



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

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

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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.

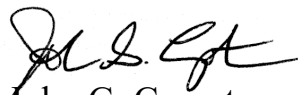
Unfortunately, HB 459 has come to the Senate with amended language that restores the ability of the electric utilities to impose prices and conditions that will continue to make municipal ownership of streetlights economically and practically infeasible.

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”**