties and municipalities to purchase street lighting equipment at fair market value from the equipment owner. This bill empowers counties, through their condemnation powers, to acquire property in the event an agreement is not reached and to request the removal of equipment that is not purchased by the jurisdiction. It directs the electric utilities to file tariffs with the Public Service Commission that only include electrical distribution fees, which would allow the local government to choose its own energy supplier, an option available to most other consumers. Finally, the bill requires that an investor-owned utility file a report by July 1, 2024, identifying the number of LED streetlights relative to the total number of streetlights owned or maintained by the utility.

The Montgomery County Department of Transportation supports the environmental and economic goals sought by this legislation. Other jurisdictions, such as in California and Rhode Island, have enabled local governments to purchase street lighting technology. In implementing similar regulations, these jurisdictions have observed lower maintenance costs (due to lower overhead), decreased energy usage, and improved reliability because of the installation of LED bulbs. The Department also supports the additional flexibility this legislation would provide to jurisdictions, particularly a number of municipalities in Montgomery County, who are interested in adopting these practices. However, the Department would note that the amendments substituting the use of “fair market value” for “net book value” to establish the purchase price may create additional hurdles for jurisdictions that would like to take advantage of this legislation.

Certainly, the potential benefits of this enabling legislation would need to be weighed against the assumption of certain risks. These would include taking on the responsibility of updating old equipment or incurring higher repair and maintenance costs than anticipated. Therefore, as an alternative, the sponsor may want to consider requesting the Public Service Commission to establish efficiency standards for the electric companies who currently own the street lighting equipment.

With the above points in mind, the Montgomery County Department of Transportation supports House Bill 459.

# **HB459\_Crossover\_Bladensburg\_FAV.pdf**

Uploaded by: Therese Hessler

Position: FAV



**March 28, 2023**

**House Bill – County and Municipal Street Lighting Investment Act  
Senate Education, Energy, & Environment Committee  
POSITION: Support**

Dear Chairman Feldman and Members of the Committee:

The Town of Bladensburg writes to support House Bill 459 - 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. House Bill 459 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 House Bill 459, 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 House Bill 459.

Sincerely,

Mayor Takisha D. James  
Phone: 301-927-7048  
Email: [tjames@bladensburgmd.gov](mailto:tjames@bladensburgmd.gov)

**For more information call or email:**  
Therese M. Hessler | 301-503-2576 | [therese@ashlargr.com](mailto:therese@ashlargr.com)

# **HB459\_Crossover\_Brentwood\_FAV.pdf**

Uploaded by: Therese Hessler

Position: FAV



**March 28, 2023**

**House Bill – County and Municipal Street Lighting Investment Act  
Senate Education, Energy, & Environment Committee  
POSITION: Support**

Dear Chairman Feldman and Members of the Committee:

The Town of Brentwood writes to support House Bill 459 - 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. House Bill 459 establishes a fair manner to calculate the value of existing street lighting equipment.

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 House Bill 459, 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 House Bill 459.

Sincerely,

Rocio Treminio-Lopez, Mayor  
Phone: 301-213-2223  
Email: [rocio.treminio-lopez@brentwoodmd.gov](mailto:rocio.treminio-lopez@brentwoodmd.gov)

**For more information call or email:**  
Therese M. Hessler | 301-503-2576 | [therese@ashlargr.com](mailto:therese@ashlargr.com)

# **HB459\_Crossover\_District Heights\_FAV.pdf**

Uploaded by: Therese Hessler

Position: FAV





CITY OF  
DISTRICT HEIGHTS  
MARYLAND

**March 28, 2023**

**House Bill – County and Municipal Street Lighting Investment Act  
Senate Education, Energy, & Environment Committee  
POSITION: Support**

Dear Chairman Feldman and Members of the Committee:

The City of District Heights writes to support House Bill 459 - 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. House Bill 459 establishes a fair manner to calculate the value of existing street lighting equipment.

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 House Bill 459, 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 House Bill 459.

Sincerely,

Cynthia Miller, Mayor  
Phone: 301-336-3884  
Email: [millerc@districtheights.org](mailto:millerc@districtheights.org)

**For more information call or email:**

Therese M. Hessler | 301-503-2576 | [therese@ashlargr.com](mailto:therese@ashlargr.com)

# **HB459\_Crossover\_Laurel\_FAV.pdf**

Uploaded by: Therese Hessler

Position: FAV



**March 28, 2023**

**House Bill – County and Municipal Street Lighting Investment Act  
Senate Education, Energy, & Environment Committee  
POSITION: Support**

Dear Chairman Feldman and Members of the Committee:

The City of Laurel writes to support House Bill 459 - 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. House Bill 459 establishes a fair manner to calculate the value of existing street lighting equipment.

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 House Bill 459, 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 House Bill 459.

Sincerely,

Craig A. Moe, Mayor  
Phone: 301-725-5300 ext. 2125  
Email: laurelmayor@laurel.md.us

**For more information call or email:**

Therese M. Hessler | 301-503-2576 | [therese@ashlargr.com](mailto:therese@ashlargr.com)

# **HB459\_Crossover\_PGCMA\_FAV.pdf**

Uploaded by: Therese Hessler

Position: FAV



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



**March 28, 2023**

**House Bill – County and Municipal Street Lighting Investment Act**  
**Senate Education, Energy, & Environment Committee**  
**POSITION: Support**

Dear Chairman Feldman and Members of the Committee:

The Prince George's County Municipal Association writes to support House Bill 459 - 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. House Bill 459 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 House Bill 459, 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 House Bill 459.

Sincerely,

Melinda Mendoza, President  
The Prince George's County Municipal Association  
[President@thepgcma.com](mailto:President@thepgcma.com)

**For more information call or email:**

Therese M. Hessler | 301-503-2576 | [therese@ashlargr.com](mailto:therese@ashlargr.com)

# **Senate testimony in support of HB459 with amendmen**

Uploaded by: Andy Leon Harney

Position: FWA

## SECTION 3 OF THE VILLAGE OF CHEVY CHASE

P.O. Box 15070

Chevy Chase, Maryland 20815

301 656-9117

My name is Andy Leon Harney. I am providing this testimony to the Senate Education, Energy and Environment Committee on behalf of my community, Section 3 of the Village of Chevy Chase. We are a small municipality in Montgomery County, only 1/10th of a square mile. As Village Manager I have been asked to present our views in support of H.B. 459.

