

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