



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 to 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 proceedings 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

Katie Lanzarotto
Manager, State Affairs
202-428-1309
Kathryn.lanzarotto@exeloncorp.com