Section 3 has been trying since 2009 to purchase our own street lights without success. Pepco has put numerous barriers in our path, particularly unreasonable costs and the major sticking point, their interpretation of fair market value. The law allowing municipalities passed in 2007. Pepco, our service provider has been extremely slow in putting together a clear path for local governments—county and municipal, to acquire their own street lights. It's 2023 and we still do not have a clear path to achieving our goal of selecting and installing our own energy-efficient street lights.

Thanks to interest by the Public Service Commission, they are now working with municipalities, but we need the state legislature to weigh in as they are not going to back down on their interpretation of fair market value. Their interpretation, we can only conclude, is a back door means of obtaining lost revenue from lights they put in our communities which are now outdated. To give you an example, using their "mass plant" net book value definition, High Pressure Sodium (HPS) lights in our community would cost us \$189. each to purchase from Pepco. That is the price tag they have cited. I should point out that we were never asked if we wanted these lights, the brackets on which they sit are decades older than the 14 year old HPS lights in our community. These lights are universally recognized as outdated. No major manufacturer even makes them anymore. How could they be valued at \$189? There may be some salvage value for the light and brackets, but that is all.

The original version of this bill, without the Wivell amendment, uses the industry standard to establish the value of utility-owned lights. This bill is not the same as the last bill introduced regarding street lighting last year. I am told the states of Connecticut, Massachusetts, Maine, New Hampshire, New York and Rhode Island and the District of Columbia all use net book value (original cost minus depreciation). The idea of using mass plant numbers to come up with a net book value is absurd. No one wants these lights. Black's law Dictionary and common understanding of fair market value is the price a willing seller and willing buyer agree to for an item. Since the passage of the law in 2007, we have an unwilling seller and there are no willing buyers. We are only going through this charade because the law dictates that we have to buy them but the majority of us interested in buying our own lights are going to turn around and scrap them in favor of better quality, lower demand on the electricity grid LED lighting.

At the time this legislation was passed, the lighting in most communities was not as obsolete as it is today. In fact I don't doubt many who voted for the initial legislation thought localities would be buying and retaining the lights they had in their community. Today that is not the case. Very few jurisdictions have LED lighting, the most energy efficient street lighting on the market.

# SECTION 3 OF THE VILLAGE OF CHEVY CHASE

P.O. Box 15070

Chevy Chase, Maryland 20815

301 656-9117

In repeat, there are no “willing buyers” for our outdated lights. Ultimately, despite the fact that county and municipal lighting represents a tiny fraction of their overall revenue, the electric companies are worried about the loss of revenue if we all purchased our own lights and want the definition most favorable to them possible. But that definition is not fair...and fair market value, should after all, be fair.

We would like to come to an agreement with Pepco without drama and without unfair pricing and unnecessarily complex bureaucratic hoops. Without this bill, (minus the Wivell amendment) we are handicapped. The filing municipalities and Pepco will be making to the Public Service Commission on April 7<sup>th</sup>, will not resolve these issues. It is in your hands.

We need your help to make it possible for both the counties and municipalities to negotiate in good faith equitable arrangements to replace outdated lighting with lighting of our choice for our residents.

Pepco is acting as if municipal or County ownership is a “slippery slope” for them. It is not, few jurisdictions are going to be able to afford to purchase their own lighting, but we should be able to and at the moment, we are not.

We ask that you pass this thoughtful enabling legislation to make it easier for us to achieve our goal of providing better more energy efficient street lighting for our residents. Please approve this bill without the Wivell amendment adopted by the ECM. No other state has such provisions.



**HB0459 - Senate\_FWA\_City of Rockville\_County and M**

Uploaded by: Bridget Donnell Newton

Position: FWA



**Testimony of the Rockville Mayor and Council**  
**HB 459 – Public Utilities – Street Lighting Equipment – Acquisitions and Reporting (County and Municipal Street Lighting Investment Act)**  
**Favorable with Amendments**

The Rockville Mayor and Council are thankful to Chair Feldman, Vice Chair Kagan, and members of the Senate Education, Energy, and the Environment Committee for the opportunity to share the City's comments regarding HB 459. We thank Delegate Kaufman for his leadership.

While the City supports HB 459 and its goals to streamline the process for local governments acquiring utility-owned overhead streetlights and assuming ownership and maintenance, we request an amendment that would remove the utility-friendly language and restore the legislation to the version originally introduced in the House. As you consider the merits of this legislation, we urge the committee to provide the bill with a favorable with amendments report and forward it to the full Senate for a vote.

This enabling legislation would provide municipalities and counties interested in purchasing existing streetlights with a fair acquisition process and would enable them to assume the responsibility for owning and maintaining the equipment. At present, municipalities and counties do not have control over the maintenance and operations of utility owned streetlights. As a result, there is interest among some local jurisdictions in purchasing these streetlights and assuming this responsibility.

Streetlighting services provided by Rockville and other jurisdictions enhance public safety in residential and commercial areas and enable the secure and efficient operation of local transportation networks. Current law lacks a defined formula for the purchase of utility owned streetlights, which makes it difficult for local governments and utilities to agree on a fair purchase price. HB 459 creates a "fair market value" calculation using Federal Regulatory Energy Commission accounting methods.

Currently, there is no incentive for Pepco and other utility providers to use energy efficient street lighting, such as LED fixtures and bulbs. Furthermore, existing tariffs are not structured for government owned streetlights and lack rates for LED and other energy efficient technologies.

With approval from the Public Works Commission, HB 459 would authorize local governments to convert street lighting service to an alternate tariff that would support improved services and lower costs.

Although the current environment is not economically favorable for Rockville to purchase Pepco-owned streetlights in the City, we believe if HB 459 were enacted, it would lay a solid foundation in support of such an effort. Rockville supports the defined purchase price and authority for alternative tariffs included in HB 459. Should the economics change in the future and the City be in a position to purchase Pepco owned streetlights, this legislation would make it more favorable to do so.

HB 459, including the proposed amendment, provides enabling authority and would simplify the process for local governments who wish to acquire utility-owned overhead streetlights and maintain them. We ask the Committee to provide this legislation with a favorable with amendments report.

**HB0459\_Glen Echo.pdf**

Uploaded by: Elizabeth Stickler

Position: FWA

The Town of  
***GLEN ECHO***  
Chartered 1904

Town Hall • 6106 Harvard Avenue • P.O. Box 598 • Glen Echo • MD 20812 • (301) 320-4041

March 27, 2023

To: Sen. Brian Feldman, Chair

Sen. Cheryl Kagan, Vice Chair

Members of the Education, Energy, and the Environment Committee

The Town of Glen Echo strongly supports The County and Municipal Street Lighting Investment Act. It gives municipalities a streamlined procedure to own their own streetlights and upgrade to the style and technology of their choosing.

