



An Exelon Company

Position Statement

OPPOSE
Economic Matters Committee
03/05/2020

HB 1034 County and Municipal Street Lighting Investment Act

Baltimore Gas and Electric Company (BGE) opposes *House Bill 1034 County and Municipal Street Lighting Investment Act*, which would authorize counties and municipalities to purchase utility-owned streetlights for the utility's original purchase price, less depreciation. 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 only tariffs to provide electrical service to the county and municipality-owned streetlights.

Maryland Code, Local Governments § 1-1309 already provides counties and municipalities the right to purchase street lighting equipment from the utility at fair market value. To date, this existing right has not been exercised by a local jurisdiction within BGE's service territory.

In addition to the purchase price formula referenced in HB 1034, other costs and factors associated with transfer of ownership should be considered, 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.

Additionally, 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.

Additionally, the existing street light tariff already allows counties and municipalities to own and maintain unmetered lighting under the ownership four option. Just as the tariff already allows a local jurisdiction to select their own electric supplier.

Furthermore, BGE's street light maintenance program is very strong, having already converted over 75 percent of the company-owned overhead street lights to LED. In addition, the tariff already offers lower rates for LED fixtures in most cases.

BGE strongly opposes HB 1034 as it attempts to deny the realization of fair market value for any street lighting equipment sold to a local government. The ability for a local jurisdiction to purchase streetlights currently exists; however, it is inappropriate to attempt to negate the costs and responsibilities associated with such a purchase.

For these reasons, BGE respectfully request that the Committee vote unfavorable on this legislation.