



# Hyattsville, MD Streetlight Rate Update

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March 17<sup>th</sup>, 2025



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CEO



## Feasibility Study Options (RECAP)

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- Tanko Lighting completed a streetlight study in October 2023
- Presented study findings in February 2024
- Compared 4 Options
  - Option 1 – Buyout Pepco streetlight system + LED conversion
  - Option 2 – Pepco-sponsored LED Conversion
  - Option 3 – No buyout, LED conversion with Tanko
  - Option 4 – Status quo, no change



## Tanko Recommendation *at that time* – Option 3

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- No buyout from Pepco, LED Conversion with Tanko
- Advantages:
  - Highest return amongst the 3 options, \$3.7m over 20 years
  - PEPCO responsible for maintenance
  - Good idea at the time, less realistic with new rates



## Streetlight Project Update

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- Tanko completed the lighting audit and GIS overlay
- Hyattsville current streetlight bill will increase >10% as of 4/1/2025
  - **Monthly bill increases from \$18,650 to \$22,345 this coming April**
- PEPCO updated the streetlight rates to make it more favorable for the City to acquire the lighting system
- New rates signal that PEPCO does not want to upgrade fixtures to LED, extremely high costs

# New Rate Options Comparison



## Summary of Estimated New Rate Findings

| Description |                                  | Year 1<br>Operating Costs | 20 Year<br>Operating Costs | Project Cost | ROI     |
|-------------|----------------------------------|---------------------------|----------------------------|--------------|---------|
| Option 1    | Buyout from PEPCO and Tanko LED  | \$68,507                  | \$1,837,147                | \$969,476    | 4.7yrs  |
| Option 2    | No Buyout from PEPCO, PEPCO LED  | \$82,104                  | \$1,807,853                | \$2,226,561  | 11.2yrs |
| Option 3    | Current Situation (as of 4/1/25) | \$268,147                 | \$5,904,324                |              |         |

- 20yr savings of \$4m between Options 1 and 3 is 7% higher than original idea of Tanko conversion / Pepco own and maintain
- In no scenario should the City entertain Option 2 or 3



## 2025 Tanko Recommendation - Option 1

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- Buyout lighting system from Pepco, Tanko LED conversion
- Advantages:
  - Much lower project costs and ROI
  - LED conversion in <1yr
  - Control over lighting design and maintenance response times
  - Improve nighttime public safety

# Tariff Change | Cost Reduction Per-Fixture in 2025



Current  
Monthly Cost

**\$9.31**

*(70w HPS, 43% of  
system)*

Ownership & Rate Change



New  
Monthly Cost

**\$2.82**

*(25w LED, includes  
energy + mtn)*



# Financial Analysis | Option 1 – Buyout from Pepco, Tanko LED Conversion

| Project Overview                              |  |  |             |
|---|--|--|-------------|
| Total Cost (Ownership + Conversion)           |  |  | \$969,476   |
| 20 Year Savings                               |  |  | \$4,067,178 |
| Payback Period (Energy + Maintenance Savings) |  |  | 4.7 years   |

  

| Year 1 Analysis    | Existing Cost                          | New Cost | Savings    |
|--------------------|--|----------|------------|
| Energy Usage [kWh] | 943,513                                | 302,127  | 641,386    |
| Utility Bill       | \$268,147                              | \$41,569 | \$226,578  |
| Maintenance        | Included in current Utility Bill Costs | \$26,938 | (\$26,938) |
| Total              | \$268,147                              | \$68,507 | \$199,640  |





# Tanko Process & Timeline

- Investment grade audit of all streetlights in the City (complete)
- Buyout lighting system from Pepco
- Upgrade to LED
- City maintenance (outsourced)
- Estimated <1yr timeline

## Project Costs

|  |           |
|--|-----------|
| Utility Asset Purchase Cost ( <i>estimated cost of utility streetlight purchase</i> )    | \$208,800 |
| Tanko Fees   |           |
| Ownership Support Fees ( <i>Audit, Utility Negotiation, Final Asset Transfer, etc.</i> ) | \$182,840 |
| LED Conversion Fees ( <i>Material, Installation, Construction Management</i> )           | \$577,836 |
| Net Project Cost ( <i>Grants/Rebates included</i> )                                      | \$969,476 |

# Additional Questions?

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