Well lit streets are an essential component to reducing all types of crime in our communities. The approval of House Bill 459 will assist our residents, and your constituents, to be safer where they live. Making this change will enable us to ensure safety for all.

It is important to highlight the positive impact that LED lights can provide for our collective environmental health issue as these lights create a smaller footprint. We know that our neighboring towns are very much interested in streetlight ownership; therefore, we believe giving municipalities choice in this issue is empowering to our connected communities.

In the future, the Town of Glen Echo may wish to pursue updating streetlights to a new style and to LED lights, without it being prohibitively costly. LED lighting would save the Town on electricity costs and reduce needed maintenance.

We offer our enthusiastic support to Delegate Kaufman as he spearheads this issue for all interested Maryland municipalities. We strongly encourage House Bill 459 to be approved. We support it "Favorable with Amendments" and to ask that the bill be amended to restore the bill to the version that was originally introduced in the House.

Respectfully,



Dia Costello

Mayor of Glen Echo

Cc: Delegate Aaron Kaufman

# **Ltr\_SupportHB459\_SenateComm\_StreetLightingInvestAc**

Uploaded by: Gary Crockett

Position: FWA



March 27, 2023

Senate Education, Energy, and the Environment Committee  
c/o Senator Brian Feldman, Chair  
Senator Cheryl Kagan, Vice Chair

**RE: Support for House Bill 459, with amendments**

Dear Members of the Senate Education, Energy, and the Environment Committee:

Chevy Chase Village hereby submits our support of House Bill 459, the County and Municipal Street Lighting Investment Act, with amendments, specifically, deletion of the amendments made by Del. Wivell and restoration of the provisions related to the net book value method for calculating the cost of existing street lighting equipment. The Village supports the bill as originally introduced in the House. The original bill uses the net book value (cost minus depreciation), which is the industry standard method to establish the value of utility-owned lights and is the formula used in the states of Connecticut, Maine, Massachusetts, New Hampshire, New York and Rhode Island, and in the District of Columbia.

The Maryland General Assembly established the policy of allowing municipal acquisition of utility owned streetlights in 2007. However, despite a good deal of interest, in 16 years, no Maryland municipality has successfully acquired utility-owned overhead streetlights. Overall, this enabling legislation will streamline the process for local governments that are currently utility-owned overhead streetlights. Conversion of utility-owned street lighting to customer-owned lighting is a best practice proven to improve service reliability and reduce costs. Ownership of the streetlights would allow local governments to transition to LED technology, which would also have the benefit of reducing energy consumption.

A group of municipalities within Montgomery and Prince George’s counties are currently negotiating with our local electric utility—PEPCO—on the terms of a pole attachment agreement as directed by the Maryland Public Service Commission. We are due to provide a report on these negotiations to the commission on April 7. These negotiations are, however, independent of the relief and surety that HB459 would provide in the streetlight purchasing process for statewide application.

Bill 459 strengthens the original Maryland law enacted in 2007. The Maryland Municipal League and individual municipalities were instrumental in getting the original Maryland

**CHEVY CHASE VILLAGE**

5906 Connecticut Avenue  
Chevy Chase, Maryland 20815

Phone (301) 654-7300

Fax (301) 907-9721

ccv@montgomerycountymd.gov

www.chevychasevillagemd.gov

**BOARD OF MANAGERS**

ELISSA A. LEONARD  
*Chair*

ROBERT C. GOODWIN, JR.  
*Vice Chair*

DAVID L. WINSTEAD  
*Secretary*

LINDA J. WILLARD  
*Assistant Secretary*

GARY CROCKETT  
*Treasurer*

NANCY E. WATTERS  
*Assistant Treasurer*

LOU MORSBERGER  
*Board Member*

**VILLAGE MANAGER**  
SHANA R. DAVIS-COOK

**LEGAL COUNSEL**  
SUELLEN M. FERGUSON

legislation passed in 2007 and have supported subsequent efforts to strengthen the law, many of whom are also lending their support to Bill 459.

We urge you to issue a favorable report for HB 459, with amendments.

Sincerely,

Handwritten signature of Gary B. Crockett, consisting of the initials 'GBC' followed by a stylized signature.

Gary B. Crockett  
Board Treasurer (and Street Lighting Lead)  
Chevy Chase Village Board of Managers

cc: Chevy Chase Village Board of Managers  
Delegate Aaron Kaufman (District 18)  
Maryland Municipal League

# **HB 459 Washington Grove Testimony John Compton May**

Uploaded by: John Compton

Position: FWA





The Town of Washington Grove  
P. O. Box 216  
300 Grove Avenue  
Washington Grove, MD 20880

voice: 301-926-22566  
email: washgrove@comcast.net

March 27, 2023

Maryland General Assembly  
Senate Committee on Education , Energy and the Environment  
Brian J. Feldman, Chair  
Cheryl C. Kagan, Vice Chair

**Re: Support With Amendment for the *County and Municipal Street Lighting Investment Act*. House Bill 459**

The Town of Washington Grove is a small municipality in Montgomery County, Maryland. The Town is on the National Register of Historic Places, and its lighting is included as a Historic Associated Feature in the National Register Historic District Listing. *The Town supports passage of the County and Municipal Street Lighting Investment Act provided certain critical amendments are adopted.*

Hundreds of communities in New England have purchased their streetlights and realized a substantial reduction in energy usage and savings. In our region, however, since the Public Service Commission mandated utilities make purchase of municipal streetlights possible, only Washington D.C. has been able to purchase their lights. Last year the PSC directed Pepco to engage in discussions with municipalities to resolve key issues, and Washington Grove has actively participated. Unfortunately, it has become clear that satisfactory resolution of the issues that have been inhibiting municipalities from the purchase of their streetlights will not occur without further direction from the General Assembly.

This bill was intended to facilitate conversion of streetlights to lower energy consumption and to ensure that utilities cannot condition the sale of existing lights nor the installation of new municipally owned lights on the payment of excessive and unjustified fees, unnecessary procedures, or threats to the continuation of the right to attach to poles.

## ATTACHMENT

HB 459 as originally filed in the House went a long way towards removing the impediments currently preventing municipalities from achieving the goals of the PSC and Section 1309. It would likely have resulted in improved lighting, savings in electricity consumption, and reduction in local taxpayer expense. Washington Grove and other municipalities were prepared to work with the House to refine the bill to ensure that it could achieve these worth goals.

