

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.

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.