



Street Lighting Discussion Paper Submission Summary

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1.0 Acknowledgment and Next Steps

Many thanks to all responders for taking the time to provide input. These responses provide valuable insight into the issues surrounding Local Government energy efficient lighting projects. Following on from this, WALGA is developing an action plan to be put forward to State Council for approval at its December meeting.

2.0 Submission Summary

Responses

- Within the submission period, 16 submissions were received on the discussion paper, representing 36 WA Local Governments.
- Each submission was counted as one response, except where a group submission included individual responses (eg, the submission from the Western Suburbs Regional Organisation of Councils (WESROC) included some individual comments from its member councils).

Energy use and greenhouse gas emissions (GHGs)

- The cost of energy for street lighting for individual Local Governments ranged from \$11,200 to \$3.8 million per annum.
- Almost half of responders said they do not measure annual GHG emissions.

Advocacy

- All responders supported WALGA developing an advocacy strategy and action plan to support availability of energy efficient street lighting for the Local Government sector.
- All but two responders thought the listed aims in the discussion paper covered the main issues in relation to energy efficient street lighting. Additional aims that came up multiple times were:
 - inclusion of smart grid technology, as a tool that Local Government could utilise to manage energy use and spend; and
 - transparency concerning the components of the different lighting category tariffs (with one suggestion that FOI applications could be used to obtain this information if it was not otherwise made available).
- The majority of responders thought that WALGA should undertake advocacy to support changes to the current Australian Standards relating to lighting. Some who

did not support advocacy in this space suggested that the necessary changes were already in train.

- Almost three-quarters of responders agreed that WALGA should undertake advocacy action regarding tax recovery on gifted assets and the impact it might have on future Local Government street lighting projects. Responders suggested these assets should be exempt from tax:
 - due to a perception they are assets which are unlikely to be sold by Western Power/Horizon; and
 - where they involve government to government transfers.
- One responder was concerned that the tax would further encourage developers to deliver assets with a lower capital cost (to reduce tax), rather than assets that lower whole-of-life costs.
- All responders said they would consider a project to retrofit light emitting diode (LED) technology if it was available with a reasonable tariff. However, many responders commented on the reluctance of Western Power to facilitate energy efficient outcomes.
- All responders but one agreed that WALGA should undertake advocacy actions to encourage Western Power to provide access to LED technology for Local Government in the South West Interconnected System (SWIS).

Preferred supplier panel

- All responders said they are aware of the range of relevant WALGA Preferred Supplier Panels.
- 80% of responders said they had not utilised the Preferred Supplier Panel for street lighting projects, for a range of reasons:
 - the work was undertaken prior to the panel being set up;
 - Western Power or Horizon undertook the work; or
 - no street lighting projects had yet been undertaken.

Street lighting projects

- Three quarters of responders have not attempted an energy efficient street lighting project. Some stated they are have undertaken small scale projects (eg, in council car parks). Others are currently considering these types of lighting projects.
- Common barriers to street lighting projects outlined by responders were:

- the fact that Western Power does not offer LEDs on its approved products list, and that LEDs are not yet incorporated into relevant Australian Standards;
- high capital cost;
- Western Power reluctance; and
- access to expertise.

Emissions Reduction Fund (ERF)

- The majority of responders stated they are aware of the ERF. Almost all responders (whether they were aware of the ERF or not) indicated they would like additional information provided by WALGA on opportunities that the ERF might present.
- Barriers to engaging with the ERF were broadly related to:
 - concerns that councils could not achieve the minimum 2,000t CO₂-e abatement;
 - whether a street lighting project would be a low enough cost abatement to be competitive in the auction;
 - proving additionality; and
 - limited availability of resources (including financial) within councils to do the necessary work.
- Responders provided a range of suggestions about the role that WALGA might play in improving Councils' engagement with the ERF. This included:
 - aggregating/coordinating role in an ERF bid;
 - further advocacy (eg, re a street lighting methodology which is now in place); and
 - further information about ERF funding opportunities.

State Underground Power Project (SUPP)

- All but one responder said they would or might be interested in participating in the SUPP project in future.
- Responders also outlined potential difficulties with their council participating in future, including financial constraints, issues with Western Power and Horizon's allocation of costs and concern that the SUPP entail implementation of highest possible technology (ie, the SUPP currently utilises Compact Fluorescent Lamps (CFLs) but not LEDs).