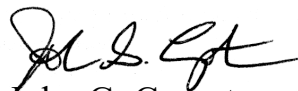
Unfortunately, HB 459 has come to the Senate with amended language that restores the ability of the electric utilities to impose prices and conditions that will continue to make municipal ownership of streetlights economically and practically infeasible.

Most significantly, the original bill provided that a county or municipality would pay “net book value” plus the cost of make ready work for streetlights it acquired from an electric company. However, as amended, the bill mandates the use of “fair market value” and requires a county or municipality that doesn’t accept the electric company’s price calculated with assumptions favorable to the company, to hire a “utility valuation expert” to conduct an appraisal in accordance with the “Uniform Standards of Professional Appraisal Practice.” The predictable result of this change is that both the actual price and the expense of arriving at that price will substantially increase to the point that many or even most jurisdictions will assess that purchase of streetlights is not financially rational or feasible.

Without a reasonable purchase option, local jurisdictions will not obtain control of an important asset necessary for the safety and enjoyment of their residents, reduce energy consumption and cost. The statewide conversion to the material benefits of LED technology will continue to be delayed by electric utilities.

The Town of Washington Grove therefore urges the Senate to restore the original wording of HB 459, and make such further clarifying amendments as are described in **the attached**, and send a strengthened bill back to the House.

Respectfully submitted,



John G. Compton

Mayor, Town of Washington Grove

ATTACHMENT

PROPOSED AMENDMENTS TO HOUSE BILL 459

From Town of Washington Grove

AMENDMENT NO. 1

On page 1, in line 3 after “**Lighting**” strike “Investment” and insert “**Purchase**”

AMENDMENT NO. 2

On page 2, after “(3)” strike in their entirety lines 10 to through 13 inclusive.

After “(3)” insert:

**“NET BOOK VALUE” MEANS THE NET BOOK VALUE OF THE PROPERTY BEING AQUIRED CALCULATED USING FEDERAL ENERGY COMMISSION (FERC) ACCOUNTING METHODS AS THE ORIGINAL COST OF STREET LIGHTING EQUIPMENT LESS DEPRECIATION AND ANY COMPENSATION ALREADY PAID TO AN ELECTRIC COMPANY BY A COUNTY OR MUNICIPALITY FOR ACTIVITIES ASSOCIATED WITH THE INSTALLATION OF STREET LIGHTING EQUIPMENT.**

AMENDMENT NO. 3

On page 3 in line 6 after “ACCOUNT 373” insert: “EXCEPT TRAFFIC, FIRE ALARM, POLICE, AND OTHER SIGNAL SYSTEMS.”

AMENDMENT NO. 4

On page 3, strike in their entirety lines 18 to 21 inclusive.

AMENDMENT NO. 5

On page 5 in line 4 after “(1)” strike “AFTER GIVING” and insert “BY”

AMENDMENT NO. 6

On page 5, strike in their entirety lines 18 through page 6, line 12.

ATTACHMENT

On page 5, after line 17, insert:

**“THE ELECTRIC COMPANY SHALL SELL THE STREET LIGHTS IDENTIFIED IN THE WRITTEN REQUEST AT NO MORE THAN THE NET BOOK VALUE OF THE STREETLIGHTS WITHIN THE REQUESTING COUNTY OR MUNICIPALITY AS DETERMINED BY THE PROPERLY MAINTAINED BOOKS OF ACCOUNT OF THE ELECTRIC COMPANY. SHOULD THE ELECTRIC COMPANY’S BOOKS FAIL ACCURATELY TO IDENTIFY THE NET BOOK VALUE OF THE IDENTIFIED STREETLIGHTS, THE STREETLIGHTS WILL BE PRESUMED TO BE FULLY DEPRECIATED.**

On page 6, strike line 18 and insert:

**“REASONABLE COST OF ALL NECESSARY MAKE-READY WORK PERFORMED BY THE ELECTRIC COMPANY.”**

On page 7 in line 15 after **“WORKERS EMPLOYED BY”** insert **“ OR CONTRACTED FOR”**

On page 7, in line 21, strike **“FAIR MARKET”** and insert **“NET BOOK”**

On page 7, in line 31, after **“THE”** strike **“FAIR MARKET”** and insert **“NET BOOK”**

**HB459\_MDSierraClub\_fwa EEE 28March2023.pdf**

Uploaded by: Mark Posner

Position: FWA



P.O. Box 278  
Riverdale, MD 20738

**Committee: Education, Energy, and the Environment**  
**Testimony on: HB459 “County and Municipal Street Lighting Investment Act”**  
**Position: Favorable with Amendments**  
**Hearing Date: March 28, 2023**

The Maryland Sierra Club requests that HB459 be restored to the version introduced in the House, except for the addition by the House of the inventory required under new section 2 of the bill. In our view, the other provisions added by amendment in the House will have the effect of undermining the ability of the legislation to serve its intended purpose.

The bill would reform the procedure by which a county or municipality may acquire utility-owned street lighting equipment located in that county or municipality, and then convert the street lighting service to a customer-owned street lighting tariff under state law. Such acquisitions could have important environmental and other benefits. The bill is enabling and does not require any particular county or municipality to take such action.

In 2007, the General Assembly established a policy of allowing local governments to acquire utility-owned streetlights. Since that time, however, very few if any Maryland localities have successfully acquired utility-owned overhead lights. This is because utilities have erected hurdles to make valuation of lights and acquisition unnecessarily complex, time-consuming, costly, and uncertain.<sup>1</sup>

This bill, as introduced, would simplify the acquisition process and help make the promise of the 2007 policy a reality at last. However, provisions included by amendment in the House would unfortunately reintroduce unnecessary complexity that may perpetuate the inability of Maryland localities to acquire their streetlights and, in turn, improve the service the streetlights are intended to provide to their residents.

#### Environmental and Other Benefits of a Local Government Owning Its Streetlights

As set forth in the bill’s legislative findings, the change from utility-owned street lighting to local government ownership can have important benefits. These include reducing energy usage, which in turn will assist the State in reaching its greenhouse gas reduction goals, as well as saving money for local governments and improving public safety through the installation of more durable streetlights.

According to a 2020 report published by the Maryland Energy Administration,<sup>2</sup> there are tens of thousands of older, inefficient utility-owned streetlights in Maryland. These streetlights consume large amounts of energy, and also burn out and require expensive, frequent maintenance. Converting Maryland’s streetlights to durable, efficient LED technology would help reduce Maryland’s greenhouse

---

<sup>1</sup> A handful of municipalities have been able to implement work-arounds with their utility where they were able to obtain greater control over their streetlights without purchasing them, but these work-arounds have been difficult to implement and have not been replicable by other localities.

