

Endeavour Energy

2022 Local Government Workshop: Proposed Public Lighting Tariffs

'Your Power, Your Future, Your Say'

2024-2029 Revenue Reset

October 2022



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Introduction

Background and Objectives

In October 2022, Endeavour Energy conducted a third workshop with representatives from local councils as part of the 'Refine Phase' of its 2024-2029 Revenue Reset Proposal development process.

This workshop built business-as-usual engagement with local councils as well as the two workshops in May and June 2022 that focused on obtaining contextual insights about key issues of importance to Councils including vegetation management, sustainability and public lighting; and exploring their expectations of Endeavour Energy and the current and future services it provides.

The objective of this workshop was to outline Endeavour Energy's proposed approach to public lighting tariffs for the upcoming regulatory period and seek targeted feedback from Councils.

Councils told Endeavour Energy that they are looking for three primary changes to public lighting tariffs in the next revenue determination - greater simplicity, cost reductions and greater agility to adopt new smart technologies. This workshop set out Endeavour Energy's plans to meet Councils' expectations as well as the expectations of the Australian Energy Regulator's (AER) to adopt a consistent streetlighting model.

Approach

The 90-minute, online workshop was held on 10 November 2022 and involved presentations from Endeavour Energy's Executive and Operations team on the proposed new tariff model followed by a facilitated Q&A discussion. Questions and comments were also invited via Slido (interactive online tool).

A total of 36 representatives from 21 different local and regional Councils across Endeavour Energy's network area attended the workshop, in addition to 9 Endeavour Energy representatives spanning the Executive Leadership Team, operations, regulatory and engagement teams.

Endeavour Energy's Regulatory Reference Group (RRG) was represented at the workshop by Nic Pasternatsky and Elisabeth Ross. In his capacity as Manager, Government and Procurement at Western Sydney Regional Organisation of Councils WSROC), Endeavour Energy collaborated closely with Nic on the workshop design and presentation content and would like to thank him for his contributions. The AER's Consumer Challenge Panel (CCP) was represented by Mark Henley.

Endeavour Energy offered to conduct one-on-one briefings with interested Councils on their specific circumstances after the session. To date, Blacktown, Camden and Cumberland Councils have taken up this offer.

Discussion highlights

- Endeavour Energy presented the findings from its previous engagement with Councils and noted key takeaways under the three themes of simplicity, cost reduction and agility. These included that Councils want tariffs to be simpler in order to better understand how they affect the bottom line; more agility in tariff regulation to facilitate the transition to smart technology; and cost reductions via cost-reflective component pricing.
- Endeavour Energy then set out its approach to implementing a simplified and more cost-effective pricing structure and explained the proposed timeline and key assumptions in the proposed new model, using case studies or large metro, large regional and small regional councils.
- Initial sentiment appeared positive with no significant issues raised, and this was reflected in limited questions or discussion during the forum.
- There were some technical questions relating to the cut down list of simplified tariffs and how the major and minor tariff categories might align with existing road classifications. Additionally, one council representative queried how new tariffs would dovetail with existing ones and sought clarification on potential changes to price and procurement processes.
- Some questions related to the rollout of smart infrastructure, particularly the prices for a new range of smart assets and the process for introducing tariffs to deliver smart technologies. This was consistent with earlier feedback Endeavour Energy had received. There was consensus that councils are interested in adopting smart technology with some more advanced than others.
- A few councils made suggestions around future engagement on smart technology. This included publishing case studies on how other councils are successfully adopting innovative technologies or running roadshows to share key learnings, which Endeavour Energy is already considering.
- Three councils have taken up Endeavour Energy's offer to undertake a tailored one-on-one briefing on the proposed tariff scheme. This will allow them to closely collaborate with Endeavour Energy on the model, ask specific questions and better understand the implications as a customer and for their communities.
- Endeavour Energy will continue to liaise directly with individual councils and with Regional Organisations of Councils (WSROC & ISJO) and is considering a roundtable with Endeavour Energy, AER and council representatives early in 2023.



