
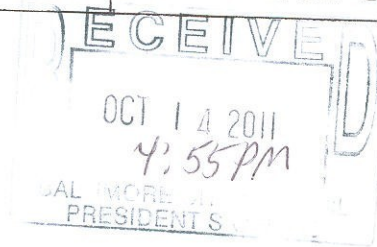


F R O M	NAME & TITLE	Khalil A. Zaid, Director	CITY of BALTIMORE MEMO	
	AGENCY NAME & ADDRESS	Department of Transportation 417 East Fayette Street, Room 527		
	SUBJECT	City Council Bill 11-0742		

TO

The Honorable President and Members
of the City Council
c/o Karen Randle
Room 400 City Hall

October 6, 2011



I am herein reporting on City Council Bill 11-0742.

The purpose of this bill is to require the use of Light Emitting Diode (LED) lighting for City street lamps from the 2014 fiscal year onward; correct certain references to the City department responsible for street lighting; and generally relate to City electric street lamps.

While the Department of Transportation (DOT) supports the concept of this bill, we respectfully request that the Council postpone action on this bill at this time.

DOT oversees the City's street light program, which includes 7,000 City-owned, City-maintained street lights; 43,000 City-owned, BGE-maintained street lights; and 27,000 BGE-owned, BGE-maintained street lights. Basically, most of the street lights on wooden poles in the City are owned by BGE, and most of the metal poles are owned by the City. DOT is financially responsible for all 78,000 of these lights, although it has varying amounts of control over them.

DOT has not moved forward more expeditiously on this project because it has had difficulty negotiating certain paramount factors with BGE over the previous year. First, BGE must update its Tariff with the Maryland Public Service Commission (PSC) to permit use of LED fixtures on street lights it powers (including the lights owned by the City), and develop a new rate schedule accommodating the decrease in energy usage. Secondly, BGE must provide the City more flexibility regarding streetlight maintenance so that the city can see the benefits of the reduced maintenance costs attributable to the LEDs. After many months of negotiating these issues with BGE and ESG, including informal hearings before PSC staff upper management and some controversial press coverage, the parties are now working towards an agreement under which BGE would submit a new draft Tariff to the PSC authorizing use of LEDs on both City-owned lights and BGE-owned lights, and BGE would maintain the LED fixtures at a reasonable reduced cost. The City estimates that the new Tariff language and agreement terms may become effective during the summer of 2012, if not sooner.

Although these negotiations appear to be progressing more smoothly than they have in the past, DOT still lacks any assurance that the rates BGE ultimately proposes in its Tariff for LED installation and maintenance will fit within the City's budget. Herein lays the Department's most significant concern with this bill. As drafted, the bill requires DOT to have LEDs installed and maintained on all of its lights, regardless of who owns those lights, or what the cost for that work may be. If this bill passes, then the City will be obligated to pay BGE whatever rates it demands for these expenses on the street lights over which DOT does exclusively control. DOT strongly supports the idea to have all lights changed to LEDs within a certain timeframe; however, passing a law stating such may put the City at an increased risk financially, which is not desirable during these painful economic times.

Irrespective of the progress of its negotiations with BGE, DOT has concerns about the timeline in the bill. As stated above, even if the negotiations remain on schedule, DOT may not be able to have LED fixtures installed on the vast majority of lights in the City until at least the summer of 2012. It is not likely that the City will have the resources to transfer all 78,000 lights within one year.

F/A

Therefore, DOT respectfully requests that if the Committee opts to pass this bill, that it amend page 2, lines 11-12 of this bill so that they read,

“[The Department of Transportation must] ENSURE THAT, ON OR BEFORE JUNE 30 ~~2013~~ 2015, ALL CITY ELECTRIC STREET LAMPS ARE EQUIPPED WITH ENERGY EFFICIENT LIGHT EMITTING DIODE LIGHTS.”

Thank you for giving us the opportunity to report on this piece of legislation.

Respectfully,



Khalil A. Zared
Director

KAZ/BZ

Cc: Ms. Angela C. Gibson
Mr. Jamie Kendrick
Mr. Frank Murphy