<sup>2</sup> “LED Streetlight Conversions in Maryland and Virginia: Opportunities, Challenges, and Strategies in 2020.” <https://news.maryland.gov/mca/wp-content/uploads/sites/15/2020/10/FINAL-LED-Streetlights-in-Maryland-20200929.pdf>.

Founded in 1892, the Sierra Club is America’s oldest and largest grassroots environmental organization. The Maryland Chapter has over 70,000 members and supporters, and the Sierra Club nationwide has over 800,000 members and nearly four million supporters.

gas emissions while also improving the safety of communities for people who are driving, bicycling, or walking.<sup>3</sup>

Local governments have a crucial role to play in mitigating climate change and should lead by example in efforts to decrease greenhouse gas emissions. This bill will speed the transition to modern LED streetlights by facilitating local government ownership. As detailed in MEA’s report, converting utility-owned lights to government-owned lights is a best practice that has worked well in other jurisdictions. Jurisdictions that have passed similar laws or taken regulatory action include Connecticut, the District of Columbia, Massachusetts, Maine, New Hampshire, New York, Pennsylvania, and Rhode Island. For a variety of reasons, local governments may be better positioned and have greater incentives than utilities to convert to LED streetlights.

Another potential benefit of this legislation is that it will give local governments the ability to reduce artificial lighting at night, by giving them greater flexibility in the style of light fixtures and providing for part-night dimming. As discussed in a January 2023 article in Science magazine,<sup>4</sup> excessive light pollution can have a deleterious impact on animal behavior and other negative effects.

When it comes to achieving our energy efficiency and climate goals, street lighting should be the low hanging fruit. We believe that this bill, as introduced, is a commonsense step that will help achieve these goals while improving safety and providing improved services at a lower cost.

#### Provisions Added by House Amendment

As introduced, the bill followed the approach used successfully in DC, Connecticut, Maine, Massachusetts, New York, and Rhode Island to speed acquisitions and upgrades by clarifying the value of utility-owned lights.

Unfortunately, the provisions amended by the House into section 1 of the bill would unnecessarily delay and raise the cost of acquisition. These provisions would result in local governments having to hire a “utility valuation expert” and join with the utility in hiring a “licensed engineer,” which would add time and cost to obtain accounting information that utilities already have ready access to.

Accordingly, except for the inventory requirement added as section 2 of the bill, we ask the Senate to restore the bill to its original form. We therefore urge a favorable with amendments report on this legislation.

Al Carr  
Member, Executive Committee  
of the Montgomery County Group,  
Maryland Sierra Club  
alfred.carr@gmail.com

Josh Tulkin  
Chapter Director  
Josh.Tulkin@MDSierra.org

---

<sup>3</sup> According to the report, “[s]treetlighting can account for as much as 40% of all electricity consumed by a municipal government. Expense reductions are achieved by replacing old light fixtures with light-emitting diode or ‘LED’ technologies. . . . LEDs deliver streetlighting levels comparable to – or better than – older technologies but do so while consuming 50-70% less electricity than the high- pressure sodium or mercury vapor lamps that they replace.” Report at 4.

<sup>4</sup> Science Magazine, January 19, 2023, Vol. 379, No. 6629, “Light Pollution is Skyrocketing” <https://www.science.org/doi/10.1126/science.adf4952>.

**HB 459\_Crossover\_COG\_FWA.pdf**

Uploaded by: Therese Hessler

Position: FWA





*Gaithersburg*  
A CHARACTER COUNTS! CITY

**HB459 - County and Municipal Street Lighting Investment Act**

Senate Education, Energy, & Environment Committee

March 28, 2023 – 1:00 PM

**Position: Support with amendments**

Dear Chair, Vice-Chair, and Members of the Committee:

The City of Gaithersburg writes to support with amendments **HB459 - 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. This bill would authorize a certain county or municipality to acquire certain street lighting equipment by purchase or condemnation, convert its street lighting service to a customer-owned street lighting tariff, and enter into an agreement to purchase electricity and contract for the maintenance of the street lighting 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 utility companies have insufficient incentives to provide high-quality maintenance and efficient fixtures.

Municipalities such as the Town of Poolesville, for example, have already converted their street lighting service to a customer-owned street lighting service giving them the ability to provide maintenance, change fixtures, and convert to LED technology independently. This has proven to improve service and reduce costs. Many other municipalities have also explored the possibility of purchasing streetlights within their jurisdiction 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.

Not only is the maintenance inadequate but current law lacks a defined formula for the purchase of utility-owned streetlights, making it difficult for local governments and utilities to agree on a fair purchase price. As originally drafted, HB 459 would allow Gaithersburg and other municipalities to pay fair market value to acquire streetlights and install low-energy bulbs, switch to customer-owned street lighting tariffs, and pay separately for street lighting equipment maintenance. Energy

City of Gaithersburg • 31 South Summit Avenue, Gaithersburg, Maryland 20877-2038  
301-258-6300 • FAX 301-948-6149 • [cityhall@gaitthersburgmd.gov](mailto:cityhall@gaitthersburgmd.gov) • [gaitthersburgmd.gov](http://gaitthersburgmd.gov)

MAYOR  
Jud Ashman

COUNCIL MEMBERS  
Neil Harris  
Lisa Henderson  
Jim McNulty  
Ryan Spiegel  
Robert Wu

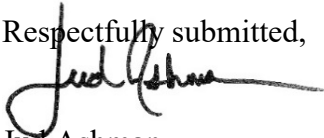
CITY MANAGER  
Tanisha R. Briley

consumption is the largest contributor to greenhouse gas emissions in our jurisdiction. In order to achieve the State's climate mitigation goals in our City, we need our utility to be an active and engaged partner.

We believe this legislation will create important public safety, financial, and environmental benefits across the State, and respectfully request the bill be amended to its original language as introduced in the House.

Should you have any questions, please feel free to contact me at 301-466-5350 or our government relations consultant, Therese Hessler, at [therese@ashlargr.com](mailto:therese@ashlargr.com). We appreciate your support.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Jud Ashman", with a long, sweeping horizontal stroke extending to the right.

