



AN EXELON COMPANY

## Position Statement

Oppose  
Economic Matters  
2/15/2024

### **House Bill 101- State Highway Projects - Removal, Relocation, and Adjustment of Utility Facilities - Notification, Work Plans, and Compliance**

Baltimore Gas and Electric Company (BGE) opposes *House Bill 101- State Highway Projects - Removal, Relocation, and Adjustment of Utility Facilities - Notification, Work Plans, and Compliance*. House Bill 101 requires the State Highway Administration (SHA) to notify a utility of proposed projects that necessitate the relocation, removal, or adjustment of their facilities or equipment. Within 120 days of receiving the notice, the utility must submit a work plan to SHA for approval. Utilities are then required to commence construction within 60 days of SHA approving the work plan. House Bill 101 would penalize the utility if it does not meet the timelines by requiring the owner or operator of the utility to bear the cost of the relocation work and would prohibit utilities from seeking cost recovery for such penalties.

BGE has numerous concerns with House Bill 101. Public infrastructure relocation work is a highly complex and coordinated multi-disciplined construction process involving private and public facilities and landowners. Many of the steps necessary to successfully design and construct a project may not be within the control of the utility. Nonetheless, this legislation establishes impractical, rigid timelines that will have downstream implications on work quality, cost-effectiveness, and safety, if passed. It also imposes harsh financial penalties on utilities if the prescribed turnaround times are not met, which industry experts already know will not be possible in many cases. The Bill does not provide for any meaningful opportunity for utilities to be heard and prohibits them from seeking recovery of liabilities and penalties imposed by the Bill for missing deadlines for reasons that may not be within their control. Imposing such penalties and liabilities on utilities is punitive, confiscatory, and fundamentally unfair.

The processes to remove and replace overhead poles and/or attachments are vastly different than those used to relocate underground infrastructure. These complex jobs require extensive collaboration and coordination with impacted stakeholders throughout the process, including design and construction, to avoid extended construction impacts and undesired disruptions to the public. Placing the prescribed onerous timelines on these projects presents significant operational challenges to the utility and safety risks to the individuals performing this work.

House Bill 101 fails to align with current SHA relocation practices and does not consider the need for collaboration in situations where SHA and utility infrastructure coexist so that the most feasible and safe options for public interest may be identified. Additionally, BGE may need to acquire new easements and obtain multiple permits to accommodate SHA's relocation request. These along with other external factors outside of the control of BGE and SHA can interfere with our desire to

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.

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expeditiously and safely begin and/or complete construction, which makes the prescribed financial penalties punitive and fundamentally unfair.

House Bill 101 also directs that if a utility does not submit a work plan by the required date, the utility “shall be responsible for the cost of removing, relocating, or adjusting” its facility. While not explicit, this language suggests that SHA would remove, relocate, or adjust the utility facility on its own and seek reimbursement from the utility. Much of the utility infrastructure is extremely dangerous and requires highly skilled individuals to perform the work contemplated by House Bill 101. In addition to safety concerns, allowing unqualified individuals to on utility facilities could result in customer outages if not performed correctly.

In conclusion, House Bill 101 is overly prescriptive and places unreasonable pressure on utility compliance that will result in unintended outcomes that compromise safety and efficiency of the project work. The cost shifting, penalties and liabilities that would be imposed on utilities without any meaningful opportunity to be heard are punitive, confiscatory, and fundamentally unfair. Additionally, certain aspects of House Bill 101 could put the safety and reliability of utility distribution systems at risk. BGE remains committed to partnering with SHA on its projects with a keen focus on continuous improvement and reliable communication.

BGE respectfully requests an unfavorable report on House Bill 101 as introduced and looks forward to continuing conversations with the bill sponsor.

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