Funding opportunities

- Four responders noted their council had set up a revolving energy fund, and all were positive about the results. Learnings shared were:
 - beginning with large, easily quantifiable returns to get the fund started;
 - ensuring a detailed financial analysis including calculations on rate of return; and
 - ensuring replacement and maintenance costs are factored in.
- Responders were almost evenly split on whether they would consider debt financing for future street lighting projects, saying yes/maybe (55%) or no/unlikely (45%).
- Responders answering no/unlikely generally commented that this was because of either a general aversion to debt, or that this type of project was not seen to be appropriate for debt financing.
- Those responders answering yes/possibly generally stated they would/might do so if the debt was within the restraints of their long term business plan or if there was a strong business case, including that it could be demonstrated that the initial capital input could be paid back in reduced energy and maintenance cost within the utility period of the globe.
- 70% of responders said they would like WALGA to provide further information about debt financing.
- Almost all responders were already aware of funding opportunities outlined in the Discussion Paper. Responders generally noted that they would like to be kept abreast of any developments (eg, changes to the ERF, Clean Energy Finance Corporation (CEFC) etc.) and provided with information about accessibility of the various options to Local Government (eg, relevant thresholds).
- When asked to outline any additional funding opportunities they were aware of, a number of responders suggested the possibility of a lease finance agreement (eg, though a company like Alleasing).
- When asked to outline a particular model of funding that WALGA should advocate for at a State level, these suggestions arose multiple times:
 - accelerated implementation of SUPP with the inclusion of LEDs; and
 - low or no interest loans from State Treasury.

Responders' views on WALGA actions

- A draft action plan was set out in the Discussion Paper (set out in the Appendix, below), with Councils asked whether they supported the action items. All responders to this question supported the suggested actions.
- When asked to rate their top five actions, the following actions were most popular (ordered from most popular to less popular):
 - WALGA write to Western Power to request information on the progress of the LED internal business case and the supplier tendering process. (Action item #6)
 - The Association liaise with the Australian Local Government Association (ALGA) to advocate for the development of a street lighting methodology for the Emissions Reduction Fund. (#3)
 - WALGA write to Standards Australia requesting a timeframe for their updates to the standard to include LED technology. (#5)
 - Update the WALGA Climate Change Toolkit to include:
 - a dedicated page to energy efficient street lighting; and
 - a Local Government LED street lighting retrofit case study with detailed information on the process and the potential financial savings. (#9)
 - WALGA to meet with the Minister of Energy to discuss the four key points of this strategy and investigate any possibilities of State Government assistance, partnership or support. (#14)
- When asked to outline any additional actions that WALGA could undertake to support these aims, a wide range of suggestions were made (eg, stronger advocacy, more information about funding options, facilitating greater information sharing between councils). A suggestion that arose multiple times was the development of technical assessment and costed business cases for a number of representative street lighting upgrade projects, to be used to demonstrate to Local Governments, State and Federal Government the benefits of such projects.

- When asked to identify potential issues raised by proposed actions WALGA might undertake, there were a wide range of responses (eg, risk that State Government would transfer all costs to Local Governments and maintain profits, suggestion that WALGA's proposed engagement with Western Power and Standards Australia engagement needs to be stronger, and policy constraints around interest rates on State Treasury loans to Local Governments).

Appendix – Draft Action Plan

(from Energy Efficient Street Lighting Discussion Paper, pp22-23)

Policy Development	
1	The Association develop a policy position on energy efficient street lighting, to be endorsed by State Council, with the four key aims of this paper outlined.
2	The Association develop an Energy Efficient Street Lighting Advocacy Action Plan to support the agreed main aims of this discussion paper.
3	The Association liaise with the Australian Local Government Association (ALGA) to advocate for the development of a street lighting methodology for the Emission Reduction Fund.
4	The Association develop a Community Engagement Strategy to inform the sector of the current status of energy efficient street lighting and encourage sectorial participation in advocacy actions outlined as appropriate.
Information/ Research	
5	The Association write to Australian Standards requesting a timeframe for their updates to the standard to include LED technology.
6	The Association write to Western Power to request information on the progress of the LED internal business case and the supplier tendering process.
7	The Association write to the Public Utilities Office (PUO) requesting information on costs related to retrofitting LEDs within future installations associated with the SUPP.
Communication	
8	The Association continue to promote and communicate available funding opportunities to the sector as they arise.
9	The Association's Climate Change Coordinator update the Climate Change Management Toolkit to include a: <ul style="list-style-type: none"> - dedicated page to energy efficient street lighting; and - a Local Government LED street lighting retrofit case study with detailed information on the process and the potential financial savings.
10	The Association utilise their Preferred Supplier Panels to provide information on emerging technology and alternative solutions regarding energy efficiency into an information booklet to be released to the sector.
11	The Association host a policy forum/street lighting workshop for the sector to discuss: <ul style="list-style-type: none"> - progress of action items; - bulk scale replacement opportunities; - case studies including CEFC Warrnambool; and - possible exhibitor opportunities
Collaboration	
12	The Association meet with relevant industry agencies such as IPWEA, Sustainable Energy Association (SEA) and Ironbark Sustainability to discuss this discussion paper and explore future opportunities for collaboration.
13	The Association meet with Urban Development Institute of Australia (UDIA) to discuss the Gifted Asset Tax and investigate whether there are any ways forward including possible political engagement.
14	The Association request a meeting with the Minister of Energy to discuss the four key points of this strategy and investigate any possibilities of State Government assistance, partnership or support.