Jud Ashman  
Mayor

# **COG CEEPC Comment Letter Supporting HB 459\_Senate**

Uploaded by: Timothy Masters

Position: FWA



March 22, 2023

Senate Education, Energy, and the Environment Committee  
Maryland General Assembly  
Miller Senate Office Building  
11 Bladen Street  
Annapolis, Maryland 21401

RE: Support for HB 459, Legislative Initiative to Establish the County and Municipal Street Lighting Investment Act

Dear Senator Feldman, Senator Kagan, and members of the Education, Energy, and the Environment Committee:

On behalf of the Climate, Energy, and Environment Policy Committee (CEEPC) of the Metropolitan Washington Council of Governments (COG), I am writing to offer our support for HB 459, which establishes a process by which local governments may improve service and reduce costs by choosing a maintenance or LED upgrade provider. Additionally, CEEPC requests that the bill be amended to restore the original language as introduced in the House.

Climate change is a regional priority for COG, the association of local governments in metropolitan Washington. The bill's passage will directly assist Maryland municipalities in improving energy efficiency and making progress toward our regional greenhouse gas emission reduction goals. As introduced, the bill followed the approach used successfully in the District of Columbia, Connecticut, Maine, Massachusetts, New York and Rhode Island to resolve valuation disputes. It would enable local governments and municipalities to convert their streetlighting service to customer-owned streetlighting tariffs, establish an orderly process for putting a value on streetlights acquired from a utility, streamline the process for resolving any disputes, and provide Maryland's local governments additional control over the cost, quality, and efficiency of their streetlighting fixtures. Streetlighting is a significant energy expense for local jurisdictions. The bill's passage would allow Maryland municipalities to use energy-efficient lights in their operations and reduce their carbon footprint.

Additionally, COG, worked together with the Maryland Energy Administration, Clean Energy Solutions, Inc., Virginia Energy, and the National Association of State Energy Officials, on an initiative to facilitate local government adoption of LED streetlights. The County and Municipal Street Light Investment Act would greatly facilitate these efforts by removing barriers to local governments adopting more energy-efficient street lighting.

COG supports your efforts to enable local governments to upgrade streetlights to be more energy efficient, which aligns with our legislative priorities. Please contact Jeffrey King, COG Director of Climate, Energy, and Air Programs, at (202) 962-3238 or [jking@mwkog.org](mailto:jking@mwkog.org) if you have any questions. I appreciate your consideration.

Senate Education, Energy, and the Environment Committee  
March 22, 2023

Sincerely,

A handwritten signature in blue ink that reads "Takis Karantonis". The signature is written in a cursive style and is underlined with a single blue stroke.

Takis Karantonis  
Chair, Climate, Energy, and Environment Policy Committee

cc: Honorable Aaron Kaufman

**TOCC Letter re. HB 459 (3-24-2023).pdf**

Uploaded by: Todd Hoffman

Position: FWA



Barney Rush, *Mayor*  
Joel Rubin, *Vice Mayor*  
Irene Lane, *Treasurer*  
Rich Brancato, *Secretary*  
Joy White, *Community Liaison*

March 24, 2023

Maryland State Senate  
Education, Energy, and the Environment Committee

Dear Chair Feldman, Vice Chair Kagan, and members of the Education, Energy, and the Environment Committee:

On behalf of the Town Council, I would like to register the Town's position of favorable with amendments for HB 459 -- County and Municipal Street Lighting Investment Act. We ask that the bill be amended to restore the version that was originally introduced in the House. The bill, as currently amended, has the effect of requiring the buyer to pay "Fair Market Value," whereas the original definition required paying net book value, meaning that depreciation would be deducted from the original cost. This is a major difference affecting both the ease by which a municipality can pursue the option of purchasing a lighting system and the cost of such a lighting system. We see no valid reason for a municipality to pay for the depreciated portion of an asset that its residents, as Pepco ratepayers, have already paid for.

This enabling legislation, as originally introduced, strengthens the original Maryland law on this subject and will streamline the process for local governments to acquire utility-owned overhead streetlights and assume ownership and maintenance.

We appreciate your thoughtful consideration of HB 459.

Sincerely,

Barney Rush  
Mayor

cc: Delegate Aaron Kaufman  
Delegate Emily Shetty  
Delegate Jared Solomon  
Senator Jeff Waldstreicher

**HB 459, FWA, OCE Testimony Senate, Venable, LS23.p**

Uploaded by: Victoria Venable

Position: FWA





# FREDERICK COUNTY GOVERNMENT

## OFFICE OF THE COUNTY EXECUTIVE

Jessica Fitzwater  
County Executive

Victoria Venable, Legislative Director

### HB 459 – County and Municipal Street Lighting Investment Act

**DATE:** March 28, 2023  
**COMMITTEE:** Senate Education, Energy, and the Environment Committee  
**POSITION:** Favorable with Amendments  
**FROM:** The Office of Frederick County Executive Jessica Fitzwater

On behalf of the Office of the Frederick County Executive, I urge the committee to give HB 459 – County and Municipal Street Lighting Investment Act a favorable report. This bill gives local governments additional control over costs, quality, and efficiency of their street lighting, providing the opportunity for cost-savings for counties and municipalities.

This bill clarifies the process for municipalities and counties to acquire utility-owned streetlights and establishes fair rules for valuing the lights. This transfer of ownership of streetlights from utilities to local governments has resulted in improved services and lower costs for Washington, D.C., Pennsylvania, New York, and many other states.

Municipalities in Frederick County have explored the option of purchasing existing lights to accomplish LED conversions and save energy and money. These projects have not come to fruition due to prohibitively high costs set by the utility company. Legislation addressing some of these barriers to local government ownership of streetlights will help us achieve better services at lower costs.

In order to fully address the cost barriers to local governments and realize the benefits of this policy, I urge the committee to amend the bill back to its original language as introduced in the House, requiring local governments to pay “net book value” for the purchases.

Thank you for your consideration of HB 459. On behalf of County Executive Fitzwater and the residents of Frederick County, I urge a favorable report.

Victoria Venable  
Legislative Director  
Office of the Frederick County Executive

**HB459.Senate.EEE.V.Quesada.pdf**

Uploaded by: Virginia Quesada

Position: FWA

March 27, 2023

By Electronic Mail

State of Maryland Senate – Education, Energy and the Environment Committee

Hon. Senator Brian Feldman, Chair

Hon. Senator Cheryl C. Kagan, Vice Chair

Support of the County and Municipal Street Lighting Investment Act - HB459 – Favorable with amendments.

My name is Virginia Quesada and I am the chair of Town of Washington Grove Lighting Committee.

The Town of Washington Grove, (TWG) is a small Maryland municipality with about 200 homes and 110 streetlights. TWG is on the National Register of Historic Places & its lighting is included as a Historic Associated Feature. The historic streetlights in TWG are old, but these fixtures are solid!