"We have smart cities and lighting, but we also have smart people in the community. We need to make sure that we provide transparency to the rate payers to make sure that we're doing the right thing."
(Blacktown City Council)



"As new greenfield developments occur, we want to know how lighting fits in, particularly from a design point of view."
(Hawkesbury City Council)



"It would be great if we could get exposure to innovative things other councils are doing. Some people are ahead, some are behind, but we all want to catch up."
(Blacktown City Council)

List of participants and observers

Local Council Representatives

- Ajay Arora, Public Lighting Manager, Campbelltown City Council
- Anne Richardson, Strategic Asset Management Coordinator, Penrith City Council
- Ari Fernando, Public Lighting Manager, Penrith City Council
- Bernadette Mackinnon, Manager Open Space and Sustainability, Camden Council NSW
- Bryce Hammond, Infrastructure Engineer, Kiama Municipal Council
- Cecilia Kemp, Coordinator Sustainability Services, Wingecarribee Shire Council
- Charles Wiafe, Service Manager Traffic and Transport, Liverpool City Council
- Chris Stewart, City Strategy Manager, Wollongong City Council
- Christopher Amit, Public Lighting Manager, Hawkesbury City Council
- Daniel Pretzler, Financial Services Manager, Wollongong City Council
- Danira Tepic, Public Lighting Manager, City of Canterbury Bankstown
- Darren O'Connell, Energy Management Consultant, Shoalhaven City Council
- Deborah Taylor, Public Lighting Manager, Bathurst Regional
- Edy Rustam, Public Lighting Manager, Parramatta City Council
- Gamini Weththasinghe, Public Lighting Manager, Cumberland City Council
- Glenn Sherlock, Public Lighting Manager, Blue Mountains City Council
- Glenn Whittaker, Project Delivery Manager, Wollongong City Council
- Illisha Amarasinghe, The Hills Shire Council
- Jon Bannister, Plant & Energy Manager, Blacktown City Council
- Jonathan Ash, Shoalhaven City Council
- Lana Frost, Sustainability Officer, Hornsby Shire Council
- Mahavir Arya, Public Lighting Manager, Liverpool City Council
- Michael Lathlean, Manager Asset Management, Traffic & Parks, The Hills Shire Council
- Mike Nelson, Manager Infrastructure Strategy & Planning, Wollondilly Shire Council
- Norma Toweel, Infrastructure Coordinator, Wollondilly Shire Council
- Philip Regan, Project Management Officer, Blue Mountains City Council
- Richard Campbell, Manager Access & Transport, Blacktown City
- Rima Lauge-Kristensen, Sustainable Energy Officer, Hornsby Shire Council
- Rodney Pavitt, Principal Coordinator Traffic & Roads Management, The Hills City Council
- Shin Lee, Roads and Drainage Engineer, Shoalhaven City Council
- Steph Hummerston, Corporate Accounting Manager, Wollongong City Council
- Suzan Mehmet, Road Safety Coordinator, Blue Mountains City Council
- Todd Hopwood, Governance and Customer Service Manager, Wollongong City Council
- Vimal Vinodan, Street Infrastructure Engineer, City of Ryde
- Wayne Wilson, Public Lighting Manager, Shellharbour City Council
- Zahid Hassan, Public Lighting Manager, Fairfield City Council

Endeavour Energy

- Bruce Scoble, Head of Commercial Operations, Endeavour Energy
- Colin Crisafulli, Head of Network Regulation, Endeavour Energy
- Jacqueline Crompton, Stakeholder and Communications Manager, Endeavour Energy
- Francoise Merit, Chief Financial Officer, Endeavour Energy
- Andrew Pitman, Business Services General Manager, Endeavour Energy
- Sal Barone, Business Relationship Manager, Endeavour Energy
- Thi Phuong Kieu Nguyen, Commercial Finance Analyst, Endeavour Energy
- Matt Lynch, Head of Procurement, Logistics & Fleet, Endeavour Energy
- Daniel Jones, Commercial Manager Operations and Corporate, Endeavour Energy

Regulatory Reference Group

- Elisabeth Ross, Principal Consultant, Elisabeth Ross Consulting
- Nic Pasternesky, Manager Governance & Procurement, Western Sydney Region Organisation of Councils (Regulatory Reference Group Member)

CCP

- Mark Henley, Energy Advocate, Uniting Care Australia

AER

- Nickolas Innes, Economist, Australian Energy Regulator

Other

- Dakshina Silva, Public Lighting Manager, Transport for NSW
- Ross McKirdy, Building Projects Manager, Ironbank Sustainability

