

# Streetlight (R)evolution

## ...Councils to Retain Ownership of new LED lights

14<sup>th</sup> May 2018

Craig Marschall

Managing Director



**TRANS  
TASMAN  
ENERGY  
GROUP**



# **Streetlight (R)evolution** **Evolution**

## **...Councils to Retain** **Ownership of new LED lights** **Control**

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*How to “double” the benefit from  
LED light conversions ....*

Why haven't others adopted?

# Streetlight Evolution

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1. Tasi Project update
2. Benefits of Control
3. How to do?
4. Take Aways

# THANKS

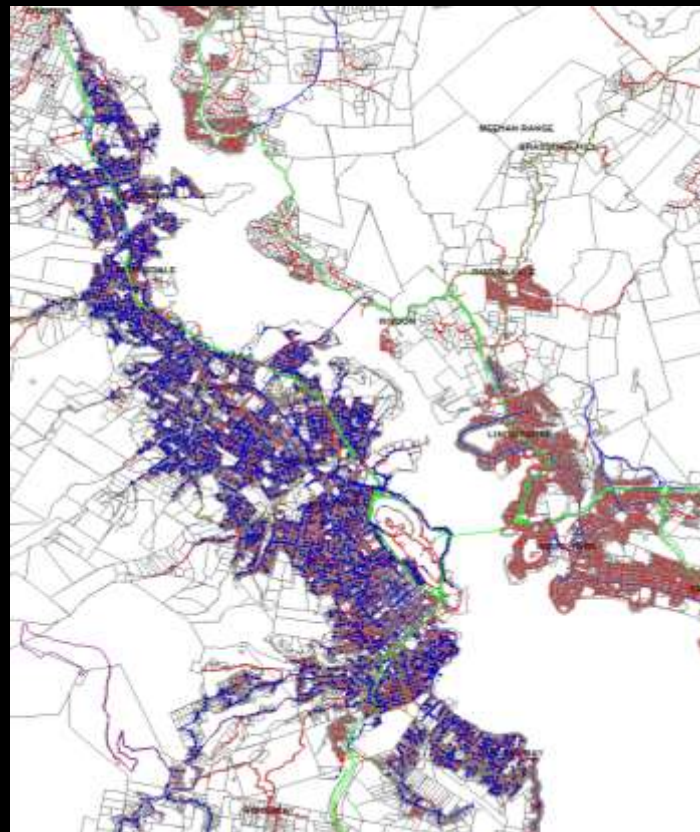
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Scott Morgan

HCC

Russell Grierson

formerly GCC



## Historical

Distributors own lights eg 80W

Councils pay a tariff

Councils held to “regulatory capture”

...a price and service “taker”

## LED Upgrade

Councils give away their assets and rights

Again in “Regulatory capture” & “taker”



**Should councils control or vest them to Distributors?**

## **PROJECT**

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- **Objective:** To improve the energy efficiency of lighting in Hobart and Glenorchy via a federal grant
- **Submission:** Replace all 80W MV lights in Hobart and Glenorchy with **42W CFL (~4,700)**  
~ 15% of Tasmanian 80W MV 10% of all
- **\$3.375 million** Australian Government grant in June 2012  
*Accelerated Energy Efficient Street Lighting Project*
- **Implementation:** 3 years to June 2015



## **PROJECT**

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*Accelerated Energy Efficient Street Lighting Project*
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## **Project Outcomes**

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~ **5,500 18W LED lights** installed.

**Council own** all new lights and existing brackets

\$0.75 mill p.a. **savings** before \$0.17mill depreciation

77% reduction in energy and GHG

Better quality light

**Control** of maintenance services by council

Budget certainty versus AER /NER

## **Others Followed**

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- Northern Lights project 9 councils?
- Southern Councils 6 councils ?
- Northwestern?

.....All Tasi councils

### ***Rest of Australia ??? Why not??***

- Expertise of “Experts”, councils, regulator...
- “Distributor’s myth”

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## Extra Savings (council numbers)

Council	Lights	Energy	Capital & Operation #	Depreciation	TOTAL / Net
Hobart	2,300	\$150k	\$200k	-\$60k	\$290k
GCC **	2,800	\$170k	\$230k	-\$70k	\$330k
<b>Total</b>	<b>5,100</b>	<b>\$320</b>	<b>\$430</b>	<b>-\$130</b>	<b>\$620k</b>
Per light		\$62+ p.a.			\$120+ p.a.

\*\* Was \$1 million p.a.... Now \$600k p.a. v's \$830k

# **Extra \$100+k p.a.** if own 'maintenance/ operation'

# More Customer “Ownership/control” Benefits

	customer	Regulated	Comment
In control	Y	N	Regulatory captive Price & service taker
Cost control	Y	N	40% + price shocks avoided
Lower Cost	Y	N	Eg the Project: O/heads, warranties, regulatory models
services	contestable	N	Choice (“freedom”)
Light choice	Y	N	Manufacturer nightmare, consultants
No Risk	Y	n/a	Give them away (already doing)

## Still more “Ownership/control” Benefits

	Owner customer	Regulated	Comment
Asset \$\$\$	Y	N	Can councils give away assets? Not required to do.
DATA !!!	Y	N??	Eg Endeavour Energy 2017

**Smart Cities**  
**Smart Councils**  
**Get Control**

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# Taking Control

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**Getting out of jail...**

**Need: Regulatory & Commercial Expertise**



**INSIGHTS: Salisbury Council & TTEG Submissions:**

<https://www.aer.gov.au/networks-pipelines/determinations-access-arrangements/sa-power-networks-determination-2020-25/aer-position>

## **Taking Control**

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**Lawyers – No**

**LGA's ... No**

**Question current approaches....**

- Victoria ... totally wrong ????
- NSW ... totally wrong ????
- SA wins to date but SAPN offer ???

**IPWEA Opportunity?**

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## **Take Aways**

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1. Council is customer
2. “Must” control your lights
3. Proven big \$ and other benefits
4. Seek Expertise. If your ‘expert’ can’t tell you how to control... look around (get a real expert)

## Contact Details

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