We value both the preservation of our historic designation and the economies of modern lightning technology.

The Town of Washington Grove, in cooperation with Pepco, initiated and paid for two conversions of our historic lights. In 2012, we converted 93 of our incandescent owned by Pepco to induction bulbs using existing screw in fixtures. Our annual costs went from \$20,000 to \$10,000. In 2020 TWG, in cooperation with PEPCO, converted our fixtures to LED bulbs at our expense. This reduced our annual cost to about \$5,000. However, TWG does not own its streetlight fixtures and poles; they are currently owned by Pepco.

During negotiations with Pepco for the 2020 agreement regarding LED bulbs, it was discovered that Pepco / Exelon were preparing a major revision to the tariff for streetlighting in Maryland that could have had a major impact on the town. Pepco representatives indicated that Pepco planned to replace all lights in its service area with modern, high intensity LED fixtures. It was apparent that their definition of “modern” lighting would not be acceptable to the Town.

Pepco filed a new multi-year street lights tariff that was not advantageous to Maryland municipalities either economically or aesthetically. Members from

TWG along with other Maryland municipalities, testified to the Maryland Public Service Commission (MDPSC) with our concerns. This advocacy helped the MDPSC decide to reject Pepco's street light program in part because it was so unfavorable to consumers.

Had Pepco's recent Multi-Year Plan Rate Case 9655 been successful (after a three-year grace period) we would have been back to paying \$20,000 annually for street lights, in perpetuity, for street lights we don't want!

I write concerning HB459, which is enabling legislation providing municipalities the option to achieve better street lighting service at lower cost. It clarifies the process for municipalities and counties to acquire utility-owned streetlights and establishes fair rules for valuing the lights.

Why is this important? Typically, streetlights are the largest component of a city or town's electricity cost. Furthermore, the municipality has the greatest motivation to embrace energy efficiency (e.g., installation of LED lighting) and to design or update the system to meet its needs. Who is best positioned to decide light intensity, light spectrum, hours of operation, aesthetics, dark sky compliance, etc. of the lighting system — the utility, or the residents of the community?

Perhaps this explains why municipal acquisition of utility owned streetlights a Maryland state policy since the passage of a law in 2007. Despite this, for sixteen years, none of the more than 40 municipalities in the Pepco region have been successful in purchasing their streetlights from the utility due to – as the Maryland Public Service Commission (MD PSC) put it – Pepco's "foot dragging" in providing a real path to the option of municipal streetlight ownership.

Municipalities around the U.S.A. that have switched to street light ownership have saved money and improved service. Cities and towns are motivated to save energy while utilities derive their income by maximizing electric consumption and maintenance charges, so their motivation is misaligned with that of their municipal customers.

Last week the House of Delegates overwhelmingly passed HB459 on a bipartisan vote. HB459 is now being presented to the Maryland Senate.

Unfortunately, HB459 was amended in the House committee to include an amendment (the Wivell amendment) that introduced language that will make it economically unfeasible for any Maryland Municipality to purchase their streetlights! Why because it added new obstacles to resolving the value of acquired lights. The Wivell amendment gives the utility new avenues to drive up costs unfairly and allow the utility to continue their record of preventing any Maryland municipality from purchasing their streetlights for sixteen years. No other state has provisions like the Wivell amendment. As originally introduced, the bill followed the approach used successfully in DC, Connecticut, Maine, Massachusetts, New Hampshire, New York, and Rhode Island to establish the value of utility-owned lights. The Wivell amendment should be struck, and the bill as originally introduced in the House should be passed.

We need your help to make the option of Maryland Municipal streetlight ownership a reality!

Please approve HB4590 without the Wivell amendment adopted by ECM.

Thank you for your time and attention.

Yours,

Virginia Quesada  
Chair, Town of Washington Grove, Maryland Lighting Committee  
Maryland Resident and Concerned Citizen

# **BGE -OPP-HB459 - Senate EEE County and Municipal S**

Uploaded by: John Quinn

Position: UNF



AN EXELON COMPANY

## Position Statement

Oppose  
Education, Energy and Environment  
Committee  
3/28/2023

### **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. 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.

While opposed to House Bill 459, BGE is not opposed to the sale of streetlighting equipment to municipalities and BGE recognizes that Maryland Code, Local Governments §1-1309 clearly already provides counties and municipalities the right to purchase street lighting equipment from the utility at fair market value. In addition, the Maryland Public Service Commission (Commission) has an open proceeding where a large group of stakeholders is discussing valuation and other streetlight matters. While the proceeding is limited to Potomac Electric Power Company (Pepco) activities, its outcome will provide useful guidance, in just a few weeks, as all parties were asked to file their comments on the proceedings by April 7, 2023. The Commission will hold a hearing to decide any unresolved issues after those filings.

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 are 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 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

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.

Charles Washington | John Quinn 410.269.5281

working around other BGE-owned assets and power lines. This would present challenges by requiring a disconnect and grounding conductor to be installed at each light and the high potential costs would be the responsibility of the party requesting to take 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.



**2023- HB 459-PHI- OPP--Senate.pdf**

Uploaded by: Katie Lanzarotto

Position: UNF



March 28, 2023

112 West Street  
Annapolis, MD 21401

### **OPPOSE – House Bill 459 County and Municipal Street Light Investment Act**

Potomac Electric Power Company (Pepco) and Delmarva Power & Light Company (Delmarva Power) respectfully oppose **House Bill 459 County and Municipal Street Light Investment Act**. House Bill 459 as amended would define how fair market value is calculated with respect to streetlighting owned by a utility and require that municipalities, counties, and utilities hire a valuation expert to conduct an appraisal of the streetlighting equipment to determine the fair market value if no agreement on the value can be reached. Upon purchasing the streetlights and any associated equipment, local governments would be authorized to install alternate energy street lighting technologies. Utilities would be required to offer customer-owned street lighting tariffs to provide electrical service to the county and municipality-owned streetlights. Lastly, utilities would be required to submit a report the Public Service Commission (PSC) that includes the total number of streetlights owned or maintained by the utility.

Pepco and Delmarva Power are not opposed to the sale of streetlighting equipment to municipalities. In fact, existing law, §1-1309 of the Local Government Article, enables counties and municipalities to purchase streetlighting equipment from utilities for a fair market price. House Bill 459 attempts to create a sale structure that does not adequately reflect the value of the streetlights in such a purchase.

House Bill 459 is not necessary given that the PSC has open proceeding discussing valuation and other streetlight matters. All interested parties, including Pepco and Delmarva Power, have been working diligently over the last seven months on the process for the sale of streetlighting equipment in a regulatory proceeding at the PSC. Several discussions have taken place regarding the calculation of a “fair market value” price, as well as streetlight attachment and purchase agreements which are key components to these potential sales. On January 25, 2023, all interested parties were before the PSC for a status conference pertaining to this matter. At the conference all parties were directed to file a document, by April 7, 2023, that expresses areas of agreement and areas of disagreement. On the items of disagreement, the PSC will hold a hearing to make a decision on any contested items.

Pepco and Delmarva Power respectfully request that the PSC proceeding already underway addressing the sale of streetlighting equipment be allowed to proceed to its conclusion before considering House Bill 459. Pepco and Delmarva Power consider the PSC to be the appropriate entity to make a final determination on the sale of streetlighting equipment based on current deliberations occurring at this time. For the reasons stated, Pepco and Delmarva Power respectfully request an unfavorable report on House Bill 459.

Contact:

Anne Klase  
Senior Manager, State Affairs  
240-472-6641  
[Anne.klase@exeloncorp.com](mailto:Anne.klase@exeloncorp.com)

Katie Lanzarotto  
Manager, State Affairs  
202-428-1309  
[Kathryn.lanzarotto@exeloncorp.com](mailto:Kathryn.lanzarotto@exeloncorp.com)

**FINAL - Opposition Letter HB 0459.pdf**

Uploaded by: Kim Mayhew

Position: UNF

Timothy R. Troxell, CEcD  
Advisor, Government Affairs  
301-830-0121  
ttroxell@firstenergycorp.com

10802 Bower Avenue  
Williamsport, MD 21795

---

**OPPOSE – House Bill 0459**  
**HB0459 – County and Municipal Street Lighting Investment Act**  
**Economic Matters Committee**  
**Thursday, February 16, 2023**

Potomac Edison, a subsidiary of FirstEnergy Corp., serves approximately 280,000 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, New York, West Virginia, and Maryland.

**Unfavorable**

**Potomac Edison / FirstEnergy opposes House Bill 0459 – County and Municipal Street Lighting Investment Act.**

HB-0459 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 contract for the maintenance of the street lighting equipment. 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.

**Potomac Edison / FirstEnergy requests an Unfavorable report on HB-0459 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 “Customer-Owned Street Lighting Tariff” portion of HB-0459 is also concerning, as it does not cover all the costs associated with providing 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 service is based primarily on fixed costs and does not necessarily vary with the amount of energy consumed. Customer-owned streetlights would be useless if it were not for the support of the entire distribution grid -- and other customers should not have to subsidize these costs.

It is true that local governments pay electric companies to light their streets, but streetlights are an elective service that the counties and municipalities have requested. Counties and municipalities determine streetlighting placement by selecting exactly where they want fixtures located, the utilities install the lights, and the Public Service Commission determines just and reasonable rates for that service.

As for maintenance, Potomac Edison / FirstEnergy operates in a highly regulated industry and adheres to strict safety standards. Communities need to consider the serious safety and liability issues associated with working around high voltage energized facilities. 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 seems reasonable. The liability for a community to do this in-house should be seriously taken into consideration.

HB-0459 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. In addition, legislation is not needed for energy efficiency or better illumination, as Potomac Edison offers a menu of streetlighting options.

For the above reasons, Potomac Edison / FirstEnergy respectfully request an **Unfavorable** report on House Bill 0459.

# **HB0459\_EEE Information\_Stanek.pdf**

Uploaded by: Jason Stanek

Position: INFO

STATE OF MARYLAND



OFFICE OF THE CHAIRMAN

JASON M. STANEK

**PUBLIC SERVICE COMMISSION**

March 27, 2023

Chair Brian Feldman  
Education, Energy and Environment  
2 West, Miller Senate Office Building  
Annapolis, Maryland 21401

**RE: HB 459 – INFORMATION – County and Municipal Street Lighting Investment Act**

Dear Chair Feldman and Committee Members:

HB 459 clarifies the conditions under which a county or municipality may acquire street lighting equipment from an electric utility, by purchase or condemnation. The bill also provides that after such acquisition, the county or municipality may convert its street lighting service to a new, Customer-Owned Street Lighting Tariff; purchase electricity from a retail supplier; and contract with the electric utility for street lighting maintenance. Additionally, HB 459, as amended, requires the utility to report to the Commission with an inventory of its street lighting equipment by July 1, 2024. The Bill authorizes certain disputes to be submitted to the Commission for resolution in accordance with existing complaint procedures. As described below, this legislation overlaps with a pending street light tariff matter before the Commission.

Section 1-1309 of the Local Government Article already provides that a county or municipality may purchase some or all of an electric utility's street lighting equipment located within the jurisdiction and pay the utility the "fair market value" of that equipment. However, the statute does not define fair market value, which has led to wide disagreement between the utility and counties or municipalities over how to value the used equipment. HB 459, as amended, defines the term "Fair Market Value," and it outlines a process by which the local government and the utility can obtain an appraisal of the street lighting equipment if the parties cannot agree on the value of the equipment. The legislation further recognizes that additional infrastructure modification costs may be involved to facilitate the safe and reliable transfer of street lighting equipment.

HB 459 prohibits utilities from charging jurisdictions for certain undefined items and services. This restriction raises a concern that certain utility costs incurred due to the transfer of street lighting equipment will be socialized to other utility customers. By prohibiting any non-enumerated fees the electric utility would otherwise seek to collect directly from the street light

customer, HB 459 would require the utility to socialize those costs among its remaining customers.

As noted above, the Commission is presently addressing the issues raised with this legislation in a contested matter between Pepco and certain local townships. Last April, Pepco filed a revised street lighting tariff to clarify the terms and conditions for transferring ownership of its overhead street lighting equipment to counties and municipalities, similar to the goal of HB 459. The municipalities and other stakeholders opposed Pepco's proposed changes, raising the same issues covered under this legislation, including the purchase price for the street lighting equipment and what, if any, additional fees should be allowed in connection with a customer-owned street light tariff and pole attachment agreement with the utility. The Commission is currently facilitating this discussing and allowing parties time to work out their concerns. A final status conference is scheduled for April 7, 2023. Thereafter, the Commission will resolve any unsettled issues and the disposition of this matter will guide other utilities in future transfers of street light ownership.

I appreciate the opportunity to provide information on HB 459. Please contact Lisa Smith, Director of Legislative Affairs, at (410) 336-6288 if you have any questions.

Sincerely,



Jason M. Stanek  
Chairman